

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

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

Wednesday, 6 June 2007

(Extract from book 8)

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Professor DAVID de KRETZER, AC

The Lieutenant-Governor

The Honourable Justice MARILYN WARREN, AC

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Joint committees

Scrutiny of Acts and Regulations Committee — (*Council*): Mr Dalla-Riva, Mr Eideh, Mr Elasmarr and Ms Pulford.
(*Assembly*): Mr Brooks, Mr Carli, Mr Jasper, Mr McIntosh and Mr Thompson.

Heads of parliamentary departments

Assembly — Clerk of the Parliaments and Clerk of the Legislative Assembly: Mr R. W. Purdey
Council — Clerk of the Legislative Council: Mr W. R. Tunnecliffe
Parliamentary Services — Secretary: Dr S. O'Kane

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FIFTY-SIXTH PARLIAMENT — FIRST SESSION

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CONTENTS

WEDNESDAY, 6 JUNE 2007

PETITION

Moorabbin Children's Traffic School: future 1519

BUSINESS OF THE HOUSE

Production of documents 1519

PAPERS 1519

STATEMENTS ON REPORTS AND PAPERS

Notices 1519

MEMBERS STATEMENTS

Rail: Kerang accident 1519, 1520, 1521, 1522

Rotary Club of Hamilton: 70th anniversary..... 1521

*Box Hill Institute: vocational presentation
dinner* 1521

Tony Mokbel..... 1521

Prahran Mission: winter breakfast program 1522

PUBLIC INFRASTRUCTURE: INVESTMENT 1522

QUESTIONS WITHOUT NOTICE

Schools: drug-deal reporting..... 1547

Business: Victorian industry participation policy.... 1548

Exports: performance 1549

Victorian government business offices: review..... 1550

*Brambuk Aboriginal Cultural Centre:
management*..... 1551

Small business: confidence 1552

Disability services: supported accommodation 1553

*John Holland Aviation Services: Melbourne
Airport facility*..... 1554

Planning: Melbourne 2030..... 1555

Small business: red tape 1556

Supplementary questions

Schools: drug-deal reporting..... 1548

Exports: performance 1550

*Brambuk Aboriginal Cultural Centre:
management*..... 1552

Disability services: supported accommodation 1554

Planning: Melbourne 2030..... 1555

DISTINGUISHED VISITOR..... 1549

QUESTIONS ON NOTICE

Answers 1557

STATE TAXATION AND GAMBLING LEGISLATION

AMENDMENT (BUDGET MEASURES) BILL

Second reading..... 1557

Committee..... 1564

Remaining stages 1568

APPROPRIATION (PARLIAMENT 2007/2008) BILL

Second reading..... 1568

Remaining stages 1574

PROFESSIONAL STANDARDS AMENDMENT BILL

Introduction and first reading..... 1574

APPROPRIATION (2007/2008) BILL and BUDGET

PAPERS 2007-08

Second reading..... 1574

HEALTH PROFESSIONS REGISTRATION

AMENDMENT BILL

Introduction and first reading..... 1603

ADJOURNMENT

Autism: early intervention 1603

Bairnsdale: community health services..... 1603

Drugs: treatment programs..... 1604

*Horsham North community action centre:
opening*..... 1604

*Gaming: Responsible Gambling Awareness
Week*..... 1604

Black Forest Timbers: timber access 1605

Rail: new timetable 1606

Princes Highway: speed checks 1606

Fishing: Western Port commercial licences 1607

Burgundy Street, Heidelberg: safety 1607

Planning: rural zones 1608

Brimbank: Sydenham community centre..... 1608

Responses..... 1608

Wednesday, 6 June 2007

The PRESIDENT (Hon. R. F. Smith) took the chair at 9.33 a.m. and read the prayer.

PETITION

Following petition presented to house:

Moorabbin Children's Traffic School: future

To the Honourable the President and members of the Legislative Council assembled in Parliament:

The petition of certain citizens of the state of Victoria draws to the attention of the Legislative Council the Victorian government's closure of the Moorabbin Children's Traffic School, East Boundary Road, Bentleigh East.

We oppose the closure of the Moorabbin Children's Traffic School and believe this facility has had a vital role in educating children in Melbourne's south-east in road safety.

We therefore request that the traffic school be reopened at East Boundary Road, Bentleigh East, and that the Victorian government restore funding for it to continue operation as it had up until the time of its closure.

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

By Mr D. DAVIS (Southern Metropolitan)
(354 signatures)

Laid on table.

BUSINESS OF THE HOUSE**Production of documents**

Mr ATKINSON (Eastern Metropolitan) — On behalf of the President, by leave, I move:

That a copy of an opinion from Mr Bret Walker, SC, to the Clerk of the Legislative Council relating to the power of the Legislative Council to order the production of documents and other matters relating to the powers of Legislative Council select committees be presented.

Motion agreed to.

Laid on table.

PAPERS

Laid on table by Clerk:

Asset Confiscation Operations — Activities Summary and Report to Attorney General, 2005–06.

Auditor-General —

Follow-up of Selected Performance Audits Tabled in 2003 and 2004, June 2007.

Results of Financial Statement Audits for Agencies with other than 30 June 2006 Balance Dates, June 2007.

STATEMENTS ON REPORTS AND PAPERS**Notices**

Notices given.

Ms Tierney having given notice:

The PRESIDENT — Order! I am informed that Ms Tierney already has one.

Ms TIERNEY (Western Victoria) — I will withdraw the TAFE notice and do the Deakin University one.

Further notice given.

MEMBERS STATEMENTS**Rail: Kerang accident**

Mr P. DAVIS (Eastern Victoria) — On behalf of the opposition I wish to briefly make some comments in regard to the terrible collision that occurred yesterday on the Swan Hill–Kerang V/Line passenger service which resulted in at least 11 deaths with 3 people missing and more than two dozen injured, some critically. I express my sympathy, and the sympathy of the opposition, to all of the bereaved and to all of those people who have been affected. We do not know the actual circumstances and cause of the collision. Suffice to say this is a tragedy at a personal level of immense proportion to all those who have been affected by it. I sincerely believe the Parliament will be grieving along with those families.

Rail: Kerang accident

Mr DRUM (Northern Victoria) — I too wish to take this opportunity to pass on my sympathy and condolences to the families and friends of those who were either killed or seriously injured in yesterday's train crash near Kerang. We know that in the next few days and weeks many heartbreaking stories will come forth, and we are going to need to be very supportive of those families as they recover from their loss and their grief. I would like to thank the emergency services workers, paramedics, local doctors and nurses for their efforts yesterday working in the most horrific of

circumstances. This tragic accident is going to have a lasting impact on the communities of Swan Hill, Kerang and Bendigo, and I would like to add that our thoughts and our prayers are with all of those families in their suffering as they come to grips with the consequences of yesterday's accident.

Rail: Kerang accident

Ms LOVELL (Northern Victoria) — I wish to offer my condolences to the families of the 11 people who were tragically killed and my support to those who were injured in yesterday's horrific train derailment just north of Kerang on the Swan Hill line. This is the worst train accident that has occurred in Victoria in living memory and is indeed a tragedy for our state. So often we hear of these sorts of tragedies happening in faraway places to communities that we have no connection with, but when a tragedy like this happens in our own electorates the shocking reality is overwhelming. This tragedy has devastated the communities of both Swan Hill and Kerang and touched the lives of so many people. It is a tragedy that will affect everyone involved for many years to come. I wish to thank all the medical and emergency personnel who assisted the victims, both at the scene of the accident and afterwards. You are all our heroes. My heart goes out to the families and friends of those who were killed, and I continue to pray for those who are injured or missing and all those who were involved in or are touched by this horrific accident.

Rail: Kerang accident

Ms TIERNEY (Western Victoria) — I also join other members of this chamber in wishing the very best to all of those families who have been taken by surprise by yesterday's events. I also join with Ms Lovell in expressing thanks for all the tireless work that has been done over the last nearly 24 hours by the emergency services personnel and other people, including volunteers who just walked out of their homes to assist and those who manned telephones and did all the things we normally take for granted. I know that it has shaken a number of communities in the north of this state, but I think it has also touched the hearts of people living in rural and isolated areas and regional centres. Indeed Melbourne has been rocked to its very foundations by the events of the last 24 hours.

Rail: Kerang accident

Mrs PETROVICH (Northern Victoria) — I rise today with a heavy heart to speak in acknowledgement of the tragic rail accident on the Kerang to Swan Hill line yesterday and to offer my condolences to those

affected. At this most shocking time my prayers and thoughts go out to those families who have lost loved ones and to those who are still looking for family members who are missing. I hope time will help with the physical and emotional effects of this accident for all those who are struggling with injuries and the trauma of what has happened.

Our country communities have a strong history of pulling together during times of crisis, and that will be needed now more than ever. Our wonderful State Emergency Service, Country Fire Authority, police and medical personnel are to be commended for once again being there to assist in our time of need. I hope that assistance will be provided to them for their emotional needs in the aftermath of the accident. Level crossings without boom gates have claimed the lives of many country people over the years, and country drivers should be ever mindful of the dangers surrounding them.

I do not think we have witnessed an accident such as this in living memory in the country, and I hope that measures will be taken so that we never have to witness one again. I am sure that the thoughts of all Victorians are with the families and communities involved, and I hope that the support and condolences being extended to them will give some comfort to those who are suffering at this time.

Rail: Kerang accident

Ms BROAD (Northern Victoria) — Along with all Victorians I express my deepest sympathy to the families and friends of those who died and those who are still unaccounted for in the tragic collision yesterday between a passenger train and a semitrailer just north of Kerang. I also express my gratitude to the accident and emergency service workers and volunteers at all levels of government and in the community who are caring for the injured and providing support to the families and communities affected.

As someone who travelled by road from Swan Hill to Kerang just last week around the middle of the day in the course of my duties as a local member of Parliament, I am acutely aware that it is a journey taken by many people on a regular basis. It is extremely difficult to contemplate the tragic events that unfolded yesterday on that road. I welcome the support that has been offered by the Swan Hill Rural City Council, the Gannawarra Shire Council, the Premier of Victoria and the Prime Minister to the families and communities affected, as well as the support from MPs on all sides of the house.

Rail: Kerang accident

Mr KOCH (Western Victoria) — I also extend my condolences to those in northern Victoria on the rail tragedy we had yesterday.

Rotary Club of Hamilton: 70th anniversary

Mr KOCH — As a fellow Rotarian I was delighted to join Hamilton Rotary Club members and guests in celebrating the 70th anniversary of the club at a dinner held on Saturday, 26 May 2007. Special guest for the evening was former Australian Prime Minister and past member for the federal seat of Wannon, Malcolm Fraser, accompanied by his wife, Tammie. Mr Fraser spoke entertainingly to the 120 members and guests about Australia's recent history from the end of World War II until the completion of his term as Prime Minister in 1983. During the formal part of the evening club president Peter Dignan presented the club's longest serving member, Eric Sobey, with his 50-year service award — a truly remarkable achievement. The Rotary district 9780 governor, Andrew Suggett, honoured local member Ian Black with the Paul Harris Fellowship sapphire award for his outstanding contribution to Rotary over 20 years. This is the only time in the Hamilton club's history that this award has been presented. Mr Black's contribution includes the compilation of a complete history of the club into a fascinating book that was launched as part of the celebrations on the evening. Peter Dignan thanked all present and past members for their community focus and applauded Hamilton Rotarians for achieving this remarkable anniversary. I also extend my congratulations to Hamilton Rotary for serving the community, and look forward to future opportunities of service.

Rail: Kerang accident

Ms DARVENIZA (Northern Victoria) — I also would like to express my condolences to the families and friends of the 11 people who lost their lives in the devastating Kerang train disaster yesterday, to those whose relatives or friends are missing and to the dozens of people who were injured in that disaster. I also want to acknowledge and express my appreciation of the excellent work that has been carried out by emergency services — the State Emergency Service and the ambulance service, including the air ambulance, which airlifted a number of critically ill people to hospital — the doctors, the nurses and all the emergency staff, as well as the local hospitals which have taken up the task of looking after those injured in the accident.

Rail: Kerang accident

Mrs KRONBERG (Eastern Metropolitan) — I wish to join my colleagues in extending my condolences to the people of northern Victoria on this tragic train and road disaster. I have been touched by it in my own way because relatives of mine in Wangaratta own the transport company and the truck involved in the collision.

Box Hill Institute: vocational presentation dinner

Mrs KRONBERG — I would like to speak about the occasion on 30 May when I attended an awards ceremony at Box Hill Institute, hosted by the president of the Box Hill board, John Rasa, and the chief executive officer, John Maddock, for the institute's vocational presentation dinner for the outstanding student of the year awards. As is custom, guests had the opportunity to dine in Box Hill Institute's celebrated Fountains Restaurant — the location of celebrity chef Jamie Oliver's outstanding television program *Fifteen*. The food was prepared and served in the exemplary fashion one expects of Box Hill Institute.

Students who received awards included fashion student Nuala Trindall and music student Benjamin Rogers. Benjamin was presented with the Rotary Club of Box Hill's Alan Broadhead achievement award by the club's president, Colin Johnson. The overall winner of outstanding student of the year was hospitality student Sam Powell.

Rail: Kerang accident

Mr DALLA-RIVA (Eastern Metropolitan) — It was with sadness that I read in today's newspapers about the disaster at Kerang, and we have heard members on both sides mention that.

Tony Mokbel

Mr DALLA-RIVA — However, I want to talk about the positive news on the front page of today's paper and that is the capture of Australia's most wanted, Tony Mokbel.

Ms Darveniza — The police officer in him is coming out.

Mr DALLA-RIVA — It is the police officer in me, Ms Darveniza. It is a fantastic outcome from coordination between state, federal and international law enforcement agencies. It is great that this heinous person, who has been on the run for 15 months, has now been apprehended in Greece. This is great news

for all Victorians who are opposed to drugs and drug trafficking and gangland murders and the like.

Tony Mokbel is very much a wanted man. On behalf of myself, I think Ms Darveniza and I hope the Parliament, I congratulate Victoria Police and other law enforcement agencies here and in Greece for his capture. We look forward to his return to Victoria, where he can serve out his time in Victoria's finest institutions.

Rail: Kerang accident

Mrs COOTE (Southern Metropolitan) — I too extend my condolences to everyone touched by the tragedy at Kerang yesterday. I am certain that all constituents of Southern Metropolitan Region extend their sympathies to the communities as well.

Prahran Mission: winter breakfast program

Mrs COOTE — Last week I attended the Prahran Mission winter breakfast program launched at the Prahran town hall. The Prahran Mission has provided thousands of free and low-cost breakfasts to people in need over the last 15 years. This program could not exist if it were not for a large number of volunteers. The Prahran Mission says, 'Prahran Mission values and recognises the importance of every volunteer, without whom we could not achieve the remarkable things we do together'. The assembled guests were served by students doing the Prahran Mission accredited hospitality training program. The students were very professional and some received their certificates at the breakfast. Although many of these students have experienced mental health issues or have been homeless, they have not only managed to complete the training course but have moved into paid employment. They are to be congratulated.

The guest speaker, called 'Pauline', was inspirational. She has suffered severe depression and has been hospitalised on many occasions but through the training program has been able to re-establish her life. She now has a full-time position running the catering department with the Sacred Heart Mission in St Kilda. My residual thought, after listening to Pauline, was that we should not stigmatise people with mental illness but should work together and see what can be achieved. She is certainly proof of that dictum. My congratulations to everyone associated with the Prahran Mission.

PUBLIC INFRASTRUCTURE: INVESTMENT

Mr RICH-PHILLIPS (South Eastern Metropolitan) — I move:

That this house notes the failure of the state government, over seven years, to facilitate the required investment in public infrastructure to ensure the security of supply and reliability of water, electricity, public transport and the road network.

In moving this motion this morning it would be very easy to come into this place and simply make a list of the projects the government has not done — either projects it has committed to and failed to deliver or projects that we and the community believe should have been completed but have not been adopted by government. What I am hoping to do this morning is go into a bit more depth in the debate about what is happening with infrastructure in Victoria rather than focus on what projects have been done or have not been done. Rather than have opposition members say the government has not done a list of things and have the government come back and say it has done all these things, I would like to focus on outcomes, on what we have actually achieved over the last eight years in the infrastructure package that is available to Victoria and where that infrastructure platform is failing to deliver for the Victorian community.

My starting point is to ask the following questions. Why is infrastructure important? Why are we having this debate? Why does the type and level of infrastructure that is available to us in Victoria matter? The fundamental issue here, certainly from an economic point of view, is productivity. It is now accepted in Australia that the key to prosperity is productivity. In its simplest terms productivity means getting more outputs for every input. In the workplace it means getting more out of your labour and more out of your capital. There are only so many ways this can be achieved. Only to a point can you make your employees work harder. There is a definite limit to what can be achieved in productivity by expecting people to work harder.

You can expect them to work longer, but again the scope of what can be achieved is limited. You can improve their skills and education, which will clearly lead to productivity improvements, or you can improve the tools with which they work. You can give them the capacity to leverage off capital investment, and that is where the infrastructure platform of the state comes into play. It is the tool by which the Victorian economy can leverage its existing assets to enhance its international competitiveness. It is now widely accepted that this is important for Australia and critically important for

Victoria. It is the fundamental role of government to ensure that an appropriate infrastructure platform is provided to give Victoria that competitive advantage both domestically, in comparison to the other states, and internationally — in the region and further afield.

This year the Public Accounts and Estimates Committee has a new chairman with a new approach. The member for Burwood in the other place, Mr Stensholt, has been appointed chair, and I acknowledge that he is a good chair. He has chaired those hearings very well, but one of his themes throughout the hearings has been to ask each minister what the impact of their portfolio outputs will be on productivity.

It has been interesting to consider the various responses from the ministers who have appeared before the committee on the 20 or so portfolios they represent. The Premier was the first minister of whom that question was asked. When you read back through the Premier's response you get the impression that perhaps he did not quite understand where the chair was going with the question, because he spoke about the efficiency measures to be taken in the state budget, in particular with reference to the Department of Premier and Cabinet, but he did not make the link between the Victorian budget and productivity in the Victorian economy.

The Treasurer, who appeared the following day, did make the link, but his response was in terms of the national reform agenda, which is a platform from the Council of Australian Governments that involves the states and the commonwealth and focuses in particular on the development of human capital, the commonwealth-state relationship and matters that can be addressed collaboratively between the two levels of government. But the Treasurer also did not make the link between the Victorian infrastructure platform, Victorian government responsibility and the Victorian economy. The majority of other ministers who appeared before the committee did not make the link at all. They either did not understand the chair's question in terms of the impact of their budget on the Victorian economy or they chose to answer it in terms of internal productivity matters within government rather than a big picture perspective for the state.

In framing this motion I wanted to consider three areas, and I chose particular language in putting it together. The first element I want to touch upon is reference to facilitation of the required infrastructure. I chose to use the word 'facilitate' in relation to the required infrastructure in recognition that in 2007 we do not believe, and I can safely say the government does not

believe, it is necessarily the responsibility of government to build and own every piece of infrastructure that is required in the state. The motion is not about condemning the government for failing to build and own certain aspects of the Victorian infrastructure platform, because we recognise that it would not necessarily be the best model for the government to own, build and operate all public infrastructure in the state.

We recognise that there is an increasing role for the private sector in providing infrastructure in Victoria, but nonetheless it is the responsibility of the Victorian government to facilitate that investment. Whether it is to be private investment or whether it is to be public investment, the government should maintain a leadership role in the provision of that infrastructure.

The other two aspects of the motion I will comment on at this point relate not simply to supplying infrastructure but to securing supply and the reliability of supply. These are two critical issues, because it is one thing to say, 'We have developed, built, and facilitated infrastructure X', but if an investor in Victoria and the Victorian community cannot rely on that infrastructure, in many respects they may as well not have it. If you are not assured of access to that infrastructure or if you have access to that infrastructure but you are not assured that supply is going to be reliable, it is a big detriment to users and it is a big detriment to the Victorian economy. The question is not simply one of providing infrastructure or investing in infrastructure, it is also about ensuring that that supply accessible and is reliable.

I will go back seven years and have a quick look at the current government's approach to infrastructure. In 1999 the current government did not have a credible infrastructure program. In fact going into the election in 1999 the Labor Party opposition produced a document entitled *Labor's Financial Statement — The First Term of a Bracks Labor Government*. This document, which runs to 90 pages, sets out the Labor Party's objectives if it were elected to government. At the back of that document is the capital works program the Labor Party proposed to undertake. At that stage the capital works program, three years worth of investment, totalled all of \$208 million, and of that \$208 million, significant infrastructure accounted for less than \$200 million.

There were some absurd commitments for infrastructure funding. There was all of \$30 million for the Dingley bypass. We could now ask, 'What have we seen with respect to the Dingley bypass?'. There was also a \$20 million commitment for an airport-city rail link, and eight years on the Victorian community can

ask what became of that rail link. There was a commitment of \$80 million to regional fast rail projects, and of course it is now a matter of public record as to what happened to that \$80 million commitment to regional fast rail links. There was also, under the infrastructure program, a commitment of \$250 000 for bicycle track extensions.

My point is that this was not a big infrastructure program proposed by this government when it was in opposition in 1999. In fact one of the key aspects of the infrastructure program was a commitment to establish an infrastructure planning council. Basically Labor's policy was that it would establish a committee that would tell it what its policy was. Sure enough, following the election of this government to office in late 1999, Victoria's Infrastructure Planning Council was established in early 2000. It was a council with 14 members set up under the leadership of Mike Fitzpatrick, and its brief was to provide the Victorian government with an infrastructure agenda out to 2020.

It was charged with looking at four key infrastructure areas: water, energy, transport and communications. It set about its work over a two-year period. It assessed the existing infrastructure platform in Victoria; it identified existing gaps in infrastructure — that is to say, gaps and shortcomings in the infrastructure platform as at 2001–02; and it outlined a platform for infrastructure development towards 2020.

I would like to consider some of the recommendations that were made by the Infrastructure Planning Council in its final report, which was released in 2002. The chairman's foreword to that report is very telling. Mike Fitzpatrick said:

Over the past decade we have seen increased involvement of the private sector in financing, building and operating Victoria's infrastructure. While there are many advantages to this arrangement, there is still a community perception that the government is accountable for water quality, a reliable energy supply, a workable public transport system and connectivity in the phone system — that is, the big infrastructure issues.

Victorians still expect governments to be planners, to provide direction and to have the capacity to weave together diverse interests into a long-term, whole-of-society view.

Government must take the lead; this is a very clear message.

So the foreword to that report was very strong. Notwithstanding the fact that the private sector now plays a role in Victoria's infrastructure, it outlined that the responsibility still rests with government in terms of planning and providing an adequate long-term infrastructure platform.

In the final report the Infrastructure Planning Council made 45 recommendations. It outlined a very detailed framework for the planning, delivery and accountability of infrastructure works in the state and it also made specific recommendations with respect to water, energy, transport and communications, including outlining potential projects that the government should consider as part of the 2020 infrastructure plan. One of the take-home messages from this report was that significant infrastructure development requires significant lead times and that governments need to plan to ensure that the necessary infrastructure is provided in the state at a time when demand develops.

Virtually as soon as that report was produced by the Infrastructure Planning Council it was dead in the water. The government looked at the recommendations from Fitzpatrick and decided that perhaps it was all a bit too hard. Instead of adopting the recommendations, an alternative document was produced by the government entitled *Investing for Our Future*. This is a booklet that was to respond to the recommendations and set out the government's own agenda for infrastructure leading out to 2020. Some specific projects were enunciated in that document — and I will touch upon them shortly — and there was a range of motherhood statements along the lines that the government noted the recommendations from the Infrastructure Planning Council but was already doing them or was already taking those matters under consideration. Lots of the specific recommendations were not picked up and the government adopted other projects for its own *Investing for Our Future* platform.

I want to touch on some of the projects that were outlined so that members can consider where we have progressed since the government brought down its own infrastructure platform. This announcement was made by the Premier in September 2002. Some of the key projects the Premier outlined then, almost five years ago, included the West Gate Bridge:

... the government will commission a study into future transport options for the West Gate Bridge corridor, given the bridge is expected to reach capacity by 2007.

Five years ago a commitment was made to have a study because the West Gate Bridge was going to be at capacity in 2007, yet we are still to see any progress on that project, despite subsequent announcements. Another one was the city loop:

The government will investigate increasing the capacity of the city loop to meet future growth in demand due to Melbourne's growing population and increasing commuter numbers.

I am sure members of this house and certainly members of the community would be well aware of what has happened to the city loop since that announcement in September 2002. A third major project was channel deepening:

The government will commence work on the channel deepening project ... to maximise Victoria's competitiveness by developing better access to the port of Melbourne.

That was in September 2002. I do not need to outline to the house what progress has been made on that project over the last five years. That was the government's alternative platform to the Infrastructure Planning Council recommendations of 2002, and the government can stand on its record for what it has achieved relative to those announcements.

More recently Engineers Australia, a spin-off organisation of the Institution of Engineers Australia, has produced a report entitled *Infrastructure Report Card — Victoria*. The report for 2005 assesses a range of Victorian infrastructure. It is worth reflecting exactly what Engineers Australia had to say with respect to the Victorian infrastructure portfolio. This report followed on from a national assessment that Engineers Australia undertook in 2001. In respect of the criteria it considered in putting together its assessment it states:

Ratings have been based on an assessment of asset condition, asset availability and reliability, asset management, sustainability (including economic, environmental and social issues) and security.

A five-step rating has been assigned to each infrastructure category. The report states:

A	Very Good	Infrastructure is fit for its current and anticipated purpose in terms of infrastructure condition, committed investment, regulatory appropriateness and compliance and planning processes.
B	Good	Minor changes required in one or more of the above areas to enable infrastructure to be fit for its current and anticipated purpose.
C	Adequate	Major changes required in one or more of the above areas to enable infrastructure to be fit for its current and anticipated purpose.
D	Poor	Critical changes required in one or more of the above areas to be fit for its current and anticipated purpose.
F	Inadequate	Inadequate for current and future needs.

With respect to Victoria's infrastructure portfolio the following ratings were assessed. With respect to roads, the grading was C minus, meaning major change is

required. With respect to rail, the overall assessment was C minus.

Mrs Peulich — Almost a D.

Mr RICH-PHILLIPS — As Mrs Peulich said, it is almost a D. That is for the overall rail network. In respect of the freight network the assessment was D, meaning critical change is required. With respect to water — and this is as at 2005 — the assessment was B minus, meaning minor change is required in one or more areas to deliver the current and anticipated purpose. Metropolitan wastewater was assessed as B and non-metropolitan wastewater was assessed as B minus, meaning again minor change is required. Potable water supply was assessed as B for metropolitan and B minus for non-metropolitan. Stormwater was C minus, meaning major change is required. Irrigation was D, meaning critical change is required to deliver the current and anticipated purposes. Electricity was C, again meaning that major change is required to meet anticipated purposes.

Mrs Peulich — Is there an A anywhere?

Mr RICH-PHILLIPS — Mrs Peulich asked, 'Is there an A anywhere?'. I have to say that there is not. There is no infrastructure assessed by Engineers Australia in Victoria as meeting the A category, meaning very good. Electricity, gas and ports were assessed as C — major changes required.

Mr Pakula — These are all things you had flogged off.

Mr RICH-PHILLIPS — I take up Mr Pakula's interjection, 'These are all things you had flogged off'. I am surprised at his remark because, as I noted in my introductory comments, I thought we had moved beyond the issue of who owns the capital, but apparently those on the other side have not yet moved to that position. I note that over the eight years the incumbent government has been in power it has not moved to regain ownership of any of these assets. It has had the opportunity to do so on at least one occasion with public transport, with another occasion not far off. It is worth noting that Mr Pakula is Parliamentary Secretary for Transport, and his minister —

Mr Pakula — Roads and ports, as you know.

Mr RICH-PHILLIPS — Mr Pakula likes to qualify his role as relating to roads and ports. The Minister for Public Transport in the other place has made it clear that she does not want the government to resume ownership of these assets.

I turn to the specifics of the motion — water, electricity, public transport and roads infrastructure. As I said, the motion is about the reliability of supply, supply and infrastructure. As of the first half of 2007 Victoria, certainly country Victoria, has all but run out of water. Coliban Water serves areas to the north of Melbourne like Bendigo and Kyneton. Its share of Lake Eppalock's water reserves is down to 1.4 per cent of capacity, and its share of the Upper Coliban Reservoir's reserves is down to 0 per cent of capacity, according to figures dated 1 June. The two largest reservoirs that are managed by Coliban Water and serve that part of Victoria are now below 2 per cent of capacity. People in country areas are required to cut water usage. The only reason the water issue is off the front page at the moment is that we have had strong rains in May. These rains do not, I might add, indicate the end of this problem. The greening up of the environment — you only need to have seen Victoria in the last couple of weeks to see how things have become very green — does not signal the end of the problem. This issue represents the single largest infrastructure failing of the Bracks government.

It is very telling to reflect on the government's response with respect to water infrastructure. In his budget speech of 1 May, just over a month ago, the Treasurer said the Victorian government has invested \$4.7 billion in water infrastructure. He said \$1.7 billion has been directly invested by the government and a further \$3 billion has been invested by water authorities. He then went on to outline how eight years into its term the government is now looking at some major water infrastructure projects. When the Treasurer appeared before the Public Accounts and Estimates Committee two days after delivering his budget speech, I asked him what exactly were those water infrastructure projects that the government has funded to the extent of \$4.7 billion. His response was very telling. All he could say, after waffling for a minute, was:

I do not think I have got it with me today, but we would be happy to get that information for you ...

The government claimed \$4.7 billion of water infrastructure investment. Two days after making that claim the best the Treasurer could say was, 'I do not think I have got that with me today, but I will be happy to get that information for you'.

Mrs Peulich — And has he?

Mr RICH-PHILLIPS — Responses are not yet due for matters taken on notice, but I look forward to seeing exactly what the government comes back with in respect of its list of \$4.7 billion worth of infrastructure. It is very telling that we have a headline figure of

\$4.7 billion, yet the Treasurer was unable to mention a single large project that is accounted for within that amount. When pressed he talked about things like sewerage schemes in the Yarra Valley, which, given that the subject of discussion was water augmentation, was hardly in the category that was being considered.

Mr O'Donohue interjected.

Mr RICH-PHILLIPS — The Yarra Valley sewerage issue was reported on by the Auditor-General a couple of years ago, and the work that has been done there is addressing a backlog. As Mr O'Donohue says, it is not about water augmentation. It speaks volumes that the Treasurer was not able to articulate any of the major projects that were supposedly covered within this \$4.7 billion cap.

The next area I would like to touch on is electricity. The secure supply of cheap and reliable electricity has been a competitive advantage for Victoria since coal was mined in the Latrobe Valley in the 1920s. It was the basis on which the Victorian manufacturing industry was built through the 1950s and 1960s, and to this day it continues to be a competitive advantage for Victoria. In fact the website of Invest Victoria, the agency that is charged with attracting direct foreign investment into Victoria, highlights the availability of very cheap, reliable electricity as one of our key competitive advantages. However, on 16 January in Victoria the lights went out. To put this in context I would like to quote from an article that appeared — —

Mr Pakula interjected.

Mr RICH-PHILLIPS — We will come to that, Mr Pakula. An article that appeared in the *Age* that day explained the significance of that situation. It carries the headline 'Mass power outages hit state'. The article reads:

Large parts of Victoria including much of metropolitan Melbourne are now without power, after a bushfire near Benalla in the north-east of the state knocked out vital transmission lines connecting Victoria to the national power grid.

...

Reports have flooded in to theage.com.au since around 4 p.m. of power outages from the Melbourne CBD and Southbank out to Cranbourne in the east. Power is also reported to be out in the regional centres of Geelong, Bendigo and Ballarat. Blackouts have been reported in parts of the city including Richmond, Prahran, Southbank and St Kilda Road. North Fitzroy, Northcote and Thornbury have also reportedly been affected.

Yarra Trams reported its trams were operating on limited power after six substations lost their supplies.

...

Metropolitan Fire Brigade spokesman ... said the brigade took 42 calls for help including from people trapped in lifts at the height of the crisis. That number had fallen to 16 by 6 p.m.

Metropolitan Ambulance Service spokesman ... said paramedics were called to several lift failures, including one in Queens Road, with a pregnant woman among up to 10 ... trapped inside.

...

The outages have also affected many of the city's traffic lights, and Victoria Police have asked motorists to take care, particularly at intersections.

Connex spokesman ... told 3AW there would be major delays across all suburban train services.

The reason I quote that article is to point out the significance of this power outage: how widespread it was and how it affected every aspect of Victorian lives across the suburbs, across the regions, across the city, across the transport network, in city buildings, in lifts and in hospitals.

This was a very significant outage. The reason for it was reportedly bushfires in north-eastern Victoria. I understand that is subject to several investigations by the Department of Infrastructure and others, but it points up the weakness of the electricity grid in its lack of redundancy. It occurred on a hot summer's day when the demand for electricity in Victoria was high, and it showed significant weaknesses in the system. Our reliance upon that interconnection from New South Wales, the fact that we did not have redundancy in supply and the fact that we did not have excess capacity in Victoria meant that that one line being taken out by a fire in north-eastern Victoria virtually knocked out electricity for a very large part of the state for that day.

That is not the basis on which we can claim to be supplying reliable, cheap electricity. The fact that that can occur, that we have moved to a situation where the peak demand for electricity is such that the capacity to deliver it is contingent upon having that link from New South Wales, undermines our capacity to claim cheap electricity as a competitive advantage for Victoria.

Going back to the final report of the Fitzpatrick Infrastructure Planning Council, I note recommendations that were made with respect to electricity generation in 2002. At page 41 the report states:

Presently, baseload generation in Victoria is running at near capacity. As Victoria's energy requirements grow, more baseload will be needed. Average demand in Victoria is projected by ... VENCorp to increase over the 2002-07

period by 2 per cent per annum based on a forecast 'medium' economic growth scenario. Victoria's generation capacity is currently around 8765 megawatts, but up to 2500 megawatts of new capacity is required by 2012-13 to meet demand projections.

It is not a surprise to the government that we have this demand. It was foreshadowed in the Fitzpatrick report five years ago that we would need augmentation of our baseload supply. Over the eight years of this government it has not delivered on that need. I acknowledge that there has been some increase in peak power supply with the Laverton gas-fired plant and the connection of Basslink, but the system still does not, as the event in January demonstrated, provide reliable supply for Victoria's needs. As we now see each summer, when demand peaks on hot days supply cannot be guaranteed.

I turn to the issue of public transport. The government set a target that, by 2020, 20 per cent of trips taken in Melbourne would be on public transport. This was one of the motherhood statements made by members of the government. It is their own plan and objective, yet we are now seeing that there is absolutely no way that the Victorian public transport system could meet anywhere near that demand. Over the past two years we have seen the demand for public transport, primarily as a response to rising petrol prices, increase by around 20 per cent. But the number of trips on public transport is still around the 9 per cent mark, so we are halfway to the government's target of 20 per cent of trips. Growth of 20 per cent in the past two years has seen the system at breaking point.

In 2002 we had the then current public transport arrangements on the metropolitan system renegotiated by the then Minister for Transport. Since that time we have seen falling performance. Victorians are now paying and more getting less and going slower on public transport. The system is so stretched that now we are seeing headings such as that which appeared in the *Herald Sun* on 29 May — 'Connex on crowd control'. The article states:

Connex staff are acting as crowd controllers on inner city platforms as passenger numbers reach breaking point.

Passengers are now having to fight their way onto platforms because of the chronically overcrowded trains.

The *Herald Sun* has captured the chaos at the busiest inner city stations in the morning and afternoon peaks.

We still have members of the government saying that they want 20 per cent of trips on public transport, yet we have a clear indication that we cannot accommodate even 9 per cent of trips on public transport, and we have not seen any effort to address that.

Throughout my own electorate, which has the Glen Waverley, Pakenham and Frankston lines going through it, we are seeing trains that are crowded when they reach the electorate boundaries. Mrs Peulich has raised the issue of the Frankston line on numerous occasions. I know that when trains on the Dandenong line reach the electorate boundary at Berwick they are already crowded. The system is simply not keeping up with the demand. Despite the government's target for 2020, we are not seeing any enhancement of the service to give Victorian commuters any confidence that that capacity will be provided to meet the demand the government is planning for.

The other aspect of infrastructure that I would like touch on is roads. This is probably where the greatest amount of work has been done in research and analysis of infrastructure and its shortcomings. We had the Fitzpatrick Infrastructure Planning Council report in 2002, which made a number of recommendations with respect to roads, we had the Engineers Australia *Infrastructure Report Card Victoria* of 2005 and we had the Royal Automobile Club of Victoria's *The Missing Links* report of 2002 — all of which identified key projects for development. In particular I refer to the infrastructure report card prepared by Engineers Australia, which articulates why road management and road planning are so important. On page 9, in the roads section, the report refers to urban congestion and states:

The total cost of congestion in Melbourne is estimated to be \$3 billion per year, and this is expected to triple in the next 20 years if measures are not taken to avert this result. In 2003–04 urban traffic delays resulted in a 0.70 min/km delay in the morning peak time and a 0.61 min/km delay in the evening peak time. The average vehicle speed in the morning peak time was 37.4 km/h and in the evening it was 39.8 km/h ... At peak times there is approximately 640 kilometres of congestion on Melbourne's roads. If no changes are made, this is expected to increase to 1300 kilometres by 2021.

A distinguishing feature of Melbourne's road network is its shared road space with trams. Road congestion impacts trams and can cause delays for 40 per cent of total tram travel time. As a result of congestion, 30 per cent of trams are regularly delayed, with tram speeds reduced to an average of only 16 km/h.

It is clear from the 2005 infrastructure report card prepared by Engineers Australia why road management is important and that it impacts not only on road-bound commuters but also on the provision of public transport by trams in particular but also, of course, by the bus network.

We see this in two ways. We see it daily through ordinary congestion. Those who use the Monash Freeway, which services my electorate, see that the

evening peak hour now starts no later than 3:30 p.m. on a weekday and that quite often the freeway has peak-hour conditions by 3.00 p.m. and they extend well into the evening. We also see it through incidents. This comes back to my earlier point about the lack of redundancy in the electricity grid.

Earlier this year we had the unfortunate accident in the Burnley Tunnel, which understandably closed that tunnel for a period. But it also had dramatic consequences for the rest of the road network in Melbourne. We saw widespread delays on alternative roads, and that continued for a number of days. It highlighted the lack of excess capacity, and it highlighted the lack of redundancy in the road network that the closure of one link sent the rest of the network into chaos. It is simply due to the general lack of significant incidents that we do not see the problem occurring more often. It demonstrates that the current network is operating at capacity and that any incidents like that will very quickly throw the network into chaos.

The motion this morning is not simply about what infrastructure has been built or what infrastructure has not been built; it is about long-term planning for critical infrastructure for Victoria. By rejecting the report of the Infrastructure Planning Council and failing to develop its own alternative platform, the government has failed to facilitate the infrastructure to deliver the requirements of the Victorian community. The government claims billions of dollars of investment in public infrastructure, yet we have an unreliable water supply and an unreliable electricity supply, and we have public transport and a road network that are at breaking point. Despite the rhetoric Victoria's infrastructure does not meet the needs of 2007, let alone 2020, and this eight-year-old government must accept responsibility for that.

Mr BARBER (Northern Metropolitan) — This is an interesting topic to me, but maybe the public finds it a little bit dry. Certainly I was — —

Mrs Peulich interjected.

Mr BARBER — In terms of how the motion has been framed anyway. Certainly I was the resident asset management bore at Yarra council. I tried to get the local paper interested in the question, so I am happy to provide a little bit of a contribution here today.

How much we are spending on infrastructure provision and maintenance in Victoria is actually a fairly simple and transparent matter of record. All you need do is open up the budget papers, and in this case budget paper 4, and look at the historical cash flow statements

going back to 1986 in this series, and there is your answer right there. Over the years going back to 1986 typically the government spent about \$1 billion a year in the purchase of property, plant and equipment. That figure of \$1 billion stayed roughly constant — \$1 billion, \$1.2 billion or a bit less — in nominal terms all the way through the period of the Cain and Kirner governments, through the period of the Kennett government and up to the first year of the Bracks government. In the life of the Bracks government the amount spent on the purchase of property, plant and equipment — that is, basic infrastructure — started to rise and has now reached about \$2 billion, and it is projected to rise to about \$3 billion in coming years.

Of course the flip side is the repayment of debt. Again, going back to the Cain and Kirner years, those governments were repaying roughly \$1 billion worth of debt. The Kennett government chose to sell off assets and use that money to pay down debt. It did not put it into capital; it did not put it into infrastructure. As members know, running down assets is the same thing as running up debt; it is just a little less visible on the balance sheet. But it is certainly visible to members of the public. They can see their schools, hospitals, roads and the public transport system falling apart around their ears. So a series of governments — under Cain, Kirner and Kennett — have made their choices in this area, and their choice was to continue to run down assets, and now we are bearing the burden.

I will give the Bracks government credit for putting in the money to start repairing some of our historical maintenance debt, if you like, in that it has picked up on the very successful political formula of the Greens on Yarra council pioneered from about the year 2002 onward — —

Mr Leane — Is there anything you don't claim?

Mr BARBER — I am saying that great minds think alike, or a busted clock gets it right once a day; pick your analogy.

Mr D. Davis — Twice a day actually.

Mr BARBER — Once a day and once a night, yes. In the last year of the ninth out of nine ALP councils in Yarra, it spent about \$14 million on capital works. We were well aware that that was not enough. We got in, we had a bit of a look around and we repaired the finances. We started to investigate the condition of our assets. We started to investigate the condition of what we owned for that matter. That was hard enough to find out. If you did not know what you owned, it was pretty obvious that you were not going to be maintaining it.

We boosted the capital works budget to about \$20 million.

We also instigated an asset management process and developed an asset management plan. The results of that process indicated that in fact we needed to spend \$25 million a year just to stay ahead. Clearly that council was underspending on its assets, and the maintenance debt that it was racking up was of course \$5 million or \$10 million a year cumulative. Each year that maintenance debt got bigger.

There is no question now that we are spending a sizeable proportion of our state budget on assets and infrastructure. The question then becomes an argument about the efficiency and effectiveness of that spending and whether it is being spent according to the community's needs and values or whether that capital is being allocated politically as a result of the most successful lobbying voices that are getting in the government's ear at the time.

When we debated the changes to the parliamentary committee system Ms Pennicuik proposed a mechanism that might not have taken the politics out of this question but would certainly have provided a forum in which the issue could be discussed in more depth on the basis of clear facts and where findings could have been made in a more neutral environment. It was to pick up on a proposal of the member for East Gippsland in the other place, Mr Ingram, to change the name of the Economic Development and Infrastructure Committee to the Economic Development, Infrastructure and Public Works Committee. The scrutiny of proposed public works is a much-needed function, particularly in an era of increased public-private partnerships and the associated commercial-in-confidence issues. In the commonwealth Parliament all public works estimated to cost more than \$15 million are referred to the Joint Standing Committee on Public Works, as Ms Pennicuik noted in her remarks. That committee was established in 1913.

Rather than this debate going over several days of general business time, it is a debate that could have taken place already in that committee if we had chosen to set it up. We moved an amendment, but it was not successful. For that matter the Public Accounts and Estimates Committee could look at those questions as well, but there would be a lot of work involved and we could not really afford to sit around listening to a lot of Dorothy Dixers and a lot of prepared statements from ministers. If the Public Accounts and Estimates Committee or another parliamentary committee were to take on the question of infrastructure that we are going to debate here today and shed some light on it, there

would be a lot of work involved and that would have to be work of a productive nature.

I think another factor that led to this poor performance on infrastructure spending over the last few decades is that the Labor and Liberal parties have been locked in an ideological debate about what services government should provide.

Mr D. Davis — You are agreeing with us now.

Mr BARBER — I admit, Mr Davis, we have reached the end of history now and there is not a debate anymore. You only own assets or infrastructure for the purpose of delivering services. If there is no real consensus about what services government should deliver, you can well understand why there has not been a capacity for the government to get up a political head of steam and spend money on those assets. In the example of schools, as I have said, various policies have been in place to hollow out the public system and move people over to the private education system. Not surprisingly, over the decade there has been poor performance in spending on schools and that asset debt has now come back to haunt us. It became a hot political issue at the last state election, and thankfully there has been a significant injection — not before time — into the school system.

Another factor that is really dragging down this debate is the introduction of PPPs (public-private partnerships) and the fairly arbitrary target of getting 10 per cent of the government's capital spending flowing through the PPP mechanism regardless of questions about which assets we are talking about or where the target might derive from. The trouble with the PPP approach is that government spending on infrastructure is no longer transparent through the budget papers in the way I described earlier. It is no longer a case of just going to the cash flow statement and looking at spending to find out what is really being spent on infrastructure or, for that matter, what condition it is in. Things have become a lot murkier.

The question becomes who is bearing the risk on that asset, rather than who owns it, and what does it cost. Clearly in the case of the public transport system, in the case of a couple of hospitals I can mention — one in Victoria and one in Port Macquarie — and in the case of the rail tracks and infrastructure, in the end the government bears the risk. We cannot afford to have those things stop working. Governments will not bear the political cost of having them shut down, so if the private sector decides it cannot make a go of it or simply does not like the risk-weighted return it is

getting, it will pull the pin, walk away and hand it back to the government.

In the case of other more commercial assets — for instance, the Melbourne Convention Centre being established alongside the Yarra River — the government may or may not realise that it is bearing the residual risk on the condition of that asset when it is handed back or for that matter the commercial cash flows that may or may not be associated with the asset when it is handed back. That is not something that can be assessed as we go along, and it is certainly not transparent.

I think a final reason there has been no clear consensus on infrastructure spending and maintenance in Victoria is that this government has had the unenviable task of unwinding a whole set of failed privatisations and other aspects of what the Kennett government set up. That was certainly the reality at the Yarra City Council when it inherited an organisation that was having difficulty in delivering a lot of services. Why? Because the services had been contracted out in a rush, again with an arbitrary target of contracting out 50 per cent of local council services, which was a system set up by the former Kennett government. That was happening in the late 1990s. At Yarra council by 2002 most of the contracts, being three-plus-two-year contracts, were coming up for renewal. They were not delivering and there was no way of enforcing performance through those contracts, so we were facing the reality of either recontracting or bringing them back in-house, with the associated cost to infrastructure and assets. That is how the Greens see us as having now reached the point where there is no question that we are having a significant debate about infrastructure across the community.

Our view is somewhat broader. For example, we see the actual living and natural environment as part of the state's infrastructure — a very important part. It does not really appear on any state balance sheet but it nevertheless provides us with some of our most important services. As the result of a long history Victoria is the most ecologically damaged state in Australia. It has had the highest proportion of land clearing affecting its ecosystems, its rivers are in the worst condition, it has the highest rate of extinction of animals and plants and it has the highest proportion of endangered species. There is no question that these are essential parts of our infrastructure.

Being able to swim at a clean beach on Port Phillip Bay is just as important as having the trains or roads that you use to get you there. The mountain forests and the alpine bogs that provide us with our water are key

pieces of infrastructure, as are the pipes and the dams that get water to us. Remembering that those mountain forests and alpine areas are only 3 per cent of the area of the Murray–Darling Basin but provide over 70 per cent of the water, you would have to say that that small area of land is a key piece of the infrastructure we have in Victoria, yet we certainly have not maintained it with loving care. We have treated it as a cow paddock and a woodchip dump. No examination of infrastructure can really afford to ignore the question of the environment, and yet it is ignored.

Clearly the Greens put a high premium on the provision of public transport infrastructure vis-a-vis roads. The commissioner for environmental sustainability pointed out in his very recent report that the government through its *Meeting Our Transport Challenges* statement had front loaded all the spending on to roads — some 40 per cent will be spent in the next little while — whereas all the spending on public transport was back loaded towards the end of the planning period. Then there is the less visible community infrastructure such as neighbourhood houses, community health centres and things which are on the balance sheet of various other non-government bodies but which nevertheless rely on the government to maintain them. That is where you find the biggest neglect.

In the case of community health centres, which is an issue I raised during a meeting of the Public Accounts and Estimates Committee, I refer to the Richmond community health centre, my local centre, which is housed in a bunch of old portable buildings from the time of Gough that were put together, joined up and have had no major investment in them since then. In fact the government brought out a delegation from China to visit the Richmond community health centre to show the Chinese what a fantastic community health centre network we had in Victoria and present it as an example of what China should do. The night before the delegation came the roof fell in, and at that point Richmond received more funding. I give the government credit for the fact that since then the centre has received major funding for a new and permanent home.

Maternal and child health centres are another example. They are small community or government-owned facilities that are often in poor condition. They do not need even a small part of the billions that will be thrown at putting in another lane on a freeway somewhere; they just need a mere few hundred million dollars rather than the billions of dollars that road projects soak up.

Open space is, of course, community infrastructure as well. It is incredibly valuable and provides an incredibly important service. Being able to live in a small apartment in the inner city and having a large place like Royal Park to play in is just as important a piece of infrastructure to our wellbeing as some of the more hard-edged stuff that gets the big construction and financing groups excited.

If local government were represented here today it would be talking about cost shifting in relation to infrastructure. You can build all the roads you want, but frequently it will be that last mile of road that provides the crucial link to your business or to your home and that last mile is frequently owned and maintained by local government. We know a \$1 billion asset deficit has arisen among local governments around Australia. You cannot begin to debate this question without bringing in the issues faced by local government at the moment. This is not only in terms of physical infrastructure, but local government is frequently providing the community safety net — an incredibly important part of the community services and health safety net — through the services it provides and, of course, those services rely on infrastructure.

If all this was not hard enough, we now need to examine our infrastructure needs into the future under the moving target of climate change. What further assets will we need to cope with the effects of climate change? What assets will become redundant? What assets are likely to be dramatically affected — management of coastal lands, planning and infrastructure in those areas, alpine resorts, water infrastructure, physical infrastructure around the urban-rural fringe in relation to bushfires?

The way forward on all this in the Greens' view is not to go back and look at the last 7 years or the last 30 years and trawl over the wreckage but to start setting up a forward-looking plan. We should start setting up a forward-looking plan and debating our future needs. We should set up, if you like, an asset management plan for the state of Victoria with long time lines, not one that comes up in fits and starts — not like the recent political hot button of schools which has led to a sudden surge in spending on schools. I applaud it, but I point out that the community needs a bit more certainty and confidence than it gets from seeing spending just when things become politically unbearable for the government. That leads to spending in fits and starts. It leads to a lack of understanding of the government's priorities, of whether the government is listening to the community's priorities and of what level of taxation and fiscal needs we have to have to meet the requirements of our long-term assets. It is exactly the

same dialogue we had with our community in the city of Yarra but on a larger scale. I appreciate the time I have had to make these comments. We look forward to hearing the rest of the debate.

Mr LEANE (Eastern Metropolitan) — I would like to thank Mr Rich-Phillips for giving us on the government side the opportunity to have noted in the house the huge difference between what the Bracks government has done in investing in these services and the hatchet job the Liberal Party did on these essential services for Victorians when it was in power.

This is a different style of general business motion from the opposition to those we have got used to this year. We have come to call midweek in the parliamentary sitting week select committee Wednesday, so much so that some members of the government have contemplated moving a motion to set up our own select committee to look into the use of select committees. The problem with that is we are afraid that, in line with its recent mentality, the opposition might come in the next sitting week and move a motion to form a select committee to look into our select committee that is looking into select committees.

Getting back to today's motion and the hatchet job the Liberals did on the delivery of electricity, water, public transport and roads when they were in power, not only did they commit to little or no investment in these areas when they were unfortunately in power, but in their urgency to privatise most of these areas and with their lack of foresight they failed to put anything in place to compel the private companies to which they sold the services to commit to actually maintaining the existing infrastructure to any decent standard or to make provision in their budgets to put some of their profits into improving and increasing the infrastructure. However, the Liberals' most villainous act at that time was to put nothing in place to fill the void left in training people in the skills needed to maintain the same infrastructure they are saying the government has neglected. They put no onus on private companies to train new skilled people to replace the people who left the system. I would like to talk further about that later.

I want to cover a number of infrastructure projects in the electrical field which have been invested in by the Bracks government. Since 1999 Victoria's electrical capacity has increased by 2000 megawatts through the construction of new generation transmission infrastructure and the recommissioning of the upgrade of existing generation infrastructure.

Mr D. Davis — Tell me about the generation infrastructure; is it all new?

Mr LEANE — There are some new projects; I am glad the member asked me about that. The Laverton North gas plant which produces 320 megawatts is a new plant. The new Valley Power gas plant produces 300 megawatts of power for the system. The Somerton gas plant adds 150 megawatts into the system. The Challicum Hills wind farm adds 50 megawatts; it produces enough clean energy to power 26 000 homes each year. That is a lot of black balloons. The Snowy interconnect upgrade produces 400 megawatts for the system.

What about Basslink? It became fully operational in April of last year, and happened to be officially opened the following month by the Premier, Steve Bracks. The Basslink interconnector runs from Loy Yang in Gippsland, Victoria, across Bass Strait to Bell Bay in northern Tasmania. It has a 290-kilometre undersea component. Not only is it the envy of every electric eel in Bass Strait, but it is also the longest subsea electrical cable in the world. And the opposition says we have not done anything in infrastructure in this area.

Turning to future projects, we are not standing still. We are continuing our good work in this area with investments in the Hazelwood upgrade, a 154-megawatt solar system project and the Victorian renewable energy target, which has led to 1100 megawatts of hydro and wind projects being confirmed.

We have to compare this spending on infrastructure with that of the previous government. How many power stations were built by the Liberal government between 1992 and 1999? The answer is none — not one new power station. In moving this motion Mr Rich-Phillips said that rather than talk about what has been done he would like to talk about what has not been done. I say members on the opposition side of the house are experts on what has not been done. I am not too sure what mark of A, B, C et cetera is the lowest, but they would have to have ranked with an F minus.

Getting back to the Kennett government's strategy of selling off government-owned utilities like they were playing their own tragic game of Monopoly to make the books look good, I would like to talk to some facts mainly around the electrical supply regarding the loss of human resources and the beginning of the Victorian utilities industry skills shortage, which has had an adverse effect on the whole Australian economy. I would like to go through some dates. In 1995 the Kennett government privatised the first Victorian electricity distribution business, and United Energy, which was owned by a USA company, was established. From 1995 to 1999 the State Electricity Commission of

Victoria (SECV) and the 11 metropolitan local government electricity supply businesses that constituted the Victorian electricity distribution, transmission and generation industry sectors were progressively privatised by the Kennett government.

There were about 27 000 permanent employees of the Victorian electricity distribution, transmission and generation industry sectors. Through the implementation of redundancies that number was reduced to approximately 7000 — from 27 000 it went to 7000. If we talk about all Victorian government utilities, including electricity, gas, rail, tram and other public transport, water and ports, being privatised, the workforce was reduced by nearly 40 000 permanent jobs through redundancies, early retirements and so forth. Employment of apprentices in electricity and other utilities was substantially reduced or eliminated. Instead of employing apprentices in the electricity industry adults were employed. There was not an apprentice linesman employed for 10 years.

The annual employment numbers for apprentices at the SECV used to be 80 in the 1980s, but that has been reduced to zero. Employment of apprentices in other trades such as electrical fitting, joining and metering, plumbers, carpentering, painting, and fitting and turning, was reduced to zero. The number of professionals and semi-professionals employed as engineers or electrical operating technicians was reduced to zero. Clerical, administrative, call centre and other white-collar employment in the area was reduced to zero — nothing.

Mr Jennings interjected.

Mr LEANE — It was bleak, and it kept going on. But then the sun came out. In 1999 the first Bracks government was elected with a platform and policies to address outages in the electricity industry. Unfortunately contracts signed by the Kennett government were still in place, and the new government was tied to those contracts until it could turn things around. The Bracks Labor government acted to reverse the process. It commenced by rebuilding infrastructure that had been neglected and has become run down throughout the Kennett Liberal years, with such projects as I previously mentioned and with the establishment of the Essential Services Commission, which was set up to make sure that the private companies were actually doing the maintenance.

I want to go back to one of the facts I touched on before. With the privatisation of all Victorian government utilities, including electricity, gas, rail, tram

and other public transport, water and ports, there was a loss of permanent employment, and the number of skilled workers was reduced by 40 000. Nothing was put in place to train skilled workers or bring in new ones. Nothing was put in place for the people who were induced into early retirement. I have to say something about Victorian public utilities. Most trained people in the public sector coming into their trade went into private industry, and private industry has suffered greatly in recent years due to the lack of skilled workers now available.

We now have the federal Treasurer, Peter Costello, saying that the lack of skilled workers is a handbrake on the Australian economy. Mr Rich-Phillips said his argument is based around economics. I have to say that if Mr Costello cares to find the biggest villains in recent history who had a hand in producing the skills shortage, he would have to look towards his colleagues in the Victorian Liberal Party. Some of them had a personal hand in that economic vandalism.

I am not too sure how Liberal Party factions work, but I have been told that there is a faction that backs Mr Costello and another faction tied to Mr Kennett. Maybe the next time there is a factional meeting one of the Costello-ites here can sidle up to him and say, ‘Sorry about the skills shortage we caused, Peter. Sorry about the strain we have put on the economy. That would have been us’. Maybe they can apologise to Mr Costello by letter. It could almost be biblical: a letter from the Kennettions to the Costello-ites apologising for their role in creating the skills shortage that has put a handbrake on the economy. Mr Costello has feebly tried to blame state governments for any economic problem raised. If he was fair dinkum, he would be pointing the finger at his own state colleagues.

This motion relates to the infrastructure of state utilities, but we have to question whether the Liberals understand that all the infrastructure in the world is not that flash unless you train people to maintain it. This government has had to play catch-up, and we are doing a great job of it. This government is addressing the training of new skilled workers. It is putting millions into training and millions into TAFE. It has also put millions into infrastructure, and even though our budget has delivered healthy surpluses seven years in a row, the last time I heard opposition members talking about the recent budget they were saying that we are spending too much, the sky is falling and we are going into debt. This motion does not make sense to us, and we will be voting against it.

Mr D. DAVIS (Southern Metropolitan) — I am pleased to rise to make a contribution to this debate on Mr Rich-Phillips's very important motion that this house notes the failure of the state government over seven years to facilitate the required investment in public infrastructure to ensure the security of supply and reliability of water, electricity, public transport and the road network. I can only commend Mr Rich-Phillips on bringing this motion to the chamber, because it is a timely motion and a motion that is increasingly understood by the community. In many respects the idea of infrastructure provision is a dry subject, and the community would not in the first instance engage with the economic detail of it, but increasingly the community is understanding that it is important. It is important for the delivery of basic services like water and electricity in our state. There has been much already said on those things, and I will come to each in turn.

I might start in the first instance with a recent series of papers that puts some of these matters into a broader context. There is an Australian context, but there are lessons to be learned about the provision of infrastructure nationally.

As an economy, nationally we have a lot of work to do. Over several governments and over a number of decades, there is more to do, and I have to say that the current federal government has taken very significant steps in the right direction.

In the context of this motion today, through the Chair, I want draw the attention of the house and Mr Thornley to a paper written by Henry Ergas entitled *State of the States* that was produced recently by the Menzies Research Centre.

Mr Thornley — An economist.

Mr D. DAVIS — Indeed an economist, as Mr Thornley points out. He is a respected economist who has made a number of very useful points in this paper. On a page headed 'Abstract' the paper says:

This paper aims to fill the gap by linking publicly available information on state and territory government revenue and spending to information on their performance in provision of government services and infrastructure.

This paper sets out to achieve a valuable task, one that points in a timely way to problems we have throughout the states. State provision of government services and infrastructure is lacking in a number of ways. It goes on to say:

Specifically, it reports the additional revenue that state and territory governments received in 2005–06 compared to

1999–2000 (i.e. the last year of the pre-GST era) and examines how state and territory governments have spent this revenue windfall.

That is the important point to understand today — that the state government has a revenue windfall not only from the GST but from the healthy national economy, a revenue windfall that has not been well applied.

Mr Thornley interjected.

Mr D. DAVIS — I agree with the point Mr Thornley makes about the share of the GST.

Mr Thornley — Share of GSP, mate!

Mr D. DAVIS — I am sorry, I thought you said share of GST. Indeed, we can make points about the that share of the gross state product too, if the member wishes, and I will come to that in a moment. At least I know those phrases, unlike John Kerin, the member's compatriot.

The paper points to:

... a decline in productivity of state and territory government service provision, at least since 2002–03. This suggests that in recent years taxpayers have been getting less 'bang' for their tax dollar.

These are important points. State governments, as much as the federal government, have a duty to use the resources they have at their disposal for the best possible outcomes for the community, and that means the efficient provision of services to the maximum scope that is achievable, and as part of that process, the provision of infrastructure that facilitates those services into the future.

There are a number of key issues with this government. I will quote further from the paper, which I commend to the chamber. It talks about how the government is spending this revenue windfall:

The first is that state and territory governments are allocating the bulk of their revenue windfalls to the provision of government services.

That is in many respects as it should be, but it is a question of what we are actually getting for that expenditure. The paper continues:

The second stand out feature of state and territory government spending of their revenue windfalls is that while the states and territories on balance have remained net lenders, their collective fiscal position peaked in 2003–04.

There has been a deterioration in the long-term position. The paper continues:

The third stand out feature relates to state and territory government investment in net additions to infrastructure stock as measured by net acquisition of non-financial assets. After several years of stagnation at pre-GST levels, in 2005–06 the state and territory governments began to take advantage of their stronger fiscal position to boost infrastructure spending.

He makes the point that there was a very long way to go before there was any significant movement. He goes on to say:

Whether this is a good news story, however, depends on how efficiently state and territory governments are managing the investment process.

That is a key issue in this state, specifically with the public-private partnership process we have in place. We need to ensure that that process is effective and gets the best outcomes for the Victorian community. I place on the record my support for public-private partnerships and for the fact that the Kennett government pioneered in Australia the use of private infrastructure spending to provide assets that the community could use.

Mr Thornley — All or only some?

Mr D. DAVIS — I have to say that we pioneered that process in this country. If you look at projects like CityLink, you find that very few in Victoria would now argue that CityLink should not have been built. Most would argue that it was a visionary project.

Mr Thornley interjected.

Mr D. DAVIS — I have to say that it and other similar projects were very sensible steps in providing infrastructure at a time when infrastructure capacity in state government coffers was very restricted as we steadily recovered in Victoria from the very low base of the Cain and Kirner period. During Mr Leane's extraordinary contribution to this debate, or should I say Mr Mighell's extraordinary contribution, he pointed to some of those, but what he did not seem to understand was that the outstanding feature of the Cain and Kirner period was that the Victorian economy was in free fall — public assets were flogged off at fire sale prices and unemployment peaked at over 1 million in Australia, with a massive share of that in Victoria. Those things were entirely the responsibility of the Cain and Kirner governments, because of their mismanagement of the Victorian economy, and of the Keating government colleagues in Canberra, who so mismanaged the Australian economy.

The paper also points to:

Increased labour costs accounted for two-thirds ... of the ... increase in operating costs —

at state level. I have to say again that nobody minds paying more for more people to deliver services or more per individual for those services so long as there is a commensurate increase in output. That is a real question with this government. The paper goes on to say:

Education, health and public order and safety received two-thirds of the increased expenditure.

It goes on to say:

... it becomes apparent that the productivity of government service provision in these key program areas appears to have declined.

I thought it would be worthwhile today putting on the record just one of those areas, and I could choose many areas, but if one looks at the very large expenditure areas of state government, one sees that the acute health output group in the Department of Human Services budget is a very good place to begin. I thought it was worthwhile looking at the spending on that output group in 1998–99 and comparing that with proposed spending in 2007–08. In that acute health output group spending will move from \$3 024.9 million in 1998–99 to \$6 482 million in 2007–08, an increase of \$3 457 million — a 114 per cent increase in the acute health output group over that period.

Mr Thornley — Your point?

Mr D. DAVIS — My point is that this significant increase in spending is not being matched. It is far above the growth of the economy and far above the growth in the population — even taking account of factors like ageing of the population.

Mr Thornley interjected.

Mr D. DAVIS — No, what I am looking for is good value for money and good outcomes for patients. The number of separations increased from just under 950 000 to 1 408 000. That is an increase of 458 000, a 48.2 per cent increase. So you have a 48.2 per cent increase in the throughput in terms of separations from public hospitals, but an increase in spending of 114 per cent. That is a massive chasm that requires significant explanation, given that waiting lists have gone up in that period, the number of people waiting has gone up and waiting times have also increased. So you have to say there has been an enormous application of new money, but the outcomes for the community have not been achieved.

Looking at emergency departments, also within the acute health output, and at the occasions of emergency service, in 1998–99 the number was 1.056 million and

rising to 1.35 million in 2007–08 projected under this government's current budget. Now that is an increase of 294 000 services, or occasions of emergency services, in our public hospital system in Victoria. That is a 27.8 per cent increase. There is a 114 per cent increase in spending, but if you look at the two broadest — admittedly, and I accept that — measures of what is occurring in our public hospital system, there is a 48 per cent increase in the separations and a 27.8 per cent increase in the occasions of emergency services.

Mr Thornley — Are those real figures?

Mr D. DAVIS — Let me give you some very real figures from the Auditor-General's report that was tabled today. I go to section 4 of the report entitled *Follow-up of Selected Performance Audits Tabled in 2003 and 2004* which is headed 'Managing emergency demand in public hospitals' and refers to the Auditor-General's previous report on managing emergency demand. If you look at the performance of the emergency departments and you look at —

Mr Pakula — Is the member trying to roll Mrs Shardey in the other place?

Mr D. DAVIS — No, I am just picking one of the largest areas —

Mr Pakula — You are encroaching on the shadow minister's turf.

Mr D. DAVIS — I think the shadow minister would be very relaxed about it as I move into quite a few other areas too, Mr Pakula.

Mr Pakula — The member is on the move. Get the shadow minister out of the way and he is home and hosed.

Mr D. DAVIS — Mr Pakula may well laugh, but I have to say that the Auditor-General has pointed to enormous problems in our public hospitals, and his singling out of long-stay patients is a classic example of that. There are still thousands of patients who wait more than 24 hours in our emergency departments: there were more than 2000 in 2006–07; and in 2004–05 there were even greater numbers. The fact that massive numbers of people have been waiting enormous lengths of time has had significant effects on their health.

The Auditor-General in his earlier report on managing emergency demand pointed to the health outcomes which were severe for people waiting. Despite the provision of more money and more resources and the treating of a much lower number of patients than that enormous spending would suggest, the outcomes in

those emergency departments — the number of people waiting and the length of time they are waiting — have deteriorated. My point is that the government in terms of infrastructure needs to be providing those resources. It has begun to do that in some areas with our emergency departments in public hospitals, but much more needs to be done to improve those outputs. Much more remains to be done to get outcomes that are satisfactory.

There is every sign with those raw or broad figures that the government is not getting the results that the community would expect. Part of that is because in Victoria, for example, the government is closing beds; it is taking steps that mean that there is less effective infrastructure available in this state.

Moving to another section of the *State of the States* report, there are some very interesting points made about infrastructure provision directly. Henry Ergas makes the point that there is mixed evidence on whether total infrastructure investment in Australia is keeping pace within international trends, and he moves to look at areas like water and gas and those areas that are the subject of this debate and about which Mr Rich-Phillips has made comment today.

Henry Ergas looked at who is funding Australia's infrastructure investment. He said:

The value of total infrastructure in Australian states and territories (as measured by the value of engineering construction work undertaken by private and public sectors) has increased by 85 per cent in real terms since 1999–2000 to reach \$39 billion in 2005–06. It is important to note that this measure reflects expenditure located in those states and territories, regardless of how they are funded or who they are funded by.

Most of this increase is due to increased private sector investment in areas such as roads, highways, subdivisions, bridges —

and the list that we have discussed in the chamber today. Henry Ergas makes a very important point when he says public sector infrastructure investment has been relatively flat in real terms since 1989–90, though it increased slightly in 2005–06. It is therefore not surprising that public infrastructure outlays, including all levels of government, have declined as a share of aggregate gross state product — and that is significant. He said:

There has therefore been a significant shift from public to private sector funding of infrastructure. In 2005–06 total private infrastructure investment equalled or exceeded public infrastructure outlays in Victoria, Queensland, South Australia, Western Australia and the Northern Territory.

He flags a concern about the use of public-private partnerships. I share that concern to the extent that greater transparency and examination of public-private partnerships is required to ensure that we get the best value for money. But I make it very clear that I think there is a very strong place for public-private partnerships.

The report says on page 21:

One concern is that too heavy a reliance on PPPs may bias infrastructure investment to areas where there is the greatest ability to impose direct user charges (e.g. toll roads) relative to areas where user charging is more difficult. This may account for the relatively greater private sector investment in transport infrastructure. Moreover, the growth in private investment in infrastructure may also be affected by once-off adjustments associated with privatisations, as well as by a relatively small number of major projects.

That is the point — it makes investment lumpy and means that examination of it has to be closely focused. It certainly means that some areas of infrastructure provision may be less suitable for the use of public-private partnerships and there is therefore a greater role for government involvement in the provision of infrastructure through mechanisms other than public-private partnerships.

It is important to look at some broader areas of government activity. I pay tribute — as I have already done in part by mentioning a report by the Auditor-General on emergency department demand — to the previous Victorian Auditor-General, Wayne Cameron, who did the state a great service by placing on the record many areas of infrastructure spending and backlog. He did major audits in the area of medical equipment, an area that in my view had not been previously examined adequately by auditors in the state or had not been measured in a sufficient way at all. He did major audits that in my view put the state in a much stronger position in terms of stormwater infrastructure. He pointed to massive backlogs that require close attention to keep that infrastructure up to date.

The point here is that much of our stormwater infrastructure was put in place many years ago — some early in the last century and some indeed even earlier than that. The maintenance of that infrastructure is a task that requires the close focus of government and the measurement of progress on an ongoing basis. By cataloguing the backlog, by pointing to the areas of concern, the previous Auditor-General, Wayne Cameron, did the state a great service. There has been a response by local government, metropolitan water authorities and the state government to the issues around stormwater maintenance and infrastructure backlog, but that response to date has not been swift

enough nor adequate. There is much more work to be done there. He also did the community a great service in his examination of the lack of action on the connection of septic tanks — a backlog that is getting larger, not smaller. I urge members of this chamber to go — —

Mr Thornley interjected.

Mr D. DAVIS — Mr Thornley may laugh, but this is actually quite a serious matter. Across the metropolitan area more than 40 000 homes do not have sewerage connected. The number has been static for a number of years; if anything, it has increased slightly. The government has not put in place a proper plan to address it. Councils have been in many cases reluctant to deal with that issue, and the end result has been the potential exposure of the community to health risks — and certainly our environmental assets, as Mr Barber pointed to in this debate, are being put at risk. The idea that near-raw effluent would be at very high concentrations in major rivers near the city because of our failure to deal with these basic infrastructure issues is an indictment on the whole community and in particular an indictment of this government. It is something the Liberal Party tried to address in the last state election period.

In the lead-up to the last state election we focused on the need to respond to the Auditor-General's approach. I could quote this in a number of ways to the chamber. I could quote the raw figures for the number of sewerage connections required. As I said, well over 40 000 are needed, and it would take hundreds of years at the current rate to make those connections. On page 95 of his report the Auditor-General looked at the number of connections being made. This is recent data; 2005 is the latest material he presented. In the Yarra Valley Water area in 2005 two houses were connected. Two!

Mr Finn — Two — that is pathetic!

Mr D. DAVIS — That is pathetic. In the year before that there were 5 and in the year before that there were 52.

Mr Finn — Is that a backward move? Do I detect a backward move?

Mr D. DAVIS — Indeed. If you go back into earlier periods, you find there were much higher rates of connection. There are a number of reasons for this. One reason is the lack of coordination between authorities and the lack of clarity about responsibility between landowners on the one hand and municipal authorities, water catchment authorities and water authorities — the distribution companies as well as, in this case,

Melbourne Water, or in the case I was just quoting, Yarra Valley Water — on the other hand. There is a lack of clarity on responsibility but the end result is that major infrastructure assets — sewerage connections in this case — have not been dealt with. There may be other alternatives as to how that need for sewerage could be dealt with but those options are not being investigated either. We have a sort of stasis. There is a lack of investment and political courage or will to tackle the issue, and the effluent keeps flowing and despoiling our environmental assets in an unacceptable way.

One reason that this is occurring is what I call negative infrastructure investment. Mr Barber talked about allowing assets to decay as a reduction in your net effective infrastructure, but there is another way the government has approached this — that is, it actually takes resources out of key authorities. In the case of metropolitan Melbourne, since 1999 the government has taken out almost \$1.8 billion in dividends from City West Water, Yarra Valley Water, South East Water and Melbourne Water. Just under \$1.8 billion in dividends has been taken out of those four water bodies! In 2005–06, \$218.6 million was taken out. The government did this not just at a time when stormwater, drainage and sewerage infrastructure had been left to rot but at a time when we faced a significant drought and significant water challenges as well.

You need to think about these water infrastructure provision issues in terms of the growth in population in Melbourne. The government set a target for 2030 of an additional 1 million people, and there is every reason to believe that could be achieved under the current projections and arrangements, but that requires additional infrastructure of the type that you would need to provide basic services to those people. That means transport infrastructure, and there has been a considerable amount said already about transport infrastructure and the fact that the government has not managed that well.

Water infrastructure is in many senses the most basic of all. We have seen Melbourne and other areas of the state on significant water restrictions over the recent period. Despite some decent rain in May, as Mr Gordon Rich-Phillips said earlier, there is no clarity as to whether the difficulties that Melbourne faces are over. The same applies elsewhere in the state. The government has underdone the provision of basic water infrastructure. It should have taken steps to provide additional infrastructure, and it could have done that in a number of ways. It could have put in place, as the Liberal Party suggested before the last election, a desalination plant. That would have provided an

augmentation of Melbourne's water supply. It could have looked at other ways of augmenting Melbourne's water supply. We mentioned the possibility before the last election of an additional water storage; that is an option, but it is one the government refused to look at.

At the same time the option of recycled water is one that the government has not taken up with any sensible approach. In 2002 the government had an election policy to upgrade the eastern treatment plant. We are still waiting on that promise to be delivered on. Despite more than five years of drought, despite nearly eight years of this government, despite ripping \$1.8 billion out of the water authorities, despite putting Melbourne on water restrictions and despite more than 400 million litres a day going out at the Gunnamatta sewage outfall, the government is yet to upgrade the eastern treatment plant to a standard that would enable the recycled water to be used on a significant scale to supplant Melbourne's water supply by replacing potable water in a variety of uses. There is no reason why that water could not have been used for a whole variety of uses, such as parks and gardens and industry. There is no reason why arrangements could not have been put in place to use a significant addition to Melbourne's available water supply. Equally the government says that it is going to send that water to the Latrobe Valley to replace the use of potable water in the power stations. This might work — I do not know — and there is a feasibility study the government has completed at a cost of more than \$1 million, but the government refuses to release that study.

I have to say that one of the key things in the provision of infrastructure that needs to get better under this government is transparency. You cannot allow governments to hide this important data, to make these decisions in secret — these massive decisions that affect the community's future in such a substantial way — without the data, the information and the facts being on the table. The government has used \$1 million to produce a feasibility study; it will not release that feasibility study to enable the communities that will be affected along the route to enable the whole of the Victorian community to properly assess whether this project is a goer or not. It is a scandal that the Premier is sitting on this important feasibility study at a time when Victorians are facing water restrictions. Victorians have a right to know, and it is about time the government came clean on its management, or should I say mismanagement, of water infrastructure in this state.

Mr Pakula interjected.

Mr D. DAVIS — I am very interested to see it. I say to Mr Pakula that what we do know is that water

infrastructure has been mismanaged in the state. There is every reason to believe that the water situation in Melbourne would not be so severe if significant augmentation of supply had been put in place by this government earlier. This government's dithering delays and obfuscation on these matters has put the community at significant risk. Industry faces risks. Why, for example, would you as a major firm wanting to invest in Victoria in a water-intensive industry invest here where you had no security of water supply? No matter what sensible savings and arrangements you were to put in place with this government you would be subject to the fact that there may well be cuts to your supply at some point, and that is a significant concern to Victorians. Victorians should have every reason to be angry about their government.

There are some good projects under way in the state. The long-delayed Wimmera-Mallee pipeline, a federal and state initiative which has broad support in the Wimmera-Mallee area and would provide much greater security of water supply for agriculture into the future, is an exemplar of how things ought to go forward. The project is also an exemplar for a cooperative approach on a federal-state level. I urge the Bracks government to look beyond its partisan issues and work cooperatively with the federal government to come to an agreement that is in the interests of Victorian consumers. The government has, through its intransigence, not been prepared to talk fairly with the federal government. I urge the Premier to reconsider his position and work swiftly — —

An honourable member interjected.

Mr D. DAVIS — Negotiations can always be productive in these areas, and I urge Mr Bracks to negotiate in good faith. He has been very slow in coming to this position. In light of the need for major water investment in rural water authorities and water supply, we need to get moving very quickly. I must say I am disappointed in the approach the Bracks government has adopted in this regard.

Moving to the topic of our cities and the need for the proper provision of basic services, a number of people have today pointed to the issue of rail services, particularly metropolitan rail services. As Melbourne 2030, the government's planning blueprint, pushes forward at a fast pace — often against strong community opposition, but the government appears determined to push forward with it — it is important that there is proper infrastructure support in place. That means not only water, power and so forth, but also public transport.

The government had an objective of 20-20-20 — 20 per cent of journeys on public transport by 2020 — but it has quietly ditched that objective. It is no longer talked about by this government; it is persona non grata. You cannot mention the 20-20-20 pledge within the hearing of this government's ministers without them becoming agitated, and they never willingly refer to it. There is good reason for that — to achieve that objective you need to invest in infrastructure. You cannot just will it into existence by saying it is an objective; you have to do the hard work to put the infrastructure in place.

We have seen the government's infrastructure provision at work in recent weeks as it scraped around in farmyards in New South Wales to buy old trains back. This government's provision of railway rolling stock has been the buyback of old Hitachi trains that had been flogged off — —

Mr Finn — It is a circus.

Mr D. DAVIS — It is a circus. Increasingly those who catch public transport know it is a circus, as Mr Finn has pointed out. Let us look at the reliability and punctuality achievements on a number of rail lines. The Frankston line, for example — —

Mr Viney — How long are you going to go for, Mr Davis?

Mr D. DAVIS — Would you like me to go for longer, Mr Viney? I thought we were going to go to next week. Let me just discuss one line — the Frankston line — in the interests of brevity — —

Ms Broad — Brevity? You wouldn't know what the word means.

Mr D. DAVIS — I would if I needed to, don't worry.

Regarding the Frankston line the latest figures, which are for April, show that 84.5 per cent of trains met the reliability and punctuality targets, indicating that 15.5 per cent of trains did not meet those targets. That is a disgrace. That is one in seven trains not running on time, not meeting the reliability or punctuality targets. I have talked to people who catch trains on that line a lot. They point to the cramming of people onto trains, the cancellation of trains and the fact that the authorities try to fit two trainloads of passengers onto one train. That is a joke. Nobody can expect people to switch to public transport when that sort of approach is taken.

Local Labor members of Parliament need to start getting active in this regard. Particularly absent has been Rob Hudson, the member for Bentleigh in the

other place. He has refused to deal with the issue of public transport in his electorate. Many local people are now calling on him to become personally active instead of sitting mute while his community is — —

Mrs Peulich — He just sticks his A-frame out.

Mr D. DAVIS — He just puts his A-frame sign out the front and does nothing whatsoever to deal with these issues. I think members of the community will begin to get more and more agitated about the lack of performance of some of these Labor backbenchers and will begin to judge them very harshly. Mr Stensholt, the member for Burwood in the other place, is another example. He has not been prepared to stick up for his local residents — —

Mr Thornley interjected.

Mr D. DAVIS — Indeed, and the trains worked a lot better in Jeffrey Kennett's time, I can tell you. Reliability was far better than it is now. Many people would prefer to see the sort of attention that the Alamein line got under the Kennett government, which upgraded the standard of the stations. Reliability was much greater. Mr Thornley might laugh at that, but I know the commuters in that area well, and they do not laugh. They know that the service has deteriorated.

I commend Mr Rich-Phillips on his contribution to the debate today. There is a great deal more that we could say on this matter, and I look forward to this chamber turning its attention to these issues again in the future.

Ms BROAD (Northern Victoria) — I rise today to reject the opposition's motion. My reason for rejecting the motion is most clearly indicated by the government's record in investing public money — public money that is the result of hard work by all Victorians, as well as prudent fiscal management by the Bracks government. I think it is worth outlining to the house very succinctly just what that record is.

The Bracks government has over the past seven years invested a record \$16 billion in capital works, averaging some \$2.3 billion every year that the government has been in office. That means that compared to the previous Liberal-National party government the Bracks government has more than doubled investment in infrastructure. Not content with that, the Bracks government appreciates that more needs to be done, and that is why in this year's budget, the 2007–08 budget, the Bracks government has allocated an additional \$13 billion over the next four years. That is going to lift average net infrastructure investment to \$3.3 billion every year through to 2010–2011. That data clearly indicates that not only is

the opposition motion today completely misconstrued but that the figures simply do not back up the opposition in choosing to concentrate on the government's record over the past seven years.

Today I want to focus particularly on water. It is instructive to look at the funding that the Prime Minister has announced for water infrastructure — some \$10 billion over 10 years for the nation. That is around \$1 billion a year for 10 years for water infrastructure for the whole of Australia. When you compare that announcement with the track record of the Bracks government in Victoria over the past seven years you can only wonder at what the federal government is thinking if it really considers that that investment is going to be adequate to address the huge challenges ahead of us across the whole of the nation, including Victoria. I said I wanted to focus particularly on water today not only because it is listed in the opposition motion but also because it is such an important issue for all Victorians, especially in light of climate change and the 10 years of drought that Victoria has experienced. The Bracks government has invested some \$1.7 billion in water since coming to office.

Mr D. Davis — You have taken \$1.8 billion out of water authorities in Melbourne.

Ms BROAD — I will come to the question of dividends, Mr Davis, all in good time. I am happy to deal with that issue comprehensively and at length, because there is a very clear story to tell. In addition to the \$1.7 billion that has been invested by the Bracks government since coming to office an additional \$3 billion has been invested by water authorities.

The government has prepared a comprehensive water white paper as well as a central region water strategy, which has been recognised as a leading water plan in Australia. That plan certainly addresses Melbourne's water needs in the short, medium and long terms, as you would expect. It takes into account the impact of climate change and expected population growth, and it is based on conservation and recycling as well as on finding additional water supplies. Our conservation campaign means that the Bracks government is responsible for our using 100 billion litres of water less every year in Melbourne alone, making Melbourne the city which is making the greatest gains in water savings in Australia.

Mr Finn interjected.

Ms BROAD — There would be some people around Australia who would be surprised to hear you say that.

Conservation initiatives include tiered pricing to reward people who are water savers — and they should be rewarded. It also includes rebates on water-saving products and permanent water-saving rules as well as very important public education awareness campaigns, because changing Victorians' awareness of water savings is a very important part of the Bracks government's initiatives. The government's \$1000 water tank rebate is the largest in Australia. It is helping to provide water tanks so that householders are able to keep their gardens and lawns. Some 150 000 rebates on water-saving products have been claimed to date, so Victorians are enthusiastically taking up these opportunities. If these actions had not been taken by the Bracks government when they were and these water savings had not been achieved, there is no doubt that Melburnians and Victorians across the state would have been facing much tougher water restrictions much earlier than they have so far.

We are now recycling more than 14 per cent of Melbourne's wastewater and third-pipe schemes are now included in housing developments in outer Melbourne suburbs. Of course taking that up in new developments is a great opportunity.

In January the Bracks government announced drought contingency measures to boost Melbourne's water supplies by up to 40 billion litres over two years. As well as that the government is reconnecting the Tarago Reservoir to provide 20 billion litres of new water to Melbourne by 2010. That is a very interesting initiative to focus on. Members might ask, 'Why is it that a water reservoir that can provide 20 billion litres of water is having to be reconnected?'. The answer is that it is having to be reconnected and the investment is having to be made to reconnect it because it was decommissioned under the former Liberal-National party government, so it is somewhat extraordinary that the opposition would put forward this motion today criticising the track record of the Bracks government over the seven and a bit years it has been in office when the last time members opposite were in office they actually decommissioned a reservoir which can provide 20 billion litres of water to Melbourne.

Moving on, the Bracks government is also building the goldfields super-pipe to supply up to 38 billion litres of water which is urgently needed to secure the water supplies for Bendigo and Ballarat. It has been disappointing that the federal government has taken so long to finally wake up to the fact that families,

businesses and farms around Bendigo and Ballarat simply cannot wait for these investments to be made. That is the reason of course why the Bracks government got on with making these investments ahead of the federal government sorting out what it was going to do. As well as all that, recycling projects that are being constructed in Bendigo, Ballarat, Gippsland and Geelong will save more than 10 billion litres of water.

The government is also undertaking in Victoria the largest water infrastructure project in Australia. That of course is the Wimmera-Mallee pipeline that will save 100 billion litres of water a year. That project is creating a lot of jobs in my electorate. That very important project could have proceeded much earlier than it did if we had had a federal government whose members recognised the importance of investing in water infrastructure and of making water savings. But of course that is not the federal government we have. In a very belated fashion, suddenly, because there is an election looming — surprise, surprise — members of the federal government are discovering that these are important issues and they are being dragged to finally take them seriously.

Mr Pakula — Kicking and screaming!

Ms BROAD — Kicking and screaming indeed. As well as all those projects that are being constructed and are achieving very important improvements to our water supplies, the Bracks government has committed another \$300 million to upgrading the eastern treatment plant to treat wastewater for industry, new housing estates and agriculture, which is a very important investment. Later this year there will be further announcements by the government to build on that very extensive list of water savings and investment projects across the state.

In this year's budget the Bracks government has delivered an extra \$136 million for water projects which will generate in excess of 80 billion litres of water every year. Some of the initiatives in this year's state budget which I would like to mention in particular are the modernisation of the Shepparton irrigation area project, in which \$38 million is being invested; the \$10 million that is being invested in improving irrigation practices on farms; the \$16 million that is being invested for water recycling projects across Melbourne; the \$10 million for new stormwater projects in urban areas; and the \$20 billion for rebates on efficient household water projects. So this year's state budget builds on the very extensive investment that the Bracks government has made over the past seven years — the period that the opposition has chosen

to concentrate on in its motion. As I have already outlined, the amount that the Bracks government has invested over that period is already more than double what was invested under the former Liberal-National party government led by Jeff Kennett.

In October last year the government announced that it is proceeding with a business case for major industry recycling projects in Gippsland. That business case is examining projects that would free up more than 100 billion litres of water for Melbourne. That is an enormous project by any measure, and it is very important that that business case is done thoroughly and well. As well as that, feasibility studies are under way into desalination and the better use of stormwater, mainly from the Yarra River. Desalination is a form of production of water which has been put into effect in a number of places internationally and around Australia. The government has always taken the view that examining that option was the responsible thing to do — unlike the Liberal Party, which claimed that it was possible to build a desalination plant for Melbourne at a cost of \$400 million. I think that any reasonable person would realise — and certainly the evidence would suggest — that conservatively speaking more than double that amount is what would be required to construct a desalination plant for Melbourne, assuming that the issues around location and supplying all the inputs into that plant could be satisfied. Not surprisingly, they were also matters that members of the Liberal Party were absolutely silent on in their discussions leading up to the last state election.

Coming back to the actions being taken by the Bracks government, it has indicated that it will be making an announcement about major options to boost Melbourne's water supplies in coming months, when all the detailed work which is necessary has been completed and properly considered. Various estimates of the costs of these projects have been floated, but there will be a much better indication of the investment that will be required when all the information has been compiled. Victorians can rest assured that the Bracks government will make the best possible investments in the interests of all Victorians when those decisions are made.

I want to place on the record also that Victorian farmers are the most productive users of Murray-Darling Basin water, generating twice as much value as others for each megalitre used. That is the reason why the Bracks government is continuing to make major investments in our irrigation areas. They include completing the Tungamah pipeline and upgrading the Eildon Dam as well as pursuing other irrigation projects.

It is extremely disappointing that when the Prime Minister went public with his so-called water plan for the Murray–Darling Basin he had not considered, amongst other things, what this would mean for irrigators in Victoria, and it was hardly a surprise when the Victorian Farmers Federation did not support the Prime Minister's plan. That should have been an indication to him that something was amiss and that perhaps it might have been a good idea to take that so-called plan through his own cabinet processes to seek the advice of his own government departments, including federal Treasury and the many experts within federal government departments in these areas, before deciding for hugely political reasons to rush out into the public arena.

As we have seen over the period since those announcements, the Victorian government, led by Premier Steve Bracks, is working hard to ensure that any actions that are taken in relation to the Murray–Darling Basin take into account the very important impact not only on irrigators but on our environment, on our towns, on domestic and stock water supplies, on the pricing of water, on the planning of development and on all the families and communities that will be affected by these decisions long into the future.

Victoria has led the nation when it comes to the protection of our rivers. Victoria has established a \$225 million environmental contribution giving rivers the legal right to water, putting billions of litres back into struggling rivers including the Murray, Thomson and Snowy rivers. I well recall when it came to negotiating the Snowy River agreement in the first term of the Bracks government how adamantly opposed the federal government was to restoring any water at all to the Snowy River. Through its environment minister the federal government made it abundantly clear publicly that it regarded it as a waste of water. As well as that the federal government made it abundantly clear that it was not willing to invest a single dollar in any actions to provide environmental flows to the Snowy River.

Fortunately, around the country the Bracks government and other state Labor governments have recognised the value of restoring water flows to our rivers and the very important benefits they provide not only to the environment but to productive applications including horticulture, agriculture, fisheries and the like. Those are just some of the investments and the reasons for those investments by the Bracks government.

I conclude on one area which has been referred to in the debate to date, and that is the matter of water dividends. The opposition has sought to claim that because the Bracks government is reinvesting water dividends in

infrastructure for water in some way that investment does not count. I think it is important to put on the record just what the facts are in relation to the investments the Bracks government has made and just what has happened in relation to dividends from water authorities. As I mentioned, under the Bracks government \$2.7 billion has been invested in water. Budget papers show that since the election of the Bracks government \$1.7 billion has been committed to water projects, with a further \$1 billion being invested in water catchment management. The total dividends between 2000–01 and 2006–07, including the environment levy, amount to some \$1.9 billion — somewhat less than the investment made by the Bracks government in water infrastructure.

As well as that, under the Bracks government the payment of dividends by regional water authorities in particular has reduced, and I think it is important to set out what has happened there in order to refute the claims being made by the opposition in this place and outside of it. In 1999–2000 regional water authorities that service towns and communities like Ballarat, Bendigo and Geelong paid around \$11 million in dividends. The Bracks government was elected in 1999–2000 midway through a budget cycle, so those dividends were set by the Kennett government. They contrast with dividends paid in 2005–06 under the Bracks government of less than \$2 million.

I think it is useful to extend the list since the opposition clearly requires some convincing. In Gippsland the figures are: under the Kennett government it was \$9 million, under the Bracks government it was — wait for it — nil; no dividends were paid under the Bracks government. Under the Kennett government Goulburn-Murray Water paid \$3.2 million; under the Bracks government it was \$1.9 million. Central Highlands Water paid \$7.1 million under the Kennett government; under the Bracks government it was \$2.2 million. Under the Kennett government Coliban Water paid \$12.4 million; under the Bracks government it was \$5.5 million — less than half.

The Bracks government makes no apologies for investing in critical water infrastructure that is needed to secure water supplies across the state. Victorians expect nothing less than the dividends from water authorities being invested in these critical water infrastructure projects, and that is something the government will continue to do. Without funds from the state government for projects like the goldfields super-pipe customers in these water authority areas would be footing much larger bills in order to fund the full cost of the infrastructure.

To conclude, the Bracks government is at the forefront in water management planning and investment in infrastructure. That is demonstrated by its more than doubling the investment over the same period under the previous Liberal-National Party government, and there is much more to come from the Bracks government. For all those reasons I reject the motion, and I urge honourable members to reject it as well.

Mr FINN (Western Metropolitan) — I rise to support the motion so ably moved by Mr Rich-Phillips earlier this morning. In doing so I bring to the house's recall the speech made by Mr Leane earlier today, which I have to say was one of the classic Labor speeches of all time — one of the classics.

Mrs Peulich — Even by its standards it has got to be a classic.

Mr FINN — Mrs Peulich is right: even by its standards it was a classic. It was obviously written, or at least co-written, by somebody with a fair bit of spare time on their hands. One can imagine that the former member of the Australian Labor Party, Dean Mighell, reading that in *Hansard* would be singing to himself *Me and My Shadow*. I am sure he is looking forward to that.

One thing that Labor members are exceedingly good at, one of the very few things that Labor members are very good at, is rewriting history. Mr Leane gave us a classic lesson in that today. According to Mr Leane the Cain-Kirner years in Victoria did not exist and the Keating government did not exist. All those years when Paul Keating caused so much damage to Australia as federal Treasurer did not exist. The million Australians out of work did not exist. Mr Leane would have us believe it was all the fault of the Liberals, all the fault of the Tories. I say to the house and suggest very strongly that they might take Mr Leane's history lesson with a grain of salt.

Mrs Peulich — A kilo!

Mr FINN — No, a grain is all it is worth; there is a lot more than Mr Leane would present. Mr Leane also attacked at some length the federal Treasurer, Peter Costello. This amused me somewhat because it is the actions of the federal Treasurer and the federal government that are keeping this state government afloat. If it were not for the GST this government would be broke, if it were not for the GST Victoria would be back to the days of Cain and Kirner — we would be in the hands of the liquidators. For anybody on that side of the house to be criticising in any way, shape or form, the federal Treasurer is self-defeating to say the least.

Peter Costello is without doubt the best Treasurer this nation has ever had — the best ever. I ask members opposite to remember that when they get up and talk about the great job they have done of running this state. I ask them to remember who funded it, who provided the dollars for them to waste — and I say ‘waste’ advisedly — as they have done excitedly over such a long period of time.

Mr Pakula interjected.

Mr FINN — Mr Pakula may well get excited about this. He has reason to get excited about this, because the chickens are coming home to roost as far as I am concerned with regard to this. Labor rhetoric does not add up. Members opposite can stand up in this place and rave and rant, but when one sits down and rationally looks at the facts — —

Mr Guy — Rationally.

Mr FINN — Rationally, as Mr Guy points out — when one rationally looks at the facts the only conclusion one can come to is that the government does not have a leg to stand on, not one. We heard from Ms Broad and Mr Leane that the water debate is all about the federal government preparing for the election later this year. I had to have a quiet laugh, a quiet chuckle to myself, when I thought that of course that is not something members of the Bracks government would ever involve themselves in. They would never involve themselves in preparing for an election just a few months out. I thought to myself that they probably would not because until about six weeks before an election the Bracks government is sound asleep. Its members are comatose — in exactly the same state they are currently in. About six weeks before the election they wake up and say, ‘We had better get cracking here’ and start spending and throw their millions around to get their mates in the advertising industry to come up with the greatest codswallop you have ever heard in your life. Unfortunately, up to this point it has worked. Indeed you can be baffled by bulldust, as the Bracks government proves on an all too regular basis.

The bottom line with regard to this motion is that the Bracks Labor government has failed Victoria and has failed Victorians in infrastructure. Labor members like to tell us how much they have spent. They say, ‘We have spent \$40 million here, we have spent a billion dollars here and we have spend another \$200 million there’, but they never tell us what results we get from all the money, all the GST revenue, all the land tax and all the gambling tax that goes down the drain under this government. What are the results? That is not something they are interested in. They will give us the

bottom line of how much they have spent, but we do not really want to know that. We want to know what we are getting for our dollars. Victorians are interested, as they have always been, in value for money. Value for money is something that the Bracks government will never deliver. It is incapable of delivering it. It is obvious as we look around so many areas of Victoria that results and the Bracks government are kilometres apart.

I listened with interest to Ms Broad’s contribution on water — I listened to her anyway. I thought to myself that I was living in another world. Ms Broad sort of indicated that the Bracks government had everything under control. I thought to myself, ‘Are we living in the same state, are we living in the same city? Is this the place that is actually running out of water and has a reservoir supply that is below 30 per cent? Is this the state that is facing an imminent water crisis and has a water crisis at this very minute?’. According to Ms Broad and members of the government that is not actually the case. Let me tell them something — it is. Gardens are dying, farmers are unable to irrigate and right across the state from one end to the other Victorians are feeling the water crisis. What is the government doing? Absolutely nothing. We have a water minister who sits on his hands. I have no idea what he is doing.

Mrs Peulich — Surfing!

Mr FINN — He may be doing some surfing; I have no idea. I am not keeping an eye on him on that score, but he is not doing much else. The only person who has less idea than anyone else of what the minister is doing is him. Here we have the worst water crisis that we have ever experienced in the history of this state and what is the minister doing? What is the government doing? Nothing. They are waiting for it to rain. That is just sensational. We look over to Western Australia and we see that the Western Australian government, to its credit, has just announced a second desalination plant for Perth and it is looking at a third. We see that a desalination plant is being built in Sydney and that even Peter Beattie, the Premier of Queensland, is doing something. That is controversial in itself. What is happening in Victoria? Nothing is happening in Victoria.

Mrs Peulich — He is in Dubai!

Mr FINN — I hope he stays in Dubai. There is nothing happening to alleviate the water crisis that we have in this state. There is only one crew that can take the blame for that, and that is the Bracks Labor government. It has been in government for eight years.

This is not something that snuck up on us last week; this has been coming for years. What has the Bracks government done? It has sat on its hands and hoped it would go away. It has not gone away. Let me tell the house that given the inaction of the government it will not go away in the foreseeable future.

Mr Pakula interjected.

Mr FINN — Mr Pakula seems to have some objection. I would be interested to hear his contribution later on as to what the government is doing to ease the dreadful situation faced by every Victorian. I look forward to him telling us how he will put water into our taps in a way that the government has not done up to this point.

Mr Guy interjected.

Mr FINN — Some pray and others hope, I think. The issue of public transport has been touched on in this debate, and it is a very important area. The government seems to have one policy in this area and only one plank in that policy and that is it is Connex's fault. Anything that happens in the area of public transport is Connex's fault. The Minister for Public Transport even sent out an email to her colleagues saying she is not interested, that she does not want to know about it and that members should not tell her but should ring Connex.

Mrs Peulich — They call her Lynne Connisky.

Mr FINN — Lynne Connexsky — —

Mrs Peulich — Connisky.

Mr FINN — The minister might not care what is happening on our rails. She might not care what is happening on our bus services. She might not care what is happening on our trams, but let me tell you that commuters in Victoria do, and they have to put up with it every single day. Connex is a company that has to make do with what the government provides; we are talking about the infrastructure. This debate is all about infrastructure. When we talk about, for example, what is happening at North Melbourne with the overcongestion there, that is something that Connex cannot do anything about. I am sure it is doing the best it can under extraordinarily difficult circumstances considering that we have a government that just does not provide the infrastructure that Victoria needs for a proper, decent public transport system. That is something that will not happen — —

Ms Hartland — You voted for Connex.

Mr FINN — Ms Hartland might like to consider what I said a moment ago: Connex has to make do with the infrastructure the government provides it with. I am talking about carriages, I am talking about tracks, I am talking about all that level of infrastructure. Connex has to make do with that. The government is just not keeping up to scratch in that area.

Mr Viney — That is complete rubbish.

Mr FINN — No, it is not, Mr Viney. If the member thinks it is rubbish, he should go and see if he can find the minister. If he can find the minister, well done because he will be one of the very few who has. Mr Viney should have a chat to her and she will explain it to him.

Another area which has been touched on at some length in this debate is the area of health. The health system in this state is going backwards. For the first time in this state we now have waiting lists to go on waiting lists. We actually have people waiting, sometimes for years, to get on a waiting list so that they can wait for years to be operated on. How many times over the past few months have I heard horror stories about people who are on those waiting lists being called into hospital and being told, 'Sorry, we made a mistake. We don't have a bed, you have to go home'? It seems to happen time and time again.

Human suffering is caused by this lack of support. The inefficient support by this government of our health system is just not good enough. It does not serve the people that it should. It is in every way disgraceful. I have to say, as somebody who has had far too much to do with the public health system over a long period of time, and indeed as somebody whose wife has been a nurse in the public health system over a long period of time, that the public health system in this state is going backwards at a rapid rate. I fear to think where we will end up if that continues.

The area of roads is something that hits home to each and every one of us. Victoria is the state of congestion. That should be on our numberplates. Forget 'The place to be', make it 'Victoria — state of congestion'. What we need is a vehicular decongestant, and that is not easy to say. We will not get one until such time as we get a government that actually cares about motorists. We all know that the Labor Party in this state, and probably not just in this state but across Australia, has a long history of total disinterest in cars, car travel and roads. I am glad Mr Guy mentioned — he reminded me of it — that when John Cain was Premier of the state he instructed his chauffeur to avoid travelling on freeways whenever possible. I do not know how much time was

wasted by Mr Cain doing that, although given what he did at the office it was probably a good thing that he was in the car for as long as possible.

However, the reality is that in this state at the moment it is impossible to go anywhere in a reasonable time anywhere near peak hour. Peak hour used to be from about 4.30 p.m. until about 6.00 p.m.; now it starts at about 3 o'clock and ends up about 7.30 p.m., and it is getting worse. In the two years prior to my election to this place I was travelling from the outer west to the outer east every day. When I first began doing that in 2004 it took me 1¼ hours to get there. Two years later travelling the same route took me close to 2 hours. That is something that is replicated by thousands of people every day.

When one considers the amount of petrol — and I hope my Greens friends are listening to this — that is wasted by people stuck in traffic jams on a daily basis, morning and night, one has to say that that must contribute enormously to climate change and must create an enormous number of black balloons. That is something the government should have a good hard think about if its rhetoric is in any way, shape or form fair dinkum, and I am far from convinced that it is.

When one looks at peak hour in this city, whether it be the western suburbs, the northern suburbs, the east or the south, there are more red lights than Amsterdam. It is just not good enough. As far as the eye can see all that is on display are red lights. This is going on on a daily basis, both morning and night. One should consider what Victorians should and could be doing if they were not stuck behind the wheels of their cars in traffic jams.

Ms Hartland — Catch a train.

Mr FINN — I will get to that in a minute too, because, as Ms Hartland has mentioned previously, that is something which has become increasingly hard to do with the overcrowding on the train network.

Honourable members interjecting.

Mr FINN — How did you get on? Did they push you on Japanese style?

I hope Mr Pakula is listening to this because I know the western suburbs are not an area he is familiar with, although I understand he has been there a couple of times this year, which is a giant step in the right direction. However, the western suburbs comprise the fastest growing region of Melbourne. They are literally growing like the clappers. I am sorry that Mr Madden has left the chamber because he will get up and he will

trumpet that he has allowed another estate to be opened in the western suburbs, bringing in thousands more people, but where is the infrastructure? It does not exist.

Mr Guy — What are they going to live in?

Mr FINN — As Mr Guy points out — he is on his mettle today — the Minister for Planning, Mr Madden, will talk about McMansions. He will criticise what people live in. He will tell them what they should live in. He will try to dictate the lifestyle that they should live, but will he or his government provide the infrastructure for a decent life? Will they provide, for example, more roads in the western suburbs? Will they provide more bus services in the areas that do not have them?

Mr Guy — The South Morang railway.

Mr FINN — It is not in the west, but it is pretty close. What the people of the western suburbs need and want more than anything else from this government is decent infrastructure to supplement their lifestyles and allow them to live a decent and proper life as they desire.

I turn to the area of overcrowding on trains, to which Ms Hartland referred. We do need more trains, and I do not think there is any doubt about that at all. The government has recently announced that it is going to do a bit of a slap-up job on the North Melbourne station. It is going to give it an escalator and a coat of paint. That is just sensational! However, it does not in any way, shape or form help commuters in that area. North Melbourne station services trains on the Werribee, Newport, Williamstown, Broadmeadows, Upfield and Watergardens metropolitan lines and the Geelong, Warrnambool, Sunbury, Bendigo, Craigieburn and Kilmore lines in the country. We have an enormous number of trains coming through North Melbourne station. They just cannot all fit through.

As the population continues to explode at an extraordinary rate, more trains are needed. If the trains are put there, they will not be able to get through the stations, so obviously there will not be enough trains. Can I suggest to the government that if it is talking about infrastructure, an escalator and a coat of paint are not good enough. We need to look at this seriously and come up with solutions which are going to provide for the people who use public transport in the west of Melbourne and indeed in the north of Melbourne, as Mr Guy so correctly pointed out.

As I alluded to, the roads situation is just absolutely horrific. The West Gate Freeway was once something we all held up as something to be proud of. In fact I

recall when working at the late-lamented radio station, 3DB, in the 1980s, that the West Gate Bridge was the 'gateway to tomorrow'. That is the way it was promoted. Right now it is the gateway to nowhere, because if you get on the West Gate Freeway, it is really a gamble as to how long you will stay on it and whether you will get off it, because this thing usually gets blocked up at about 6.30 a.m. and might unclog itself by 10.00 a.m. if we are lucky, but the rest of the time it is just an unmitigated disaster. I have seen the West Gate Freeway blocked back to Werribee.

It does not affect just the people of the western suburbs in a huge way, it affects the people of Geelong. There is a huge commuting population in Geelong. It affects hundreds of thousands of people. We desperately need a second Yarra crossing where the West Gate Bridge is. The West Gate Bridge itself, I am told, is coming to the end of its useful time. That in itself is a big worry. What is the government doing about that? Absolutely nothing.

Mr Guy — Surprising.

Mr FINN — A surprise indeed! The same as it does about everything else, the government is doing absolutely nothing. Those opposite are comatose. They are sitting back there having a snooze. I am not sure what they are dreaming about, but I hope they are having pleasant dreams, because the rest of us are having nightmares thanks to the inaction, the dozing, of this government that just will not act, that will not get up to support the people of this state and in particular the people of the western suburbs of Melbourne.

Rail freight is another issue where the Labor Party has let down the people of the west. There is now no rail freight from the port of Melbourne to the west of Melbourne as a result of the inaction of this government. The only company that provided that pulled up stumps earlier this year because, as its representatives said to me, it had just had enough of the Bracks government. The company had been talking to the government for years, and what had it got? It got exactly what everybody else gets from the government — absolutely nothing.

Hon. T. C. Theophanous — You're making it up!

Mr FINN — If Mr Theophanous thinks I am making it up, I am very happy to take him out to Altona — I will take him because he will not be able to get there himself — and sit him down with the people responsible, the people who have put millions and millions of dollars into that project but have had to pull out just a few months ago.

After eight years is it not time that the Bracks government realised that it is in government? Is it not time it realised that what happened before happened before, but now it has responsibility for what happens in the state? It has responsibility for water and electricity and roads and public transport and all those other areas — all those things that it does not want to know about? Is it not time that it took some responsibility for being in government? It has been sleeping far too long. I respectfully suggest that it is time that this government might like to activate itself a little bit. It might like to get out and talk to real people with real problems.

I would welcome any member coming with me out to the western suburbs to talk to the people in Footscray, to talk to the people in Sunshine, to talk to the people in Keilor or Werribee or Altona or any of the places so badly affected by a government that just does not care, to get out and talk to these people, find out what the problems are and find solutions. These are problems that are affecting people enormously on a daily basis. It is not good enough for the Labor Party to sit back, accept the cars and all the perks of office and do nothing for it. It is almost fraud. This government has been and is asleep at the wheel. It is about time it woke up.

Debate adjourned on motion of Mr DRUM (Northern Victoria).

Debate adjourned until Wednesday, 13 June.

Sitting suspended 12.50 p.m. until 2.02 p.m.

Business interrupted pursuant to standing orders.

QUESTIONS WITHOUT NOTICE

Schools: drug-deal reporting

Mr P. DAVIS (Eastern Victoria) — I direct a question without notice to the Minister for Education. I refer the minister to comments made by the Victorian deputy commissioner of police, Simon Overland, who was reported in today's *Herald Sun* as having said with respect to drug dealing in non-government schools:

... if there's criminal behaviour involved, they really do need to involve the police and the earlier they do that, the better.

I also refer the minister to the editorial in the same paper today which states:

Dealing ecstasy is a serious crime that demands a proper police investigation, uncomfortable as that might be to a school.

Student welfare must come first. Keeping dirty linen hidden only leaves schools open to the suspicion they are more worried about their reputation than drugs.

I therefore ask: will the minister revise the government's policy and make it mandatory for all schools to report drug dealing to the authorities, in line with police and community expectations?

Mr LENDERS (Minister for Education) — I thank the Leader of the Opposition, Philip Davis, for his question and I thank him also for his new-found interest in education. But what I would urge the Leader of the Opposition to do with his new-found interest is research the laws against illicit drugs in schools. If he wandered down to the table and had a browse through the Drugs, Poisons and Controlled Substances Act he would actually find that the law in Victoria requires these things to be reported at the moment. I would also suggest to the Leader of the Opposition that if he referred to the Association of Independent Schools of Victoria website he would find the advice that that association gives to members of independent schools, alerting them to their obligations on reporting these matters to the police.

I welcome his interest completely, because stamping out illicit drug use in schools is important to everybody in this chamber and the community, but I also urge him to check the legislation. I also urge him in his research to go to an easy-to-find website for independent schools in Victoria because it may help him in question time.

Supplementary question

Mr P. DAVIS (Eastern Victoria) — My supplementary question goes to the very issue I raised in my initial question, which is that I am more interested in the government's policy than the policies of peak bodies. Given that the first duty of care of the Minister for Education is to ensure that all students in Victorian schools, whether they be in government or non-government schools, are dealt with appropriately, when will the government revise its policy with respect to mandatory reporting in all Victorian schools?

Mr LENDERS (Minister for Education) — I again urge the Leader of the Opposition to check the statute book. I again urge him to check the website, which is not particularly hard — a Google search would actually find this. I also get back to my response to a question asked yesterday. It may have been the practice of the Kennett government to gag principals and it may be the wish of a future Baillieu government to tie them up in

red tape. This sector has a MOU (memorandum of understanding) regarding the Victoria Police on reporting. The three sectors — the government sector, the Catholic sector and the independent sector — have a MOU. We have an act of Parliament which actually deals with these issues, yet the Leader of the Opposition calls for more red tape.

I know he is an acolyte of Julie Bishop, who does nothing but call for red tape, and, as I have said before in this chamber, a reminiscence of Konstantin Chernenko, with a craving for regulation and red tape. We have a serious issue in schools in Victoria, which is drugs, which every parent in this state wants a solution to, which Parliament through the statute book wants a solution to and which the schools want a solution to. We are working to have this addressed.

Professor Penington came into this Parliament during the Kennett years to talk of the problem of drugs, and we have had across the education sector a way of dealing with it effectively that does not involve politicians beating their chests in order get a headline in the *Herald Sun* or on the 6 o'clock news. We are trying to deal with families, teachers and parents. We are working through the problem. We have all the sectors signed up to find solutions. I suggest to the Leader of the Opposition that he should seek to find a solution rather than prescriptive regulatory responses which traditionally have not worked.

Business: Victorian industry participation policy

Mr EIDEH (Western Metropolitan) — My question is to the Minister for Industry and State Development. Can the minister inform the house of any recent announcements by the Bracks government that will assist local businesses in benefiting from government tenders?

Hon. T. C. THEOPHANOUS (Minister for Industry and State Development) — Before answering the question, President, I would like to extend my sympathies to all those involved in yesterday's accident, especially to the families and friends who have lost a loved one or had one injured. I also express my appreciation and the appreciation of all members of the house of the work of emergency workers who have assisted following that tragic accident.

I thank the member for his question. I want to report to the house that just over a week and a half ago I had the pleasure of announcing the Bracks government's changes to the Victorian industry participation policy (VIPP). The VIPP was introduced in 2001 by the

Bracks government to help local businesses benefit from public sector spending on things such as procurement contracts, major projects, major events, and industry and infrastructure grants, while delivering value for money for Victorian taxpayers. It has been an outstanding success in helping to generate employment in Victoria and making sure that our local industries get an opportunity to deliver for Victorians in these important areas.

As I announced, from 1 July 2007 we will be reducing the thresholds where, when we apply the policy, a VIPP implementation plan will be required. With that reduction it will drop from contractual arrangements of \$50 million plus — which is the old arrangement — down to \$10 million plus. Every government procurement or contractual arrangement of \$10 million plus will now come under the VIPP. For regional Victoria it will come down from \$5 million to \$2.5 million. This will result in many more businesses being able to take advantage of the VIPP. It will deliver value for money for Victorians and will also involve local businesses having a fair go at getting those contracts and therefore helping the Victorian economy at the same time.

I made this announcement at an Industry Capability Network breakfast. The Industry Capability Network has been assisting us in delivering this program, so it was appropriate for me to make the announcement at that breakfast. It was attended by 300 people. I looked at my notes while I was making the announcement, and my notes said I should acknowledge David Davis as the opposition spokesperson.

Mr D. Davis — Indeed the minister should.

Hon. T. C. THEOPHANOUS — I am very happy to, Mr Davis. I looked around the room desperately trying to find David Davis, and guess what: was he there?

Honourable members interjecting.

Hon. T. C. THEOPHANOUS — No! It was another no-show at an important event.

Mr Atkinson — Did the minister mention that this time?

Hon. T. C. THEOPHANOUS — I would have been happy to mention Mr Atkinson, because I am sure Mr Atkinson, if he had been invited, would have turned up. But the opposition spokesperson, on the other hand, did not turn up. No wonder the *Age* reported Philip Davis as referring to David Davis as ‘treacherous and unreliable’. It is certainly the case that he is unreliable,

because he just does not turn up to support Victorian industry.

The PRESIDENT — Order! I have given the minister a great deal of leeway. I do not think the minister transgressed until very late in the piece when he criticised Mr Davis — I think Philip Davis, or he confused them — of being treacherous. I am uncomfortable with that, and I ask the minister to withdraw that comment.

Hon. T. C. THEOPHANOUS — President, I am happy to withdraw. I simply say that people should just read the *Age*. I hasten to add that the *Age* often gets things wrong, and if its quote of Philip Davis is incorrect, I invite him to get up and correct the record.

Since its introduction, the VIPP — I need to inform the house of this — has been applied to 566 projects valued at \$12 billion, it has assisted in the generation of 14 000 jobs in Victoria, and it has achieved average local content levels of 87 per cent. Just imagine the further application of that policy to a range of other areas. I have to say that I also discussed this with the Australian Industry Group, and it was absolutely thrilled with it. In particular it was thrilled with the fact that we will now, where we can, include whole-of-life costing for these projects, which of course helps local industry even more to get a foot in the door. This program has been a runaway success, and its expansion will mean more jobs for Victorians.

Questions interrupted.

DISTINGUISHED VISITOR

The PRESIDENT — Order! I wish to draw to the attention of the chamber the presence in the gallery of the recently retired Barry Bishop, the previous Deputy President of this chamber.

Questions resumed.

Exports: performance

Mr D. DAVIS (Southern Metropolitan) — My question is for the Minister for Industry and State Development. I refer to the national accounts data for the March quarter, released by the Australian Bureau of Statistics today, and to the minister’s comments yesterday during question time spruiking how well Victoria’s exports are performing. If our exports are doing so well, why is it that Victoria’s export volumes fell for the second quarter in a row and by 0.8 per cent in the March quarter, meaning that our export volumes stagnated over the last year, growing by only 0.6 per

cent, and have fallen alarmingly by nearly 6 per cent in the last six months alone?

Hon. T. C. THEOPHANOUS (Minister for Industry and State Development) — I know David Davis has made an art form of coming in and selectively quoting little bits of Australian Bureau of Statistics figures or other figures he can find because he does not want to look at the overall picture. When the member looks at the overall picture — —

The PRESIDENT — Order! I have made this ruling on a couple of occasions, and the minister is testing my patience. The standing orders prevent ministers debating their answers. Ministers should confine themselves to the points contained in the question.

Hon. T. C. THEOPHANOUS — The member has asked me a question in relation to exports. It is important that we get the figures absolutely accurate when we are talking about exports. I take the opportunity to again point out to the house — because I am concerned when incorrect figures go out — that I can recall another occasion on which export figures were quoted by the member. He quoted a figure of 12 per cent. I do not know where he got that figure. It turned out that the figure was in fact 13.6 per cent.

Without wanting to debate the question, but simply wanting to put the record straight in relation to the figures, let me point out that the figures for the three months to April show that the value of Victorian exports went up 5.3 per cent over the year. They grew faster than the national average of 5.1 per cent. The Victorian growth was 5.3 per cent, so our exports were growing faster than the national average and faster than the average of the mainland states. We were second only to Western Australia, which of course has a resource boom and is therefore exporting an enormous amount of resources out of the country.

Once again the member just does not want to recognise and acknowledge that in fact the Victorian economy is doing extraordinarily well. I am happy to quote to the honourable member economic growth figures, national accounts figures, employment figures and regional growth figures. I do not know how many positive figures I need to quote before I can convince the opposition, and in particular David Davis, that the Victorian economy is doing extremely well.

Supplementary question

Mr D. DAVIS (Southern Metropolitan) — Given that Victoria's share of Australia's exports is now at an all-time low, will the minister raise the paltry 2.1 per

cent annual growth required to reach his government's new and underwhelming \$35 billion export target by 2015 so that it at least matches the expected inflation rate?

Hon. T. C. THEOPHANOUS (Minister for Industry and State Development) — I think the best way to respond to the honourable member is to simply point out what the figures say has happened since we came into government in 1999. That is the best way to respond. Since we came into government in 1999 the value of exports has not gone down, as is often claimed by the honourable member, but in fact our exports have increased by 25 per cent.

Mr D. Davis interjected.

The PRESIDENT — Order! Mr Davis!

Hon. T. C. THEOPHANOUS — The increase in our exports has been 25 per cent since 1999. Since 2000 our service industry exports — and members should remember that service industries is a difficult area in which to get export leverage — have increased by a massive 41 per cent.

Victorian government business offices: review

Mr LEANE (Eastern Metropolitan) — My question is also to the mighty Minister for Industry and State Development — —

The PRESIDENT — Order! I advise Mr Leane that that is a totally inappropriate remark to make in addressing the minister in question time. He can do it out in the passageway but not in here.

Mr LEANE — I will save that for sucking up to the minister outside.

Can the minister inform the house of any recent announcements by the Bracks government that will continue to assist local businesses exporting overseas and attract overseas businesses to set up in Victoria?

Hon. T. C. THEOPHANOUS (Minister for Industry and State Development) — I thank the member for his question and his preamble. Just last week I had the pleasure of attending Government House for a business leaders reception to promote the role of Victorian government business offices (VGBOs) in the internationalisation of the Victorian economy. This was an important event. It was attended by the Premier and many businesspeople and heads of overseas offices. The Premier outlined the next stage of reform of the Victorian government offices overseas,

which will boost Victoria's economic performance and standing in the global economy.

Mr D. Davis interjected.

Hon. T. C. THEOPHANOUS — I will come to that. President, can you guess who was on the list of attendees for this event? Apart from the Premier, the Governor and other distinguished guests, guess who else was on the list of acceptors for this event. Guess who else was supposed to be there. I will give you a hint — his initials are DD.

Mr Lenders — Damian Drum?

Hon. T. C. THEOPHANOUS — No, it was not Damian Drum. The person who had accepted the invitation to the event was David Davis. Was he there? No, it was another no show. He did not front up again; he accepted but did not turn up again.

President, I want you to picture this: the Governor was there and he sent out — —

Mrs Peulich — On a point of order, President, in a very short space of time the minister has deliberately disregarded your advice and guidance. He has been debating the question and continues to do so. I ask that you either rule him out of order or sin-bin him.

The PRESIDENT — Order! I thank Mrs Peulich, but I remind her that it is not for her to advise me as to what I should and should not do from the chair. I have listened to the minister, and whilst I have stated to this house quite clearly that it is not acceptable for a minister to personally attack someone asking a question or supplementary question or to overtly — overtly! — criticise the opposition or a member of the opposition, I do not believe he has got to that stage yet — and I sincerely hope he does not. Whilst there is some criticism, the fact is that it is not overt criticism.

Hon. T. C. THEOPHANOUS — This event was very important because in attendance were all of our government business office people, major people from industry and the Governor. I want to report to the house what happened with the Governor at that point in the event. In preparation for the Premier, the Governor and me coming in to make our presentations, the Governor asked whether he should acknowledge David Davis in his presentation. He then sent his assistant out to check whether Mr Davis was present so he could acknowledge him. The assistant came back with 5 minutes to go and said he was not there.

When, with 1 minute to go, he still was not there, the Governor asked the Premier what to do. The Premier

then said, 'You should cast your eyes around before you commence speaking and see if you can see David Davis'. Then he went on to say, 'And do you know what he looks like, Governor?', to which the Governor said, 'I am not sure, but I think I might be able to recognise him from his photograph'.

Mrs Peulich — On a point of order, President, I would like to draw your attention to standing order 8.03 headed 'Matter not to be debated in answer'.

The PRESIDENT — Order! I am not convinced that the minister is actually debating it, but I would suggest that he is going on a bit and he might like to finetune his answer.

Hon. T. C. THEOPHANOUS — This was an important event, and I think it was a bit embarrassing for the Governor to be put into that position. But I do want to make this point: David Davis did in fact come in here and ask me a question yesterday in relation to this matter. The question he asked me was in relation to the report itself. Had he actually been at the function he would have heard the Premier say that the review will be publicly released along with the government's response. The point I am trying to make is that sometimes even those kinds of questions can be avoided if people actually turn up to functions that they are supposed to come to.

The reforms of the Buckingham review will be very important, because they will see the establishment of an international coordination office as a new central coordination point for government, they will introduce service level agreements across the overseas network and they will see an upgrade of 6 of the 11 Victorian government business offices to core posts — and all of these reforms are designed to increase our export penetration. I would simply say to the Leader of the Opposition, who I think is astute in his description of his colleague, that maybe Philip Davis should apply the three-strikes-and-you-are-out principle.

Brambuk Aboriginal Cultural Centre: management

Mrs COOTE (Southern Metropolitan) — My question is to the Minister for Aboriginal Affairs. Brambuk Aboriginal Cultural Centre, located in the Grampians, has been supported by the Kennett government and the Bracks government. It has been lauded all over the world as a benchmark in indigenous partnerships. Can the minister confirm that the chief executive officer has resigned, several of the staff are on stress leave and that the centre is experiencing major upheaval?

Mr JENNINGS (Minister for Aboriginal Affairs) — I thank the member for her recognition of the value that Brambuk plays both as a cultural heritage institution and the important role that it plays in the wellbeing of Grampians (Gariwerd) National Park. As she clearly identifies, it is a centre of international repute in which there has been significant investment by our government, and some contributions from other jurisdictions as well, to not only build on the fantastic centre in its own right but to develop the information centre within the national park to be sympathetic towards and act as a coherent and consistent introduction to the rich national park environment and the cultural heritage that permeates the park.

There has been significant growth in the employment opportunities for Aboriginal people that have come through Brambuk in taking responsibility for the management of that information centre. From memory the Brambuk organisation took responsibility for the information centre as recently as in the last 18 months and assumed new responsibilities for managing that aspect of that integrated service. All community organisations undergo some degree of staff renewal and changeover of staff from time to time.

Mr Drum — Come on, get serious here, Gavin.

Mr JENNINGS — I am serious.

Mr Drum — No, you are not.

Mr JENNINGS — Of course I am serious, Mr Drum.

Mr Drum — Come on, straight to the point. You know what is going on.

Mr JENNINGS — I think I am quite able to deal with the answer, Mr Drum. I have no difficulty covering the range of issues.

Every organisation undergoes change and renewal. Every organisation has ebbs and flows of staff turnover. There may have been in recent times a significant turnover within that organisation. I think it is very appropriate for people to allow a proper examination of management change and staff turnover within an organisation and not to jump to the lowest common denominator of assumptions about what is going on within a community-based organisation.

In fact I would encourage all members of the community to be reasonably sober in their assessments of these issues rather than jumping to conclusions and perpetrating certain myths about the management capacity of Aboriginal community-controlled

organisations. We need to appropriately assess the circumstances on their merits. I think it would be premature for me or for the minister who is responsible for these relationships, the Minister for Water, Environment and Climate Change in the other place, who manages Parks Victoria and who works in collaboration with Brambuk, to make any assumptions without proper examination of the management control issues. Those issues are being discussed between the relevant department and the organisation to provide confidence for all parties concerned in going forward.

Supplementary question

Mrs COOTE (Southern Metropolitan) — Can the minister confirm that former Aboriginal and Torres Strait Islander Commission chairman, Geoff Clark, and his immediate family are now running Brambuk?

Mr JENNINGS (Minister for Aboriginal Affairs) — In fact I can confirm that Geoff Clark and Jeremy Clark have been members of the Brambuk incorporated body for many years. The Brambuk partnership is a coalition of a number of traditional owner groups and community organisations throughout western Victoria. It has been, on many occasions, lauded by previous governments. It has been lauded by the commonwealth government, and in fact it has been supported by the Bracks government on the basis of being an outstanding collaboration of community organisations — and it has an outstanding track record.

As to the current perceptions of difficulties within the organisation, I encourage no-one to jump too far ahead of the analysis of what is happening there, because the Clark family, as a member of the Framlingham trust, has had a continuous connection with this organisation for probably the best part of 20 years.

Small business: confidence

Ms MIKAKOS (Northern Metropolitan) — My question is to the Minister for Small Business. In deference to you, President, I will not be using any adjectives. I ask the minister to advise the house of the results of this quarter's Sensis small business index and how Victoria has fared.

Hon. T. C. THEOPHANOUS (Minister for Small Business) — I am very pleased to get this question from the member in relation to the Sensis small business index and how Victoria fared in the index. Members should remember that this index involves a survey of 1800 businesses across Australia, so it is a very significant survey. I begin answering this question by saying that the Bracks government has worked very

hard. We recognise that small business plays a critical role in our economy. It makes up 96 per cent of businesses, and I am absolutely — —

An honourable member interjected.

Hon. T. C. THEOPHANOUS — The member wants to take another shot at small businesses, but rather than take his word for it, let us look at what small business itself says in the Sensis index. I was delighted to see that Victorian businesses recognised the role of and show confidence in the Bracks Labor government. The Sensis small business index shows that the Victorian government received an approval rating of positive 4, which is the second highest of any state government. Victoria came in as the second highest of any state government in approval ratings by small businesses themselves.

Mr Atkinson interjected.

The PRESIDENT — Order! Mr Atkinson!

Hon. T. C. THEOPHANOUS — Confidence also jumped by 5 points in this quarter to 59 per cent, which is the third consecutive rise in this sector. Victorian small and medium-sized enterprises reported positive business conditions over the quarter, with increased performances in sales, employment, profitability and expenditure. In terms of exports — and the issue has been raised by the opposition — Victoria was the highest export performer in Australia over the quarter, with 19 per cent of small and medium-sized enterprises reporting that they have exported over the last 12 months. Just think about that — 19 per cent of the 300 000 small and medium-sized enterprises in Victoria reported that they have exported over the last 12 months.

Sensis commented that the most frequently given key reasons for support of the Victorian government were because small and medium-sized enterprises believe its policies are supportive of small business and because of its small business management training schemes. That is what small business itself said, not what the Honourable David Davis said, about the Victorian government. Even the *Age* was prepared to say ‘The Bracks government has finally won over small business’.

I am sure that opposition members would applaud the results of the Sensis data, the fact that small business is expressing confidence in the Victorian economy. I am sure the Honourable Bruce Atkinson, Philip Davis and Andrea Coote would applaud it, and I am sure many other members would as well. I need to say this: most members would applaud the fact that the Victorian

economy and small business is doing so well. I conclude my remarks by pleading with David Davis, as opposition spokesperson, to not just say things but to check his facts and turn up to functions or, if he does not want to do that, to get out of the way and let somebody like Bruce Atkinson come in and do his job.

The PRESIDENT — Order! I remind members of the house that despite the Minister for Small Business’s obvious infatuation with David Davis and others on the opposition side, they are no longer to be referred to as ‘Honourable’, but as ‘the member for’ or ‘Mr’ or ‘Mrs’ or ‘Ms’.

Mr Atkinson — I object. He is destroying my career!

The PRESIDENT — Order! One more objection from Mr Atkinson and I will — I will not go there.

Disability services: supported accommodation

Mr O’DONOHUE (Eastern Victoria) — My question is to the Minister for Community Services. The minister has previously committed his department to providing flexible and responsive service to its clients. What protocols are in place in his department for communication with the families of people with a disability who live in community residential units?

Mr JENNINGS (Minister for Community Services) — I am not sure what is at the heart of Mr O’Donohue’s question about the responsibility of the department or the people who provide services through the department. They are obliged to make sure they communicate effectively with residents, their loved ones and carers. That would be my full expectation of them in their embarking both formally and informally on satisfying the rights of and providing opportunities to people who live in community residential units. There are many obligations outlined within the incoming disability act to ensure that residential tenancy rights that are described within the act will be implemented. All providers, including government providers, will be obliged to comply with those provisions.

Whether Mr O’Donohue wants to know what the template of communication may be, I am not quite sure; maybe he will elucidate that in a supplementary question. If he has any particular issue, I wait to hear from him, but I expect my department to have full and respectful lines of communication with all residents in those units and their loved ones. That is my full expectation. I wait for further advice about any specific incident or concern Mr O’Donohue may have.

Supplementary question

Mr O'DONOHUE (Eastern Victoria) — Brian Joyce, the regional director of the north and west metropolitan region for the Department of Human Services, circulated a detailed briefing note to the minister's departmental secretary and executive directors advising that all emails from the family of disabled man, Paul Tregale, be directed to the manager, quality performance effectiveness, severely limiting their access to information about their son. He even asked the information technology unit to block the family's emails at the DHS firewall. Given the minister's answer to the previous question, how could this practice of limiting communication with the Tregale family have been allowed to occur?

Mr JENNINGS (Minister for Community Services) — I am not certain about the specific details of the issue the member raises, but I am very happy to explore it. As a general rule I stand by my substantive answer, and I will continue to stand by my substantive answer. There may be some members of the Victorian community who are either desperate in their concerns or exercise their concerns on an hourly basis, as some people in the community do, and that may warrant some measures being taken by departmental staff to try to enable effective and respectful communication — but communication in an orderly fashion so that they do not lose their productive capacity — and that might be at the heart of this matter.

Mrs Coote interjected.

Mr JENNINGS — No, I stand by my answer. I would expect officers of the department to comply in a respectful way and in an appropriate and effective fashion in relation to the families of those people who live in community residential units, but I am happy to explore the specific circumstances that relate to Mr O'Donohue's question.

John Holland Aviation Services: Melbourne Airport facility

Mr PAKULA (Western Metropolitan) — My question is to the Minister for Industry and State Development. Can the minister inform the house of any recent announcement that demonstrates the strength of the aviation industry in Victoria?

Hon. T. C. THEOPHANOUS (Minister for Industry and State Development) — I thank the member for his question, and in deference to your ruling, President, may I apologise for calling David Davis 'Honourable' earlier.

This is more good news — another good news story. I was pleased to announce on Monday the final chapter in the Ansett saga. In a deal which was brokered by the Bracks government, John Holland Aviation Services acquired the old Ansett engineering facility at Melbourne Airport. This is a very important acquisition because it brings to an end six years of uncertainty for 150 workers who have been battling to keep their jobs over that period of time. Those 150 highly qualified engineers kept that business operating even while it was in administration, and the fact that we have been able to sponsor a deal in which John Holland Aviation Services has taken over a site and will now be running it is absolutely thrilling.

I was certainly thrilled to open the new facility. It will be the only independent maintenance repair and overhaul centre in Australia for aviation. It is capable of providing heavy aircraft overhaul and maintenance and support to international and domestic airlines. I might say that 150 people are working there today. We expect that with this purchase and restructure by John Holland Aviation Services that figure will increase to 500. That is 500 jobs for Victorians that have been secured as a result of this arrangement.

I might also say that in putting together this package we had a number of challenges. One of the significant challenges was in industrial relations. I want to thank the union and the company for their cooperation, because we were able to put together a flexible arrangement through a collective agreement, not an Australian workplace agreement (AWA). There is no AWA in this particular agreement, but it is a flexible, collective agreement between the unions and the company which will allow a great deal of flexibility in the delivery of the company's services. It will also allow flexibility for the workers themselves in terms of when they will have to work. It is based on the concept of an annualised salary so that the company gets an enormous amount of certainty in relation to its costs going forward.

What you have is an agreement that has been put together without the need to go to John Howard's industrial relations formula. It is an agreement that is going to benefit this state and provide 500 jobs in the aviation sector. It really is a vote of confidence. Do not just take my word for it, allow me to quote from yesterday's *Age*. It says:

Almost six years after Ansett's collapse, the aviation industry is experiencing a resurgence, particularly in Victoria.

I repeat: particularly in Victoria. The *Age* goes on to say:

Later this year, the state will feel the benefits of Tiger Airways' decision to run its domestic operations from Melbourne.

So in the last six months we have secured Tiger Airways, we have Indian Airlines flying exclusively into Melbourne, and we have John Holland Aviation Services with 500 new jobs. I was very pleased to be there to make this announcement. Thankfully David Davis was not invited for this particular announcement, because it would have been highly embarrassing to have Janet Holmes à Court looking around trying to find David Davis.

Honourable members interjecting.

Hon. T. C. THEOPHANOUS — I do want to say that this is an important decision that has been made. It is an important development for the Victorian economy. I know that Bernie Finn would be very happy with this announcement, because it is about jobs at Tullamarine. Perhaps I could conclude by suggesting to Philip Davis that maybe he should consider Bernie Finn for David Davis's job.

Planning: Melbourne 2030

Mr KAVANAGH (Western Victoria) — My question is for the Minister for Planning and relates to the review of Melbourne 2030. Interested community groups are very anxious to actively participate in the review of 2030 beyond just making submissions. Will the government commit to genuine participation by concerned community representatives in the 2030 review, and will it undertake not to bind them to confidentiality agreements?

Hon. J. M. MADDEN (Minister for Planning) — I welcome the question in relation to the Melbourne 2030 review. As members of this chamber would no doubt be aware, at the introduction of Melbourne 2030 we committed to review it after five years. We are currently already into that process. The initial stage of that process is basically a stocktake prior to stage 2. That stocktake is the gathering of information in relation to what has taken place and the extent to whether it is or is not rolling out on the ground as might be expected. I will be making further announcements in relation to the next stage in the not-too-distant future.

I am eager that members of the community have the ability to present their position in relation to matters surrounding Melbourne 2030. I know that there is a great deal of anticipation of that review among many,

many community groups. I acknowledge that they would be interested in making submissions, and I am eager that those groups present to the team that will be involved. I am also eager to hear from those groups at any time in relation to matters they might feel concerned about, either in relation to the planning system or the rollout of planning at a local level or where they believe there are anxieties of community members that need to be either addressed or listened to. I am always eager to take those issues on board.

On a number of occasions I have mentioned in this chamber that I have an open door policy as the dedicated planning minister to allow for either representative groups to try to make a time to see me or for responses to any invitations that might come my way or to meet with proponents, if that is appropriate, to allow them to actually discuss issues surrounding the planning system.

I am confident that my further announcements in the not-too-distant future in relation to the second stage of Melbourne 2030 will alleviate the concerns of any community groups or individuals who are eager to have input. I am confident that that will alleviate any anxieties or any fears in this area.

Supplementary question

Mr KAVANAGH (Western Victoria) — I wonder if the minister might give us a peek now at what the decision is going to be in the near future and tell us if that announcement will include allowing representatives of four, if not six, community-based areas to participate, whether they will be able to participate beyond making submissions and whether they will be bound by confidentiality clauses.

Hon. J. M. MADDEN (Minister for Planning) — I am conscious that there are a number of community groups that have respective interests in significant local community issues they feel need to be dealt with in the consideration of the Melbourne 2030 review. I am also conscious that some of those groups have things in common that they might share with other groups in other local areas. There are other groups that might advocate strongly on a regional basis for whatever region that might be, and then there are yet other groups that feel strongly around particular themes, whether they be green wedges, the urban growth boundary or other such issues. I am conscious that there will be different groups that will seek to advocate on behalf of localities, regions or themes or other particular issues.

I am keen that, in whatever form they wish to present or advocate, they can do that within this process. I am

confident that those matters will be considered on their merits through the process and that this will be a great opportunity for us to further explore the issues around the Melbourne 2030 themes. I am eager to see that we have a planning system that addresses these issues and that works to give a planning process that delivers certainty and confidence and also continues to build on the reputation of Melbourne and Victoria as a great place to live.

Small business: red tape

Mr ELASMAR (Northern Metropolitan) — My question is to the Minister for Small Business. Can the minister advise what measures are being taken in his portfolio to address red tape reform?

Hon. T. C. THEOPHANOUS (Minister for Small Business) — I am very pleased to be able today to get five questions from the government benches, because they have allowed me to put on the record five good news stories for the Victorian economy. The question asked of me by the honourable member relates to red tape, which is, of course, a big issue for small business, as honourable members in this house who are interested in small business would know.

I have mentioned before and I mention again that the Bracks government recognises the importance of small businesses. They make up 96 per cent of our businesses, and they are an important part of our economy in providing employment to a very large number of Victorians. As I have indicated today, the Sensis survey shows that Victorian small businesses are showing increased confidence in the Bracks Labor government. One reason that is the case is that the Bracks government has made an enormous number of efforts to reduce the regulatory burden — that is, to reduce red tape. We have taken a range of actions which are well known within the business community. They include things like a small business regulatory assessment manual, a business consultation database for red tape, the world-class service initiative, a range of other initiatives to reduce red tape and of course our target of reducing red tape by 25 per cent over the course of the next five years.

Our efforts have been recognised by the Business Council of Australia. It is not a body that you would necessarily expect to recognise the Bracks Labor government for its efforts in this area. The Business Council of Australia has prepared a report called *A Scorecard of State Red Tape Reform*. It was making a judgement about how well each of the states were doing in relation to red tape. Guess what? Guess which

state the Business Council of Australia identifies as the leading state or territory in its red tape reform process?

Hon. J. M. Madden — Which one?

Hon. T. C. THEOPHANOUS — Guess which one?

Mr Jennings — Tassie!

Hon. T. C. THEOPHANOUS — No, it is not Tasmania. No, it is not New South Wales.

An honourable member — South Australia.

Hon. T. C. THEOPHANOUS — It is not South Australia.

An honourable member — Northern Territory.

Hon. T. C. THEOPHANOUS — No. It is Victoria!

Honourable members interjecting.

Hon. T. C. THEOPHANOUS — In fact Victoria was assessed as having the best regulation-making processes, and it was the only state to receive an overall good rating on regulation reform. More good news! The scorecard was based on four benchmarks for assessing good regulation-making processes: principles of regulation making, accountability, transparency and review processes. In each of these areas states were given a score. The only state to receive a good rating in every single one of those four areas was Victoria. Again, Victoria received that tick.

The report recognised Victoria's efforts to reduce the regulatory burden for business, including publication of the *Victorian Guide to Regulation*, the establishment of the Victorian Competition and Efficiency Commission and the commitment to cut existing administrative burden by 25 per cent in the next five years. Again we see how the Victorian economy is moving ahead and how businesses themselves are voting with their feet. Business organisations, including Sensis and the Business Council of Australia — all of these organisation — are now saying that Victoria is the place to do business and to move forward.

I think now would be a good time to get a cross-party position where we all at least try to talk up the Victorian economy for the benefit of Victorian workers and for the benefit of our businesses. There is a friend of Winnie-the-Pooh called Eeyore, who is described in Wikipedia as 'pessimistic, gloomy ... depressed, stuffed', and I think it is a reasonably good description of the opposition spokesperson, David Davis, on this occasion.

QUESTIONS ON NOTICE

Answers

Mr LENDERS (Minister for Education) — I have answers to the following questions on notice: 32, 124–7, 138, 287, 288, 317–19.

STATE TAXATION AND GAMBLING LEGISLATION AMENDMENT (BUDGET MEASURES) BILL

Second reading

Debate resumed from 5 June; motion of Mr LENDERS (Minister for Education).

Mr D. DAVIS (Southern Metropolitan) — I am pleased to rise to make a contribution to the debate on the State Taxation and Gambling Legislation Amendment (Budget Measures) Bill. As members of the chamber will know, we were to debate this bill last night but that debate was cut short by the tragedy which occurred in Kerang. In beginning this speech I take the opportunity to record my concern for the families involved and, I think, the concern of most people in this chamber at what occurred there. I hope the results are the best they can be at this point.

The State Taxation and Gambling Legislation Amendment (Budget Measures) Bill amends the Duties Act and claims to lower the rate of stamp duty applicable to the purchase and registration of new passenger cars and near-new demonstrator vehicles. It changes the thresholds on a number of state tax measures, but I make the point, and I will make the point as this contribution goes forward, that this measure simply tinkers at the edges of what the state needs in taxation arrangements and incentives. The bill makes amendments to the Congestion Levy Act 2005 to provide a so-called temporary levy reduction for a discrete part of the existing levy area — that is, the area south of the river. As I said, it makes amendments to the Duties Act to reduce the rate of duty on certain new or near-new passenger cars. It makes amendments to the Land Tax Act 2005 to include further so-called reductions in the rates of land tax, and there is an increase in the threshold and reform of the special land tax provisions. It makes amendments to the Gambling Regulation Act and the Casino Control Act 1991.

These changes need to be viewed in the broad context of this government's increases in taxation over the last almost eight years. At every turn this government has taken the opportunity to increase tax either directly or

by stealth by allowing increased values for items on which tax is levied to move them into higher taxation brackets. That has applied to land tax, it has applied to stamp duty and it has applied to a number of other duties as well. In its essence this is not a very sophisticated approach by the government; it is basically an approach that takes additional tax by stealth. It is worth putting on the record that when the coalition lost government in 1999 the state budget was around \$19 billion. It is now over \$33 billion — a very significant increase in that period. Despite population increases and increases in the size of our economy, the increases in no way match this massive increase in the size of the state budget.

Of course the state budget has had the windfall gains that have been received through the GST payments from the commonwealth. Whilst Victoria has adhered to the very strict letter of the law in removing the taxes that were agreed to be removed in the intergovernmental agreement, what it has not done is honour the spirit of that agreement, which would have seen additional taxes removed as the revenue base grew and would have given the government greater flexibility to remove some of those taxes. Indeed the story of the Bracks government of course is that it has introduced new taxes and has introduced them at a frightening rate.

But before I talk about the new taxes I think it is worth putting on the record the size of the business tax collections under the Bracks government and the change over time. With the agreement of the house, President, I seek to incorporate a table into *Hansard*. As you are aware I have discussed with —

The PRESIDENT — Order! You checked with me.

Mr D. DAVIS — I did indeed. If people wish to have a copy, they are welcome. It is an important table that lays out — —

The PRESIDENT — Order! On a point of clarification, are you seeking leave to have it incorporated into *Hansard*?

Mr D. DAVIS — Yes.

Leave granted; see page 1610.

Mr D. DAVIS — The reality is that important taxes have gone up very substantially over the period. Let me lay out some of this. In the case of land tax, in 1998–99 the tax collected was \$378 million and by this budget just gone the revised estimate was \$890 million — a massive \$512 million, or 135 per cent, increase. Even with the changes that flow through to land tax as a

result of this budget the increase will still be 102 per cent in the amount collected.

We have had this debate in the chamber before, but it is essentially a very simple point. The amount that is taken out of the community has grown in relation to the size of the population or the size of the economy. Whichever measure you choose to use, this tax take is far and away outside the parameters of the growth in the economy or the population. Whilst there has been some tinkering at the edges with rates, those rates in no way reduce the total take in comparison to the earlier situation. My point here is that those rates are felt by individuals. At the end of the day those land taxes are paid by individual property owners, whether they be people who have investments or whether they be those who have a business premises or other similar premises. Those rates add directly to the cost of business, and in many cases they add a harsh burden to those who have saved for their retirement.

The metropolitan improvement levy is a similar story. The congestion levy is one of the Bracks government's brand-new taxes, and although this bill modifies the congestion levy in a minor way it in no way significantly deals with the fact that the congestion levy is a major new impost. The so-called congestion levy is really a parking tax, a tax on parking in the central business district. You have to ask yourself how or why the government would claim that this would deal with congestion. There is no evidence it will reduce congestion; indeed, there is evidence to the contrary. At the time of the 1998–99 budget revenue from stamp duty was \$1006 million, but in this budget it is \$2854 million — an increase of 183 per cent. Even with adjustments it will come to a 184 per cent increase over the period this government has been in office. The growth in police fines is well known, and in that area the government expects to collect \$419 million — a 323 per cent increase over the almost eight years of the Bracks government.

Insurance taxes have gone up massively. On the estimated values of the 2007–08 budget year there is a massive change from \$532 million in 1998–99 to \$1136 million — a 114 per cent increase. The comments made by the federal Treasurer on insurance taxes and the impact they have on underinsurance are significant. These taxes on insurance directly hit business costs and directly hit householders and consumers. These taxes are a direct impost on businesses and lead in particular to householders and consumers underinsuring. There are additional costs that are felt elsewhere in the system because of that underinsurance.

The payroll tax take is estimated to be up 63 per cent next year. I will say something about estimated takes. Often you find that the government estimates a low number in its budget projections but that the amount that is actually received is vastly greater. That is the story with stamp duty, land tax and payroll tax in particular, where the amount the community has had to pay to the government has invariably exceeded, and often massively exceeded, the budget estimates. Motor vehicle taxation fees have increased from \$885 million in 1998–99 to \$1338 million this year, an increase of \$453 million between 1998–99 and 2007–08 — a 51 per cent increase. It is half as much again, a massive charge that impacts directly on business.

We heard Mr Theophanous in this chamber earlier ranting and raving about regulation and red tape. Let me give the chamber some examples of this government's impact in terms of red tape. The government has not just introduced a whole raft of new regulations, but in the context of this bill the government has introduced 13 or 14 new taxes, depending on how you count them. Let me run through them. There is the gaming machine levy and the payroll tax on fringe benefits, eligible termination payments and leave, as well as on apprentices and trainees. I have previously discussed this in the chamber, but the truth is that this government has lowered the rate on some of these things a mite but broadened the base of the taxes, bringing more people and more revenue into the loop. These payroll taxes that have been put on additional benefits strike very hard at many businesses. This is a government that says it wants a clever country, a government that says it wants to support training and apprentices, but its solution to the need for more training and apprentices is to put a new tax on — a bizarre and strange step for a government that says it wants more trainees and training.

The stamp duty on mortgage-backed debentures is a new tax; there is the annual indexation of fines, fees and charges. Previously if taxes or charges were increased they came back to the Parliament, but this government has scrapped that and indexed these taxes and charges every year. It is a new grab and a new tax sweep that the government has in place. The transit city tax, the stamp duty extensions on land-holding bodies and the payroll tax on employment agencies — these are again widening the net for additional revenue opportunities. It is no wonder that payroll tax has gone up 63 per cent over the term of this government — a 63 per cent increase in payroll tax! The government has done this by widening the number of people who are paying and the amount of assessable income that is available to be levied every term. The 5 per cent water levy is simply a tax; there is no other word for it. The long-term parking

tax, a so-called congestion tax, is iniquitous. It is a complex tax to calculate and a tax that is having perverse effects in the city. I will make some comments about that at another time in this place. That tax is impacting severely on a number of industries in the central business district.

The land tax on trusts is again a new and onerous impost on those who hold land through trusts. This government has not even come clean on how much it has collected in land tax. As with many of these taxes, it is difficult to get the truth out of the government. The land development levy, which Mr Guy understands, is in effect ramping up tax opportunities for government and a replacement of infrastructure that would otherwise have been provided through general tax receipts. The government now scrapes this money out of developers. It is passed on to new homeowners through increased costs for houses; it reduces housing affordability. Finally, a tax the chamber is very familiar with is the extension of duty on inbound international airline insurance. Why a government seeking to attract inbound airlines to this state would put a new and onerous tax on those overseas airlines is beyond me. It is significant that these taxes have gone up in the way they have.

I am very pleased to contribute to this debate. I want to make some comments about Mr Barber's proposed amendments to the bill. I have had a good discussion with Mr Barber about this, and I understand the proposed amendments would allow a differential taxation rate to be applied to hybrid or electric hybrid vehicles. I have no difficulty with hybrid vehicles. I think this is a very important part of the effort to reduce greenhouse gas emissions and it is important that measures are put in place to support this technology and the option of consumers to go in this direction. However, the approach laid out in the proposed amendments is in the mode of picking winners rather than setting proper and objective targets against which you can get the best outcome. I know that the superficial approach of allowing some additional advantage to hybrid vehicles is attractive on one level, but I think a better way to go would be to set clear benchmarks against which any vehicle could compete and achieve certain greenhouse performance outcomes.

The truth is that there are a number of ways to do this. A shift to gas is one way of lowering the emissions of vehicles. There are a number of diesel vehicles that are available here that put out less emissions than some hybrid vehicles. Mr Barber talked about the weight of vehicles, and one of the points with hybrid vehicles is that they have an engine technology in a shell. That needs further focus. I would prefer measures of this

type not to pick individual technologies but to focus on the outcomes of the particular vehicle and in that way lay out a better approach.

In this context I want to say something today about the unhelpful decision of the Queensland government to set up a scheme whereby duties on certain Australian-produced cars will be increased. The reality is the Queensland stamp duty arrangements will penalise many Australian-produced cars, and I have to say those cars are overwhelmingly produced in Victoria, and to a lesser extent South Australia. Victorian industry and manufacturers will face a further impost because of the decision of the Queensland government to differentially tax vehicles in that state.

I make the point that this is not the right way to go. I think it would have been better if Queensland had worked with other states on this occasion if it wanted to take some steps there. The scales that have been put out in Queensland have the appearance of a ramshackle or a cobbled-together approach that was designed, in my view, to give a fig leaf of respectability to a system that was fundamentally designed to garner more revenue. There is no doubt that the Queensland Premier, Mr Beattie, needs more revenue. He needs to spend it on the infrastructure which is so sorely lacking in that state. I discussed the *State of the States* report earlier today and referred to a paper that points to deficiencies with infrastructure provision across many of our states. You can see to some extent from that why states are seeing the need to garner additional revenue. However, my concern, as always, with this government and other Labor governments around the states is that that additional revenue is not well applied.

There are several issues here. There is the amount of revenue collected, there is how it is collected and then there is how the government uses that revenue to best benefit the community. Community benefit is obviously about service provision, but it is also about infrastructure provision. This government's focus on infrastructure provision, as we discussed earlier today in this chamber, has been woefully inadequate whether it be water infrastructure or in other areas. This bill and the Treasurer's approach to these state taxation areas have been slippery in terms of presentation. He has always claimed that so many people will benefit, but there is no proper and ongoing indexation of rates and thresholds, as there should be in the long term. If there were, these massive increases in taxation would not have occurred, because on each occasion the government would have had to come back to the Parliament and seek additional revenue from the Parliament.

With those comments, I place on record my concerns about the state's taxation approach, the high levels of taxation, the massive amounts that have been garnered and the impact that is having, in particular on small businesses and industries that have little capacity to avoid those taxes.

Mr GUY (Northern Metropolitan) — In my short parliamentary career the legislative agenda and the rhetoric the Bracks government has come to this house with have fitted into two categories: stunts or tax slugs. For the first couple of months we saw the stunts: we had a stunt on nuclear energy and we had a stunt on water movement around the state. Now, through the State Taxation and Gambling Legislation (Budget Measures) Bill, which will give effect to the state budget measures involving taxing and gambling legislation, we see a tax slug.

It is pretty obvious that this bill is full of a lot of new Labor taxes and charges and spin and rhetoric to disguise the real situation of the Victorian economy as it is today. In this bill we have a huge number of examples of a government that is living with its head well and truly in the sand. The Treasurer describes us as the best of the rest. That is the best Labor can offer Victoria: to run around the country and say we are the best of the rest. That is not a quote from me, from anyone in the Liberal Party or from any opponents of the government. It is a quote from the government itself. That is its view of Victoria in the context of Australia: we are the best of the rest.

Mr Koch — Mediocrity.

Mr GUY — It is, Mr Koch, it is about mediocrity. It is not about trying to be the best, it is about being the best of the rest. We are content to be second best, we are content to be somewhere on the scale above halfway. Frankly I do not think that is good enough. I know that Liberals in this Parliament, in this house and across the country do not think that is good enough for the states they represent.

As I said, the government is full of people in denial. Recurrent revenue growth is massive. Expenditure growth is even larger. Our level of infrastructure investment looks good if you read the government spin and the documentation that was released last year, but when it comes to new moneys it is a very different story. The slow pace of government decision making and the growing amount of red tape are hindering where we are going as a state. Those things and the overall increasing level of taxation are of concern. One issue I want to mention later which is of major concern to me and a number of Liberals, and anyone who values

the future of this state to any extent, is, of course, the growing amount of debt this government is going into. I will come back to that later. It just astounds me that members of the government have come into this chamber and, almost like sheep, tried to make themselves believe the word of their Treasurer that where they are going now and where the debt levels will be in 5 or 10 years time are somehow good for the state of Victoria. However, as I said, we will come to that later.

The overall theme and the obvious nature of what is being espoused by the government is that, once again, Labor is a party of total denial. Like the Cain-Kirner school of denial, the John Bannon school of denial, the Brian Burke school of denial —

Mrs Coote — Who?

Mr GUY — That is right, and it is the school of denial that the Hawke and Keating governments lived in for 13 long years.

Let us have a quick look at state revenue growth. In the life of this government there has been an increase in recurrent revenue from \$19 billion to \$34 billion. It took Victoria as a state from the 1850s until 1999 to go from \$0 to \$19 billion in revenue. It took that amount of time to get to \$19 billion in revenue. Over the life of this government we have gone from \$19 billion to \$34 billion in recurrent revenue. That should be remembered and factored into the historical context. Look how long it took to get to a \$19 billion revenue base and in seven and a half years we have gone up an extra \$15 billion. It is astounding to think that any government, Labor or Liberal, would have the opportunity to increase revenue by 80 per cent over a seven-year period. Compare that to the consumer price index over that time and clearly the government is, thanks to a number of measures, awash with cash. The seven-year increase is almost the size of the whole budget 15 years ago.

It is very interesting to note how all of this came about. My colleague David Davis referred previously to the annual indexing of taxation. No doubt the people I see cramming themselves onto the trains at Preston on the Epping line every morning who are paying an additional 10 per cent or more for their public transport fares every year are thankful. The service has not improved, but they are certainly paying more.

However, it is worthwhile looking at GST revenues. I do not want to go over what has been mentioned previously to any great extent, but before we talk about GST revenues it is worth noting that the Labor Party

opposed the GST at every step of the way. The people who are now coming into this chamber and gloating about the state's financial position have the recurrent revenue base we have in Victoria today almost principally because the GST is a growth tax funding entirely back to the states. The Labor government in this state takes in \$44 million per day in GST revenue, which is \$700 million a month or \$8.5 billion per year. John Brumby goes into his Aladdin's cave and gets out his big chest of money, all from the GST, in the amount of \$700 million a month — that is, 26 per cent of the total state budget.

My colleague David Davis has talked about stamp duties, and I too want to talk about stamp duties, principally because we have the highest rates in the country. The total take in 1998–99 was \$1.006 billion, it was \$2.424 billion in the budget update and in this budget we are now looking at \$2.849 billion. The highest rates of stamp duty in the country are in South Australia and Victoria. We are out there trying to compete with places like Queensland, Western Australia and New South Wales. We are trying to place ourselves with a competitive edge in housing and to be an affordable entry point for people coming into the housing market. How do we do that? The state government says, 'We will give you a bonus. We will give you a couple of thousand dollars back if your home is under \$500 000' — that excludes anywhere within 10 kilometres of the city — 'Here is your \$3000 cheque, and we are going to take back around \$15 000 to \$20 000 in stamp duty'. Typically the Labor government gives with one hand and takes with the other.

I want to contrast Victoria's stamp duty with that in other states. On a \$300 000 home it would be around \$9500 in New South Wales and \$3500 in Queensland, but in Victoria it would be \$12 700. This is a government that comes in here and talks about housing affordability. It is worthwhile noting the figures from the Property Council of Australia, which show that on a \$391 000 home, which a number of months ago was the average house price in Melbourne, you are paying \$45 000 in tax — state tax — and that is not to mention the GST, which of course then comes back to the states. Mr Pakula will no doubt wonder if I have anything positive to say about this bill, as he always does —

Mr Lenders — That is because you have a track record in being negative.

Mr GUY — I have a track record in speaking the truth, unlike many members of this government who come in here and speak spin and rhetoric, which has

been fed to them by a government information unit. There is a very big difference.

The reduction in stamp duty on passenger vehicles worth \$35 000 to \$57 000 should greatly assist the sales of locally manufactured vehicles. The Holden Omega, which is Australia's largest selling car model, is priced at around \$36 500, I am told, before on-road costs, and the stamp duty saving will be about \$550. That is tremendous. That is lovely. It is a very, very small step, but it is something, and we certainly do not oppose any reduction in taxation.

A letter in the *Herald Sun* of 12 May from Mr B. J. K. Johnson states:

Bracks is making a gift of \$1425 to people who buy \$57 000 cars. Yet he still won't return the \$80 motor registration concession he took from our poorest citizens. Whatever happened to true ALP values?

That is very well said, and it is worth noting with regard to this bill. The other tax worth noting is of course land tax. Despite some land tax reductions, they are in fact Clayton's tax cuts. In 2006–07 the total take from land tax was \$890 million, \$108 million more than in the budget update for December 2006. So much for tax cuts.

Mr Lenders interjected.

Mr GUY — Mr Lenders interjects, 'We did this and we did this'. At the end of the day the Labor Party does not get it when it comes to taxation reduction. It will do it as a matter of course, it will do it if it has to, it will do it if it has to tick a box marked 'tax cut', but at the end of the day it does not get it. It is about overall taxation take, and at the end of the day the Labor Party just does not get it when it comes to taxation reduction.

Mr Lenders interjected.

The DEPUTY PRESIDENT — Order! I advise the minister that the member can proceed without assistance, and the house would be gratified by that.

Mr GUY — Even with the reductions the figure is still \$17.8 million more in 2007–08 than in 2006–07. Land tax valuations do not take into account individual circumstances. They just do not go far enough. I would like to come to a statement made by a former Victorian of the Year, Mr Ian Armstrong. He said it made him sick to hear John Brumby, the then Acting Premier and Treasurer, say on 3AW that land tax has been reduced — that is, fixed. Mr Armstrong said that two years ago he sold five factories to reduce the land tax burden, only to receive a 27 per cent increase. This year on exactly the same basket of properties he received his

bill. It had increased by 107.8 per cent. How is that a reduction? What costs have gone up this much? He went on to make a number of remarks about the Treasurer, which I will not repeat, but needless to say — —

Mr Lenders — He says good things?

Mr GUY — No, no. In fact if Mr Lenders would like me to repeat them, I would be happy to. No, I will show them to him personally rather than have them in *Hansard* and attributed to me. They are certainly not friendly.

It is worthwhile noting, as Mr Davis did, the number of taxes that have been brought in by this government. Members opposite do not like to hear this, but this is fact. The government has brought in the gaming machine levy; payroll tax on fringe benefits; payroll tax on apprentices and trainees; stamp duty on mortgage-backed debentures; annual indexation of fines, fees and charges, which I mentioned earlier; transit cities tax; stamp duty exemption on land-holding bodies; payroll tax on employment agencies; the 5 per cent water levy; the congestion tax; land tax on trusts; the land development levy — or development tax, as it should be; the rental business duty; and the inbound international airline stamp duty extension. This of course does not factor in the Melbourne Water charges. The government has allowed Melbourne Water to increase its drainage charges by 50 per cent on developments in the outer urban areas, which will further add to the cost of building a home on the outskirts of the city.

Just briefly on the congestion tax, it is not a real effort by the government to combat traffic in the inner urban areas of Melbourne. It is a blatant revenue-raising exercise. If it were to the contrary, the moneys might go back into upgrading public transport. But no, they do not. Where do they go? They go immediately back into consolidated revenue. It has nothing to do with global warming; it has nothing to do with upgrading trams or rail; and it has nothing to do with upgrading services. It has everything to do with being a tax by stealth. This is our point: the Labor Party taxes with one hand and attempts to give back with the other, saying, 'Look what we are doing. We have ticked this box. We are giving you a taxation reduction'. But it makes it up with stealth behind our backs. That is a feature of Labor governments. It has always been a feature of Labor governments, and that is why whenever Labor Party members of Parliament walk into this chamber Liberals always howl them down and say, 'You don't get it when it comes to tax cuts', because they do not.

The development tax will come in later this year. Some of the people who could least afford to pay an increase in taxation live in the outer areas of Melbourne. When they try to make a start and build in the outer suburbs, what is the government's response? A lower stamp duty for them? Does it make land supply easier, which might ease the price of land as a commodity? No. It puts on a land development tax and says the developers will absorb it. I do not know who the government expects to believe that a developer, whether small, medium or large, would absorb \$5000 to \$8000 per block. I think those who believe that line, and certainly many opposite, are obviously on a different planet from the other 5.2 million Victorians, because that is not the case. The government is simply going to tax the people who can least afford it, as I said, and it will further increase the cost of housing and place the chance for a first home out of the reach of the people who are trying to get into the housing market.

I want to talk about debt. This is very important to this state, because I am sure we all have a memory of our position in 1992. Those opposite should listen, because we are back on the debt train in this state. We all know on this side of the house how very dangerous Labor is with a credit card. Labor has form in this area: Cain, Bannon, Burke, Hawke, Keating and, today, Beattie were or are all on the debt train. People like Mr Thornley come into this chamber and try to explain it away, saying it is to do with this and to do with that, and on some points he might be right. But at the end of the day I challenge any member opposite to come into this chamber and identify an example in recent history where a state Labor government has come to office and at the end of its term of government has paid back a large amount of debt. It has not happened.

I turn to recent examples. As I just said, when the Hawke and Keating governments left office their debt level was \$96 billion. The Cain and Kirner governments had a debt of \$32 billion. That is the legacy they left Victorians. They said, 'Thanks for your 10 years, here is a \$32 billion debt'. Victorians have a right to be very concerned by any Labor government that comes in and says, 'We are going from \$4 billion to \$14 billion, half way back to Kirner, half way back to the 1980s. It does not really matter because it is this and it is the lowest'. At the end of the day Labor governments do not pay back debt; they use the credit card and do not pay it back. As we all know, it is left to other parties to do that. I hope that when the Labor government's term ends in 2010 that is not the case.

I quickly turn to the gaming aspects of the bill. Yet again we see a tax on electronic gaming machines rising from \$3033.33 to \$4333.33, a 43 per cent

increase — and yet again it goes straight back into consolidated revenue. When you are placing a bet through the TAB the current legislation says that the maximum commission the totaliser can take out of the system is 25 per cent of any bet, so the maximum the licensee, Tabcorp, can take is no more than 16 per cent. For every \$1000 invested, \$840 goes to the winnings pool and \$168 goes in commission. The racing industry will now get \$67.20, or 42 per cent, of the commission; the government will get \$24.80, or 28 per cent; and Tabcorp will get \$48.

The bill abolishes the 16 per cent rule and replaces it with a complex system of tables which are contained in the bill and which I will not going into. As we all know, someone is obviously a winner out of these taxation changes. You do not need to be Einstein — this applies to the people on this side of the chamber and, I am sure, all Victorians — to work out who is the beneficiary of these taxation changes. It is the Labor government. In my view this bill should be renamed the State Taxation and Gambling Legislation Amendment (More Tax Increases) Bill 2007. That is the way it appears to me.

In conclusion, we have a government in this state which has had huge revenue growth via the goods and services tax. The Labor Party vehemently opposed that tax and went to an election opposing it, but it is the beneficiary of it. There are also huge revenues coming from stamp duty, land tax, recurrent taxes and fines, which go up by 10 per cent every financial year, yet there has been a failure to invest in infrastructure such as rail, roads and water. There is growing debt and a return to the Cain and Kirner school of denial. I say in closing that I fear this Labor government will end up with a legacy similar to that of its political mentors of the 1980s — that is, on the day it leaves office it will leave Victorians with a very large debt to pick up as a result of the expenditure and the free-money nature of its time in office. I fear for that time when it comes.

Mr LENDERS (Minister for Education) — I thank members for their contributions. For the record, I would like to make some comments in reply regarding taxation under the Bracks government. I will not comment on the amendments proposed by Mr Barber, because they will be dealt with extensively in the committee stage.

Since coming to office the Bracks government has introduced tax cuts worth over \$4 billion. We have an outstanding tax reform record. For Mr Guy's benefit, we have gone from having the second-highest number of taxes to the second lowest. As an example, payroll tax has been cut to the second lowest in Australia; land tax has been cut, and I will go into detail on that; stamp

duty on properties has been cut; motor vehicle duty has been cut; duty on non-residential leases has been abolished; the financial institution duty has been abolished; duty on quoted marketable securities has been abolished; duty on unquoted marketable securities has been abolished; the bank account debit tax has been abolished; duty on mortgages has been abolished, the first in the country; and business rental duty has been abolished. Let us get the record straight on tax cuts — it is \$4 billion over those areas.

We have cut payroll tax from 5.75 per cent under the Kennett government to 5.05 per cent and will reduce it further to 5 per cent on 1 July 2008. We have slashed the top rate of land tax. The figures illustrate what has happened. Under the Kennett government the top rate of land tax was increased from 3 per cent to 5 per cent.

Mr Guy interjected.

The ACTING PRESIDENT (Ms Pennicuik) — Order! Thank you, Mr Guy. The minister, to continue.

Mr LENDERS — I repeat that under the Kennett government the top land tax rate was increased from 3 per cent to 5 per cent, whereas the Bracks government has reduced it to 2.5 per cent — it has halved it. Let us get some of the rhetoric right. We have cut the stamp duty rate for homes that are the purchaser's principal place of residence and are priced between \$115 000 to \$500 000, saving the buyer of a median-priced home \$2600. Again for Mr Guy's benefit, that is a 14 per cent cut in stamp duty. We have also abolished more taxes under the intergovernmental agreement than any other state.

I turn to GST revenue. We receive 88 cents of what Victorians pay in GST. Victorians pay around \$1.2 billion more than we receive. We pay \$10.35 billion and receive \$9.14 billion. If the federal government allocated the amount pro rata it would be \$232 for every man, woman and child in this state. We have witnessed an unprecedented property boom; however, land tax revenue has not grown as fast as property values. Part of that is because the top rate has been cut from 5 per cent to 2.5 per cent. Since the Bracks government's first budget land tax revenue has increased by 70 per cent, but valuations on taxable property have gone up by almost double that amount. Our record is that we have increased the land tax threshold on four occasions, taking it from \$85 000 when we got into government to \$225 000. We have introduced exemptions for aged-care facilities, caravan parks and rooming houses, and we have capped bills in two years to 50 per cent. What Mr Guy does not understand is that when the Kennett government left

office the starting rate for land tax was one-tenth of a per cent, so there was a 50-fold increase from start to finish under a progressive tax scheme. This means that virtually all Victorian small businesses with land tax holdings valued at between \$380 000 and \$4.5 million will pay lower land tax than their contemporaries in New South Wales and Queensland.

For the record, this government has sensibly removed objectionable business taxes while delivering extraordinary increases in service delivery. I put that on the record because Mr Guy gets very excited about tax. We have abolished a number of taxes under the Harvey business review we said we would undertake, while we have maintained a prudent revenue stream, which is more fairly based than that we inherited from the Kennett government, so that we can deliver services. On that basis, I commend the bill to the house.

Motion agreed to.

Read second time.

Committed.

Committee

The DEPUTY PRESIDENT — Order! I take this opportunity to indicate for the benefit of members that section 62 of the Constitution Act 1975 states that a bill that appropriates any part of the Consolidated Fund or imposes any duty, rate, tax, rent, return or impost must originate in the Legislative Assembly. Any such bill may be rejected by the Legislative Council but not altered by the Legislative Council.

However, section 64(2) of the Constitution Act 1975 permits the Council to suggest amendments to a bill that it cannot amend, such as this, provided that the amendments do not have the effect of increasing a charge or burden on the people.

The suggested amendments which have been circulated in Mr Barber's name and which will be considered in due course in committee I believe have the effect of reducing the burden on the people who have hybrid vehicles, whilst not increasing a burden on anyone else and are therefore considered in order in the context of the Constitution Act.

Clause 1

Mr RICH-PHILLIPS (South Eastern Metropolitan) — In respect to the provisions relating to land tax, the minister, in the second-reading speech, noted that as a result of the increase in the threshold approximately 28 000 taxpayers will no longer have to

pay land tax. Is the minister in a position to inform the committee how many land tax payers will remain following this amendment?

Mr LENDERS (Minister for Education) — I do not have a figure in response to Mr Rich-Phillips. I can take it on notice for the Treasurer, but I do not have a figure available.

Clause agreed to; clauses 2 and 3 agreed to.

Clause 4

The DEPUTY PRESIDENT — Order! Mr Barber will move his suggested amendment 1, which is a test for his remaining amendments 2 to 5 which relate to the exclusion of a hybrid vehicle or an electronic vehicle from motor vehicle duty. Mr Barber may refer to those subsequent amendments as part of dealing with suggested amendment 1.

Mr BARBER (Northern Metropolitan) — I move:

1. Clause 4, line 3, before "For" insert "(1)".

In relation to this clause on the reduction of motor vehicle duties, I said during the second-reading debate that I was not going to put an enormous effort into underlining what is wrong with this particular proposal from the government because it is quite obvious. It is also obvious from the response of the government's lead speaker that it is not going to work too hard to try to convince any of us that it is anything else.

These proposals to introduce tax cuts for gas guzzlers are socially, environmentally and economically regressive. They are socially regressive because the more expensive the car the bigger the tax cut you get. If your vehicle is anything up to \$57 000 you will get a tax reduction from 5 per cent to 2.5 per cent, which represents a couple of thousand dollars in value. The proposals are Howardesque in nature, in that the richer you are the bigger the tax cut you get. They are certainly economically inefficient because they distort people's transport choices towards a mode of transport that itself is incredibly inefficient.

Just think about it: the train pulls into Southern Cross station and unloads about 900 people in about 45 seconds and they are off on the way to work. If you try to get those same 900 people into the city by car there would be what is commonly known as a massive traffic jam. Next time members want to see what 900 cars all in one place looks like, they should stand on a bridge over a freeway at peak hour and as far as the eye can see that would be about 900 cars. So it is throwing more and more public funds in this case at

cars without offering choice. A typical motor vehicle costs \$200 a week to run, which represents anything up to 25 or 30 per cent of the household budget.

In relation to the environment the tax is also regressive in that it offers nothing — no cuts at all for small cars — and therefore nothing special to drive efficiency. The problem with this is that motorised transport is a big part of our greenhouse gas emissions, and passenger cars are a big part of that. There is no way we can reduce greenhouse gases without reducing the proportion that comes from transport. It is just amazing that the government can bowl up a clause like this and pay absolutely no attention to the environment, particularly as we are in the middle of a debate about climate change. It is no wonder that Peter Garrett, the federal member for Kingsford Smith, who is the shadow minister for climate change, environment and heritage, has such difficulty explaining how he is going to achieve the targets that he wants to achieve, because he is not getting any help from any state governments.

The Greens are in considerable difficulty with this issue because of the constitutional reasons that the Chair has outlined. We are not in a position to be able to introduce the sorts of amendments we would have liked to introduce, which would have turned this whole stamp duties scale on its head, and introduced measures that rewarded the more efficient vehicles. We have brought forward one amendment that simply aims to make sure that all hybrid vehicles pay the lowest rate of tax. Why the government did not think of this, I do not know. Why it did not bring something forward, I do not know. I pointed in my speech to about six different jurisdictions where this has already been done, including a couple of Canadian provinces, the United Kingdom, the United States of America, the Republic of Ireland — all of which have already moved down this path. It has not happened in Victoria.

We are also in difficulty in that we do not have access to the sort of modelling of revenue impacts that that would have. I actually asked the Treasurer about this in the Public Accounts and Estimates Committee, and when I was offered a briefing on the bill I also requested the same data, the VFACTS data, on which the Treasurer would have modelled his revenue. I was simply told I could not have it, that it would not be given to me.

So that is where we are at. Yesterday, in her contribution, the government's lead speaker, Ms Tierney, dismissed this idea, saying that because it would apply to all hybrid vehicles, no matter how expensive, that this was 'probably a sop to the cafe latte set'. I thought it was a particularly weak level of

argument to fish around looking for something to find wrong with my amendment and pick up Mr Finn's favourite one and wave that around. I was looking for something a bit more sophisticated but I did not get it. I guess that is because people here have been told to stand up and defend this bill, but they themselves do not have much to say about it.

I thought that was a particularly strange inverted kind of class-warfare argument that was being thrown up at me given that the bill the government brought in offers no cuts to small cars. It offers cuts to cars up to \$57 000, including from the government's own documentation the \$54 000 Holden Calais which receives a cut of \$1300. I am not quite sure which working class hero is getting around in a \$54 000 Holden Calais. It is fair enough for Ms Tierney to come in here in her previous role as an advocate for the former Vehicle Builders Union, but sitting right beside her is Mr Leane from the Electrical Trades Union. The Greens' proposal, which would be to take this \$177 million tax cut and put it into public transport, would, of course, create just as many if not more jobs in wiring up those new train lines that could go out to various points of the compass and repairing the trains to keep them moving. I was surprised that that was the level of debate, particularly as I think the onus is really on the state government to show us the way forward in the debate on climate change.

The Greens do not come in here worrying about people who own \$54 000 Calais cars; the Greens come in here to look after those who do not see \$50 000 all in one place in their life or, for that matter, people who end up sleeping in their cars at the end of the day. We think that is a much better use of \$177 million than the socially, economically and environmentally regressive tax cuts proposed in this bill.

Mr LENDERS (Minister for Education) —

Certainly the government does not accept the suggested amendments from Mr Barber and the Greens. We do not accept them for a number of reasons, and I will address them in general terms. The most pertinent point in response to Mr Barber is that some of the cars he is proposing by his amendment receive the stamp duty exemption include the Lexus GS450h, for example, which has a fuel economy significantly worse than some of the other cars like a Toyota Corolla, which is not a hybrid and which uses 7.4 litres of fuel per 100 kilometres. Some of the cars he wishes to exempt use 8 litres or more per 100 kilometres.

If the remedy he is seeking by his amendment is actually to reduce fuel usage and therefore greenhouse gas emissions, we think it is ironic that he is exempting

cars that, compared to some of the cars that are already exempted, actually are gas guzzlers. Generally the government does not accept the amendment. The amendments we have proposed is a remedy across the industry. It has been clearly outlined in the Treasurer's second-reading speech, and I think the Greens' amendments do not achieve what Mr Barber says his goal is and in fact have some really perverted outcomes. For those reasons the government does not accept them.

Mr HALL (Eastern Victoria) — I am rising to indicate that The Nationals are going to support this suggested amendment moved by the Greens. I do not agree with everything Mr Barber said when putting his arguments forward, but I do agree with this point — and this is the reason why we will be supporting these amendments. I think we have largely ignored the transport sector when we have had the broader community debate about the need to reduce emissions. Whether those emissions are carbon dioxide or carbon monoxide, which is the major component of car emissions, we should responsibly do more to reduce the level of emissions. By giving an extra incentive to people to purchase hybrid vehicles I think there will be a positive environmental effect.

The Nationals have a history of trying to address the issues of car emissions. It was only in the previous Parliament that I moved a substantive motion seeking the support of Parliament to require the government vehicle fleet to use ethanol-blended products as a fuel. We in The Nationals see there is a need to progress transport into using more biofuels across the country in order to have a positive impact on the environment. Also there is a bit of self-interest one might claim in terms of generating another rural industry, but it is a good environmental impact.

The amendments suggested by Mr Barber and the Greens are going to be a positive incentive to purchase hybrid vehicles and that in itself is a measure we are prepared to support. Notwithstanding this, we support the general intentions of clause 4 of this bill — that is, a reduction on the duties payable on new vehicles. We think there is scope to reduce the level of taxation, including the level of duties payable on vehicles. We are certainly prepared to support clause 4 and its intentions, but as an incentive for more environmentally friendly motor vehicles — and the same principle applies to the use of more environmentally friendly fuels — we are prepared to support the suggested amendments moved by Mr Barber.

Mr THORNLEY (Southern Metropolitan) — We oppose the amendment, and let me explain the simple

reasons why. Ms Tierney has already talked about some of the equity and manufacturing jobs issues that relate to this, but I want to go to the heart of Mr Barber's argument at an environmental level. There was a lot of fascinating discourse in his speeches both on the bill and to the amendment about a range of important energy-saving issues far and wide and much more extensive than the matters discussed here. Many of them were sensible contributions and I agreed with much of them.

The actual amendment that has been put forward here will do very little to achieve those sorts of ends. The net result of what is being proposed is a classic example of people jumping in piecemeal on sexy issues, trying to do things that look good in the headlines but will have very little discernible impact on the environmental issues the Greens claim are so important.

The main effect of this proposal, if it were carried out, would be to give a tax cut to people who can buy \$120 000 cars, even though its primary purpose — and it is a laudable purpose — is to reduce carbon emissions. The cost per tonne of carbon reduced by the proposal Mr Barber put forward is about 50 times the cost of carbon emission reductions that could be secured through other means. The whole point of having an emissions trading scheme and getting a market mechanism is so that, whatever level of dollars you are as a society and an economy willing to put into the task of carbon emission reduction, you get maximum bang for your buck in terms of the amount of carbon reduced.

This proposal is at the wrong end of the spectrum. If, for example, instead of proposing this we had put the same amount of money into additional solar panel support such as the government already provides, we would get about 10 times more carbon reduction. By doing these sorts of piecemeal things you actually discredit the important nexus between the economy and the environment, the important connection the Greens talk about rhetorically but cannot actually deliver in policy terms. We have to make sure that we can show that improving the environment will be an economically viable, sustainable and positive force over time.

By doing something that is 50 times less effective in reducing carbon emissions than simply buying them on the open market, you are wasting public money. It is buying a tiny number of carbon emissions when there are a thousand different ways, either through the open market or through other policy prescriptions, that you could reduce a lot more carbon emissions for the same price and do so while targeting a group of consumers

and/or potentially producers and their workers who are more in need of support. If the purpose of this is to deliver good carbon reductions and an effective contribution to the economy, it does neither.

Mr RICH-PHILLIPS (South Eastern Metropolitan) — I place on the record that the Liberal Party will not support Mr Barber's proposed amendment. While the Liberal Party is sympathetic to the intent of the amendment proposed by Mr Barber, we note that there are flaws in the proposed scheme. I refer in particular to the issue raised by the Leader of the Government, which was that some of the vehicles that would receive concessions under this amendment would be higher emitting vehicles than others that would not be covered by the proposed amendment.

We also have concerns, as a matter of policy, in supporting taxation amendments that have not been appropriately costed. I understand Mr Barber sought advice from the Treasury as to the cost of his proposed measure. For whatever reason, and this is a reflection on the government, it was not willing to provide Mr Barber with the advice he sought on the impact on the budget of this measure. In the absence of that type of information the Liberal Party is not willing to support a change to a taxation bill.

Mr PAKULA (Western Metropolitan) — I note that according to the Affairs of State wall chart one of Mr Barber's football teams is Collingwood.

Honourable members interjecting.

Mr PAKULA — Collingwood and Richmond were noted in the Affairs of State wall chart, and no disrespect to Mr Finn, but given their respective ladder positions, it would make sense that Mr Barber would hold greater allegiance for the Pies at the moment. But surely there should be limits. This amendment may as well be called the Lexus amendment. We have got the Lexus Magpies and the Lexus Centre. Now we have got the Australian Greens proudly sponsored by Lexus.

According to my advice the only two significant hybrid vehicles that are not covered by the \$57 009 threshold but are covered by the new non-threshold provided by Mr Barber are the Lexus RX400h valued at \$94 100 and the Lexus GS450h valued at \$121 900. We know Mr McGuire did very well out of Lexus, and I sincerely hope the Greens did as well.

An honourable member interjected.

Mr PAKULA — If it is a car worth \$45 000, it is covered by the current legislation. Mr Thornley has dealt with the supposed environmental benefit of the

Greens amendment, which does not stack up cost wise. It is environmentally inefficient to spend \$3000 to fund tax cuts for people who buy cars worth \$122 000. What we are fundamentally left with is the Greens opposing a tax cut which is not just about the environment but also about local jobs and more affordable cars for ordinary Victorian families — in other words, vehicles that are in many cases made locally, whether at Toyota, at Ford or at General Motors — so opposing a tax cut that supports Victorian families and Victorian jobs and instead proposing a tax cut on primarily foreign-made vehicles in the \$94 000 to \$122 000 range.

I would invite Ms Hartland to drag that amendment around our electorate. I have no doubt that both Ms Pennicuik and Mr Barber could find some constituents keen on \$3000 tax breaks for \$122 000 vehicles, but I doubt that Ms Hartland or I could, particularly considering the intended, or perhaps unintended, consequence of exporting Victorian jobs overseas. For those reasons the Labor Party opposes the Greens amendment.

Committee divided on amendment:

Ayes, 6

Barber, Mr	Hartland, Ms (<i>Teller</i>)
Drum, Mr (<i>Teller</i>)	Kavanagh, Mr
Hall, Mr	Pennicuik, Ms

Noes, 33

Atkinson, Mr	Madden, Mr
Broad, Ms	Mikakos, Ms
Coote, Mrs	O'Donohue, Mr
Dalla-Riva, Mr	Pakula, Mr
Darveniza, Ms	Petrovich, Mrs
Davis, Mr D.	Peulich, Mrs
Davis, Mr P.	Pulford, Ms
Eideh, Mr (<i>Teller</i>)	Rich-Phillips, Mr
Elasmar, Mr	Scheffer, Mr
Finn, Mr	Smith, Mr
Guy, Mr	Somyurek, Mr
Jennings, Mr	Tee, Mr
Koch, Mr (<i>Teller</i>)	Thornley, Mr
Kronberg, Mrs	Tierney, Ms
Leane, Mr	Viney, Mr
Lenders, Mr	Vogels, Mr
Lovell, Ms	

Amendment negatived.

Mr BARBER (Northern Metropolitan) — C'est la vie, as they say. At least The Nationals have worked out that the only way to beat the Greens is to outgreen them. Nobody else seems to have come up with an effective strategy so far. The Greens will be voting against the clause as a whole for the reasons I outlined earlier. I would be interested to hear if the other

speakers have any views about the impact per tonne this clause, unamended, will have.

Committee divided on clause 4:

Ayes, 36

Atkinson, Mr	Lenders, Mr
Broad, Ms	Lovell, Ms
Coote, Mrs	Madden, Mr
Dalla-Riva, Mr	Mikakos, Ms
Darveniza, Ms	O'Donohue, Mr (<i>Teller</i>)
Davis, Mr D.	Pakula, Mr
Davis, Mr P.	Petrovich, Mrs
Drum, Mr	Peulich, Mrs
Eideh, Mr	Pulford, Ms
Elasmar, Mr	Rich-Phillips, Mr
Finn, Mr	Scheffer, Mr
Guy, Mr	Smith, Mr
Hall, Mr	Somyurek, Mr
Jennings, Mr	Tee, Mr
Kavanagh, Mr	Thornley, Mr
Koch, Mr	Tierney, Ms
Kronberg, Mrs	Viney, Mr (<i>Teller</i>)
Leane, Mr	Vogels, Mr

Noes, 3

Barber, Mr (<i>Teller</i>)	Pennicuik, Ms (<i>Teller</i>)
Hartland, Ms	

Clause agreed to.

Clauses 5 to 15 agreed to.

Reported to house without amendment.

Report adopted.

Remaining stages

Passed remaining stages.

APPROPRIATION (PARLIAMENT 2007/2008) BILL

Second reading

Debate resumed from 24 May; motion of Mr LENDERS (Minister for Education).

Mr RICH-PHILLIPS (South Eastern Metropolitan) — I am pleased to rise this afternoon to speak on the Appropriation (Parliament 2007/2008) Bill. This is a unique bill in the sense that it relates specifically to the appropriation for Parliament. I am advised by the Clerk of the Council that the notion of a discrete appropriation bill for Parliament is a relatively recent one and that 20 years ago the appropriation for Parliament was dealt with in the same way as appropriation for government departments: it was contained in the primary appropriation bill. The shift to

a separate appropriation bill for Parliament was a measure designed to indicate a degree of separation between the executive and the Parliament.

That is one area that I wish to touch on briefly, because it is a doctrine of the Westminster system that there be a separation between the executive and the Parliament and also that the Parliament be supreme. One of the difficulties that we have with a bill such as the bill before the house today is the practical reality that the bill is a creature of the government. Although it is a discrete parliamentary appropriation bill, it is a bill that was introduced by a government minister, it is a bill that is being dealt with as a government bill and it is a bill that is being dealt with during government business time. There is no doubt that, although it is a discrete parliamentary appropriation bill, this bill is still very much a government bill that will implement the decisions of the government.

Members need to be mindful of that fact when considering what the bill provides, because there are a number of areas in relation to the resourcing of the Parliament where the will of the Parliament is not necessarily the will of the government. We see that in a contemporary setting with the operation of the Legislative Council in this 56th Parliament. A number of changes were made during the previous Parliament that have resulted in changes to the way that this place operates in this Parliament.

One of those significant changes is the creation of a number of select committees. At this point in the 56th Parliament two select committees have been created. One of the challenges for those select committees is the issue of adequate resourcing. At the moment the only funds available for the resourcing of those select committees is \$25 000, which, according to evidence given at a Public Accounts and Estimates Committee hearing, has been the practice of the Parliament for around 15 years — that is, an allocation of \$25 000 for the administration of select committees. Of course over the 15 years that allocation has been made from within the global Legislative Council budget we have seen the real value of that allocation diminish, and now \$25 000 is a relatively small amount of money for the administration of select committees.

I can say from my own experience as chairman of the Select Committee on Gaming Licensing that simply the requirement of the resolution of the house that we advertise the terms of reference of the committee took a significant part of that global \$25 000 budget. Now, with the creation of a second select committee and potentially other select committees, it is clear that that \$25 000 internal allocation is not adequate. During the

course of the estimates hearing, I sought from the President an understanding of what allocation was expected in this budget for select committees. The advice which came back and which was confirmed by the Clerk was that there is no additional allocation for select committees within the existing budget for the Legislative Council. The advice provided by Treasury was that this is a matter that should be dealt with by a Treasurer's advance. As members would appreciate, the difficulty with funding select committees through a Treasurer's advance is that it is of course at the discretion of the Treasurer, or the government.

The ongoing capacity of this house to undertake the inquiries that it chooses to undertake and for this house to establish the committees that it chooses to establish and to appropriately resource them is very much in the hands of the Treasurer via a Treasurer's advance. I do not necessarily have the answer as to how this process of the parliamentary appropriation can be made more independent of government, but I think something members need to be mindful of is the supremacy of the Parliament — that the view of the Parliament should take precedence over the view of the government when it comes to establishing an appropriation for this place.

There are a couple of related areas that I would like to touch on briefly. One is an issue that was raised during the estimates hearings concerning the ongoing remuneration of the clerks of the two chambers. This is a matter that I understand was raised with the Deputy Premier when he was the Acting Premier, and it is a matter that has not been addressed. Again, it highlights one of the shortcomings of the current process by which the parliamentary appropriation is managed by the government. I understand that under the parliamentary officers regime the clerks are engaged through a Governor in Council appointment and their remuneration is also a matter for the Governor in Council, so it is outside the hands of the Parliament to manage the appointment and remuneration of the clerks. Of course the practical effect is that as the Governor in Council is an agent of the government, ultimately the decisions with respect to the appointment and remuneration of the clerks are in the hands of the government. Again, it is a shortcoming of the parliamentary appropriation process that that is the case.

The third area that I wish to touch on briefly relates to joint standing committees. I will show my bias in raising this point, but I think it is one that should be raised. It relates to the appointment of committee staff. The Public Accounts and Estimates Committee has just completed its estimates hearings — some 51 hours of hearings with ministers spread over the month of May.

It has completed that process without the benefit of having an executive officer following the resignation at the end of last year of the previous executive officer, Michele Cornwell. I take this opportunity to place on the record my thanks to Michele for her work over many years as executive officer of the Public Accounts and Estimates Committee. Although the committee's existing staff are very the good, Michele's departure to another role has been a loss for the committee. She made a great contribution over her decade or so of service to that committee.

As a consequence of her departure the committee has operated for the last six months, since it was re-established by this Parliament, without an executive officer. The appointment of a new executive officer has been a protracted process, and it has been a process that has not been in the hands of the committee due to recent changes to the way committee staff are appointed. One of the areas the committee would like to have seen addressed is the level of remuneration available for an executive officer for the Public Accounts and Estimates Committee. The practical issue is that the committee believes there is difficulty in attracting a candidate of suitable skill and ability at the level of remuneration that is offered.

In raising that point the committee rubbed against another issue: the hierarchy of the Parliament. The view was put that it is not possible to appoint an executive officer to a committee at a higher level as it would encroach into the level of remuneration provided for certain officers in the clerks group — the clerks of committees, deputy clerks et cetera. I have to say that is not an argument I necessarily subscribe to. In saying that I point to the example of the Department of Premier and Cabinet where I think it is a matter of public record that the Secretary of the Department of Premier and Cabinet, Terry Moran, is remunerated at a considerably higher level than the Premier himself. So the salaries within a department do not necessarily match the hierarchy, and there are other examples, particularly with statutory authorities in the public sector, where chief executives are remunerated at a higher level than the department secretary to whom they are responsible.

I do not necessarily accept that the remuneration for an executive officer should be constrained by the remuneration available to the clerks. I certainly note the issues that have arisen regarding the ongoing remuneration of the clerks and the limitations that exist within the current parliamentary appropriation framework for the Parliament to address that. It is a shortcoming in the process which should see the supremacy of Parliament respected and independent

from the government. As I stated earlier, there are difficulties in doing that, and I accept that. I do not know what the alternative mechanism is, but I think these matters need to be in the hands of the Parliament rather than in the hands of the government. With those few words I commend the bill to the house.

Mr HALL (Eastern Victoria) — You would be a bit unpopular around here if you stood up and opposed this bill, because it provides for, among other things, the wages and salary entitlements of a lot of hardworking people around this building. I am not particularly referring just to those who occupy seats in this chamber, but to all those people like the clerks and the cleaning staff, the attendants and the people who work in the library, the people who work in the catering department and the huge number of people who provide administrative support to the workings of Parliament and our electorate offices. They are all contained in the appropriations in this bill.

As I said, I would be a bit unpopular if I opposed the bill. I think a few people would like us to amend it and perhaps increase the entitlements available to them, but I have to report that we are incapable of doing so. Under the Constitution Act we are not allowed to amend this bill, and much as I would like to give greater reward to some of those hardworking people, we are unable to do so constitutionally by amending this bill.

The bill provides just over \$92 million for the running of the Parliament. That \$92 million is broken down into five line items, which are shown in schedule 1 of the bill. They are the Legislative Council, the Legislative Assembly, the parliamentary investigatory committees, Parliamentary Services and the office of the Auditor-General. An amount is prescribed for each of those five categories. It is worthwhile noting that in addition there is another \$19.455 million which comes to Parliament through special appropriations from the Consolidated Fund, and to find that figure you need to look at budget paper 4, page 176.

What I did when I looked at this particular bill was try to seek more information about how the collective amount of around \$120 million was actually going to be spent. I looked at budget paper 3 on service delivery, and in particular at page 252, and saw that the total budget prescribed for the Parliament of Victoria in the 2007–08 budget came to \$124.3 million. I went back to look at the \$92 million prescribed in this bill and the additional \$19 million from the Consolidated Fund, which still left a shortfall of \$12.7 million. I am not sure where that is coming from — it may be a carryover figure from the previous budget; I can only guess that is

the case — to make up the total amount of \$124.3 million that is actually budgeted for the operation of the Parliament in this financial year. I presume that is the case.

I just want to make a couple of remarks about the bill and the way it is presented to the Parliament, because one of the things I find grossly deficient is that the bill lacks any detail about how the appropriation is going to be spent. Apart from the five line items I mentioned which are shown in schedule 1, there is absolutely no breakdown of how the \$124 million is going to be spent. For example, there is no detail of any capital works expenditure, whether they be capital works being undertaken at Parliament House itself or in the various electorate offices around the state. We are completely left in the dark as to how much expenditure is going to be made in those areas. There is no detail on funding for the select committees.

Gordon Rich-Phillips explored that issue very adequately and commented that if the Parliament is going to do the job that we all agreed it should do when we changed the standing orders in this chamber, it will need resources, yet there is no detail in the budget as to whether sufficient funding has been appropriated for that purpose. There is no detail on electorate office support for members of this newly restructured upper house. Again, searching through all the budget papers and media on the government's budget I could find no announcements in respect to that, although we are led to believe by way of rumour at this stage that we will receive some electorate office support.

Mr Lenders — That is what the Premier said in the Public Accounts and Estimates Committee. He was up front.

Mr HALL — I am pleased that he said it at the Public Accounts Estimates Committee, because it is not mentioned in the budget papers or within this appropriation bill, and that is my exact point. I would have thought that the bill would cover at least some of the new initiatives that are being appropriated for through this particular document. If you look at the government's own budget and its appropriation papers for the budget, you will see that they detail all the new spending initiatives. But there is no detail of any new spending initiatives in this appropriation to the Parliament, which I might add is not significantly different to the previous year in terms of its total.

There is also no detail on the reported rollout of new IT equipment for electorate offices, and I can say that that is an area of great concern to many members in The Nationals. We have had some terrible problems with

the IT equipment in our electorate offices. I understand it is going to happen and there is going to be some replacement equipment provided, but again there is no detail of when that might occur. I think this appropriation bill is deficient in not expanding on some of those matters.

I hope we are going to be advised in due course of the details of some of the areas I have mentioned briefly, because they are critical to the way this Parliament works. They are also critical to our respective abilities to serve our electorates and do the jobs we were elected to do. With those few words, I can indicate that we certainly support this bill, but I make a plea to the government that in future members and the public deserve to have some greater detail of what the expenditure items within this appropriation bill actually address.

Ms PENNICUIK (Southern Metropolitan) — I want to make a few brief remarks on the Appropriation (Parliament 2007/2008) Bill. As Mr Hall mentioned, the bill covers the remuneration for all the staff as well as parliamentarians. I take this opportunity on behalf of the Greens to thank all the staff for the work they do in supporting us in Parliament. We have only been here a few months, but we have found everyone extremely helpful, friendly and gracious. I extend our thanks to all parliamentary staff and the people in the Department of Parliamentary Services who go out of their way to help us because we came here not knowing very much.

I echo what Mr Hall has said in terms of the lack of detail in the bill. I was quite surprised when I looked at schedule 1 to the bill which has line item figures without much detail. Not having looked at a bill like this before I was surprised to find there was not much detail — for example, you cannot see from the bill whether there is any room in the budget for things such as providing for the streaming of Parliament on the internet, which is one of the things we should be looking at to modernise the Parliament and bring it into the 21st century. I would like to see some detail on whether there will be any energy efficiency measures in the Parliament and in electorate offices. People know the picture in terms of how much more detail we could get in such a bill, and it would be useful if that were considered by the government for future appropriation bills, not only for us but also for members of the public to see how the parliamentary appropriation is being spent.

I want to talk briefly about committees. I am unsure whether the slight increase, or effectively no increase, in the budget for parliamentary committees is going to be good enough when we already have two upper

house select committees established and there may be more. They will be doing important work on behalf of the public and they need to be properly supported. It remains to be seen whether the allocation for committees will be enough. We will be looking at improving that appropriation for the next Parliament.

Mr P. DAVIS (Eastern Victoria) — This is a bill which is generally received with acclamation by all members of Parliament each year. Most years I spend a little time extolling my thanks for the contribution the professional staff in the Parliament provide to us. This year it may be taken as a given that I am extraordinarily grateful to all members of the parliamentary staff. I will not name them but simply say thank you.

Every year I make the point that the Parliament expends an extraordinary amount of resources on security. Unlike ministers, I can say that this is in fact my primary workplace. My observation of the security in this place is that that expenditure is largely a waste of money because it only provides the thinnest veneer of pretence of real security arrangements. I have had the joy of working in my office in the evenings and having to accommodate visitors from other countries who have wandered in through the front doors when there is no security but a function is in progress in Queen's Hall or some other place. As a result these international visitors have wandered around Parliament at will and determined that there might be some entertainment in the office marked Leader of the Opposition! There have been occasions when I have been singularly alarmed about these interruptions to my work.

I do not wish to pursue that theme again, but I believe we are wasting money. It is a farce. Let us get on with either providing proper security for the Parliament or acknowledging that Parliament is unable to be properly secured and save the taxpayers the money.

What I want to talk about today principally is this: the issued of whether members voted for or against the government's changes to the electoral system and to the upper house is irrelevant, because the fact is the upper house has changed. I am sure the Leader of the Government would attest to that, because it is a new experience for him not to be in that Soviet-like Moscow on the Molonglo position of being able to prescribe every waking moment of operation in this house. As a result the Leader of the Government has needed to adopt a much more flexible approach to the way the house works because he has no ability to do anything else. He would have it another way, if he could.

Having said that, I make the point that the Legislative Council is gradually moving into a phase, as some on

the government side would claim was always its intention, of being a forum that can properly bring the government to account, hold it up to scrutiny and examine the detailed operation of government policy, operations and administration. However, the government is limiting the capacity of the house to undertake that work. While we have established two separate select committees, which are gradually moving into what I would describe as the business end of their appointments — —

Mr Lenders — The witch-hunt end.

Mr P. DAVIS — The Leader of the Government says by interjection ‘The witch-hunt end’, but I remind him that at every opportunity the government has tried to obstruct every select committee inquiry that has been established and has made it clear in the debates on the appointment of those committees that it would continue to do so. That in my view is a complete contradiction of the government’s policy to reform and change the upper house into the establishment that we now have. I am a little perplexed about this schizoid view that the government has. On the one hand it believes the Council should be a house of review and that if it has the numbers, in government or in opposition, that would be good, but on the other hand if it does not have the numbers it does not want a house of review at all. That I think is essentially the policy position of the government. I notice the Leader of the Government is smiling, if not nodding.

I make the point that for the upper house to competently discharge the high expectations that the Parliament as a whole and, more importantly, the community have of it in this new environment, it needs to be properly and fully resourced. The government, beyond a few crumbs from the table, has not made any great investment in assisting the parliamentary select committee process or the potential establishment of standing committees of this house by providing the resources requisite for them to operate. I note from a glance at the parliamentary appropriation bill, to put it in perspective, in schedule 1 the summary shows parliamentary investigatory committees, which are the joint committees of the Parliament — —

Mr Lenders interjected.

Mr P. DAVIS — Stay on message, Mr Lenders. The parliamentary investigatory committee allocation is \$5.8 million as opposed to a total allocation under the Parliament department votes of \$2.6 million for the Legislative Council.

The joint investigatory committees command more than twice the vote of the Legislative Council, and it seems to me that that is symbolic of the regard the government has for the process of scrutiny. At the end of the day the only way the Council will be able to undertake and discharge its proper function of holding government to account and putting government under scrutiny is with a properly resourced secretariat for the Legislative Council committee structure as it presently exists or as it is envisaged, I think by most members of this house, it will evolve and develop. As that involvement and development of the committee process occurs, it will continue to be limited by the capacity of those committees to be serviced.

I really am making the case that, with the exception of the appointment within the internal resources of the Council of two additional staff to support the existing committee process, we are very limited in comparison with the resources vested in joint investigatory committees. In my view those committees have, over time, served government after government in a largely satisfactory way. In fact they serve the current government in a satisfactory way, because the current government controls all but one of them and has the chair of all but one of them. They are lap-dogs of the executive, so there is no capacity for the joint investigatory committees to undertake any objective assessment or examination in detail of government policy and administration. Consequently it is inevitable that, given the pressure for the Legislative Council to perform that function and the realities of the new political arrangement in the Council, that requirement will be developed.

Given the imbalance in the resources, I am flagging this year that it is my expectation that over the next 12 months we will see increasing demand for resources to support the inquiry process, which I am sure the Leader of the Government will applaud — that is, lots more inquiries will be evolving and there will be lots more activity by members of the Legislative Council in looking at the performance of the government. However, along with that activity will be a need for those inquiries to be properly supported. I am indicating that I think it would be of some benefit to the government to understand that there is a need to properly fund those committees in terms of additional support staff.

Importantly, in the event that the government does not see that that is an important initiative, clearly next year the house itself will need to examine the parliamentary appropriation bill in detail and look at ways of reallocating the funding resources provided therein. As my colleague the Leader of The Nationals said earlier,

we cannot contemplate amending the parliamentary appropriation bill to increase the vote to the Parliament, but there is no difficulty, on the basis of my advice, with the Parliament determining to reappropriate the funds allocated within the bill.

What I am foreshadowing for the benefit of the Leader of the Government is that in the event that the Legislative Council is frustrated during the course of the next year as a result of the government not providing the necessary support for the development of a proper committee structure and process, then I believe in 12 months time we will have in this chamber a debate around the parliamentary appropriation bill which will probably be a great deal more robust than the debate we are having today. With those few remarks, I look forward to a response from the government.

Mr VINEY (Eastern Victoria) — And I am happy to give one, Mr Davis. I have to say it is somewhat disingenuous for members of the Liberal Party in this debate on the Appropriation (Parliament 2007/2008) Bill to lecture this government about the processes of accountability of the executive to the Parliament. It was during the Kennett period that the Parliament was effectively closed down.

The opposition has come in here and said we are not providing adequate resources to the Parliament, when in this budget alone 40 additional electorate officers are to be provided to members of Parliament. Members have come in and said we have not provided resources when we have. It is interesting that also in this appropriation is the figure that goes to the Auditor-General — \$11.618 million. We all remember what the Liberal Party did to the office of the Auditor-General in its time in government, because it did not like the process of accountability to the Auditor-General.

Now we have a straw-man argument that the government is not providing adequate resources to the committee structure of the Legislative Council when additional staff have already been employed to provide that service.

Mr P. Davis — Not by the government. That was very good budgeting by the clerks.

Mr VINEY — Then there were adequate resources in the parliamentary appropriation for the Legislative Council to do it, if they were able to find those resources, and they have been found. Let us consider this: with the 30-odd bills considered by this house in this Parliament, not once has the opposition proposed

that one of them should go to the Legislation Committee. Who set up the Legislation Committee? The government. It was the government's continuation of its commitment — —

Mr P. Davis interjected.

Mr VINEY — You have had your go, Mr Davis; you have missed out. It was part of the government's continuation of its commitment to reform this house and to make it a genuine house of review. Of the hundreds of bills considered in the Kennett period — —

Mr Lenders — Seven hundred, and not a single opposition amendment.

Mr VINEY — That is correct, not one amendment from the Legislative Council. There was not one in those seven years. We now have a government that has been committed to reforming the chamber to make it a more representative chamber, that has been committed to making it a house of review and that has set up a Legislation Committee process. That was the initiative of the government, and I had the honour of chairing it during its trial run, yet the opposition comes in here and suggests that this government is not committed to the accountability of government and the supremacy of the Parliament. It is a nonsense. We are the ones who increased the number of sitting days and guaranteed 50. We are the ones who have provided the additional resources to the Parliament, and significant additional resources have come into the parliamentary appropriation over the past eight years. It is absolutely disingenuous for the opposition to be suggesting otherwise.

Mr Davis suggested that this government has been and will continue to be obstructionist in relation to the select committees. That is absolutely untrue.

Mr P. Davis — You are going to vote for a select committee, are you?

Mr VINEY — We have not supported the concept of the select committees put forward by the opposition. We did not support the one on gaming, in particular, because it is a witch-hunt. I will not go there because I cannot, but there is no question that the intention of select committees is political. That is what a select committee is about — it has a political intention. That is what the select committee processes are about. If the opposition were genuine about having proper policy investigations, it would refer them to the joint parliamentary committees. I think in both cases we made an offer to do that.

The other thing that I found absolutely extraordinary in Mr Davis's contribution to the debate was his suggestion that the joint standing committees were a farce. I think he said they were effectively an arm of the government.

Mr P. Davis — Lap-dogs.

Mr VINEY — Lap-dogs, that's right. He has stolen a line from a member for the former Templestowe Province, Bill Forwood. Opposition members miss Bill Forwood. They do not have him in this chamber, and they do not have a replacement for him. The joint investigatory committees of this Parliament have an enviable reputation. They are regarded as being extremely effective in a range of policy areas, and we should all acknowledge that. The Road Safety Committee is often mentioned, and the Drugs and Crime Prevention Committee has done well. One of the other great benefits of the joint investigatory committees is that they are made up of members from both houses, and that is regarded as one of the strengths of the system in Victoria.

It is worth getting on the record that parliamentary appropriation is not about providing resources and opportunities for the Liberal Party to do its political hatchet work. That is not what select committees should be about. In my judgement the reason the opposition is running a line that we need additional resources in the select committee process is because it is too damned lazy to do its own research. If the Liberal Party wants its political research done, it should get its own people to go out and do it. It should do it the hard way. It should do all the things that have to be done to make its political points, but it should not expect the Parliament to provide taxpayers funds and appropriations for its political campaign. That is effectively what the Liberals are asking for in this process.

The select committees are adequately resourced for what they need, but I am sure that if there prove to be new and difficult resource issues for the Legislative Council or the Legislative Assembly, the presiding officers will make the appropriate representations to the government of the day. That is what they do. It is not appropriate for taxpayers funds to be used, in effect, for Liberal Party political campaigns. Therefore the spurious arguments of the Leader of the Opposition and Mr Rich-Phillips are absolutely inappropriate in relation to this bill. I commend the bill to the house.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

PROFESSIONAL STANDARDS AMENDMENT BILL

Introduction and first reading

Received from Assembly.

Read first time for Hon. J. M. MADDEN (Minister for Planning) on motion of Mr Lenders.

APPROPRIATION (2007/2008) BILL and BUDGET PAPERS 2007–08

Second reading

Debate resumed from 24 May and 23 May; motion of Mr LENDERS (Minister for Education) and Mr LENDERS's motion:

That the Council take note of the budget papers 2007–08.

Mr O'DONOHUE (Eastern Victoria) — I am pleased to rise and speak in the debate on the bill and the budget papers. It is most appropriate that the continuation of this debate follows the debate earlier today on the motion regarding infrastructure and the lack of government investment in public infrastructure, in particular in the areas of water, electricity, public transport and the road network. In many ways the debate we had this morning correctly outlined the problems with the budget that was recently delivered by the government and indeed the problems that have been in existence since the election of the Bracks government — that is, its inability to form an agenda, its inability to plan for the future and its inability to face the challenges of the future.

Members on this side of the chamber who have spoken previously in this debate have identified some of those issues. Mrs Coote and Mr Atkinson spoke about the stable macro environment that exists in Australia and Victoria because of the excellent economic management of the federal government, and in particular as a result of the GST windfall that flows to Victoria and all the states as a result of the continuing economic growth that has come about because of the commonwealth's handling of the Australian economy. In fact \$9.1 billion will flow to Victoria in the coming financial year because of the GST and because of excellent economic management by the commonwealth government.

We heard government members talking about the budget, but as was highlighted this morning, we hear about money being spent here, there and everywhere for various projects but we do not hear about shorter travelling times, about an increase in the capacity of our water supply system, about the expansion or extension of the rail network or of other public transport infrastructure. We just hear about money being spent, as if spending money in itself were a way of achieving outcomes.

The lack of a plan for the future — the lack of an agenda — is highlighted by some of the issues that have been raised by government members in previous contributions in this debate. In particular Mr Tee said that 22 new train drivers will be employed. With due respect to Mr Tee, it is terrific that 22 new train drivers will be employed, but it will not do a lot to solve the public transport crisis or to reduce the queues at train stations, especially at train stations closer to Melbourne, in an overly congested system. We also heard about \$1000 rebates for water tanks. While that is an excellent idea, it is hardly the centrepiece of the reform agenda to address the critical water crisis in Victoria.

The press release from the water minister which crowds about a \$136 million boost for water efficiency and recycling is an absolute disgrace. If the government can only find \$136 million to invest in water infrastructure and recycling during this time of water crisis then it should be ashamed of itself. That is a reduction in the amount of investment in water efficiency and recycling and will do little to address the underlying structural issues Victoria is facing as a result of this government's inability to deal with the water crisis.

That takes me to a point Mr Barber made in his contribution. He highlighted the large workloads we all face and commented that at times he has trouble keeping up with the bills being introduced into this place. While I empathise with him and understand what he is saying, I must say to Mr Barber, and to government members, that what has struck me about being a member of this place is the absolute lack of agenda that the government has. It was elected nearly eight years ago and has basically sat back, gone with the flow and been reactionary. It has done little to address the challenges facing Victoria.

I turn to the challenges facing Australia. We hear much about the population growth that Victoria is experiencing and that it is a credit to the Bracks government, or so Bracks government members would have us believe. What they do not highlight is that in the competition between the states for people, for skills and for skilled workers Victoria is still losing people.

Victoria has a natural population growth through births and has immigration from overseas, but a fact one does not hear often from the Bracks government is that from an intrastate perspective more people are still leaving Victoria than are coming here. In the Australian marketplace that is an indictment of the government.

The government often talks about not being able to compete with Queensland or Western Australia because they have the resources boom, and that if it had the iron ore that those two states have, then Victoria would be growing at 5 per cent. What the government does not acknowledge is that many of the large mining houses — for example BHP Billiton — have their headquarters in Melbourne and employ thousands of people within a very short distance of this place. Indeed this government is a direct beneficiary of those jobs that have been created in these industries and the taxation revenue that flows to this state.

Moreover, we live in a single marketplace in Australia. I personally have friends and former colleagues who fly to jobs in Townsville or Perth and work two weeks on at a mine site but who come back to Victoria to spend the income they earn. I do not accept the best-of-the-rest line that the government likes to peddle when it cannot compete with the growth rate of other states. It gets back to the economic management of the government more than anything to do with the location of a particular mine or a particular industry. As I have said, we live in a single marketplace, and Victoria benefits significantly from the resources boom because the corporate headquarters of many of the mining houses, and indeed many of the banks, are here. That is not something that is a result of what the Bracks government has done; it is a legacy of the gold rush and Victoria's history. It has nothing to do with the government.

Moving to the region I am so lucky to represent, the beautiful region of eastern Victoria, it is a fact that many of the issues confronting Victoria now have their origin in that region. Most of Melbourne's water comes from eastern Victoria, and there are large numbers of irrigators in the Macalister irrigation district, in Lucknow and in various other places throughout eastern Victoria. Water is a particular issue for those people. It is worth recounting that this government has taken nearly \$2 billion of dividends from water authorities, which has crippled their capacity to invest in new infrastructure and has affected their ability to provide water in a cost-effective fashion. We hear over and over again from the government how much money it is investing in water infrastructure — \$1 million here, \$2 million there, \$3 million here and \$5 million there — but at the end of the day, when you add up the

press releases for all the sums of money that have been spent by the government on water infrastructure, it is still taking more from those water authorities. It is taking with one hand and giving back less with the other.

An example of this is the effect on Westernport Water, which is doing its absolute best to provide water to the people of Phillip Island, the Bass Coast and the Bass Valley. Under the government's central region water strategy it is planned to link Westernport Water with the Melbourne water supply system. The government basically had two options: it could have extended and deepened Candowie Reservoir so that it could provide an adequate water supply for the growing Bass Valley and Phillip Island area or it could have linked Westernport Water to Melbourne's water supply system. I ask the rhetorical question: what did the government do? It did nothing. It did not link the Bass Coast and Westernport Water to the Melbourne water supply system to guarantee its supply future and it also refused to expand or deepen Candowie Reservoir.

The result is that the area has been on stage 4 restrictions for a long time, and Candowie Reservoir is now at 6.8 per cent of capacity. People have not been able to drink water in that area for many months because to do so is a health hazard. The water supply system is basically sucking up dirt with the water from the bottom of Candowie Reservoir, which is an absolute indictment of the government.

South Gippsland Water similarly has had its hands tied behind its back and has not had the capacity to invest in new infrastructure because of the government's refusal to assist it with developing infrastructure. It now has water at about 15 per cent of capacity. The Thomson Dam, which is the most significant water asset to the people of Victoria — where would we be without the Thomson Dam? — is now at 17 per cent, which is very close to the level at which water cannot be withdrawn from it. Melbourne is at 28 per cent. It is an indictment of the government. While members opposite will say they cannot make it rain, and that is true, they can stop 400 million litres a day flowing out of the Gunnamatta outfall and they can stop more than 400 million litres a day flowing out from the western treatment plant at Werribee.

The government's inability to increase Victoria's water supply is perhaps the biggest indictment of the failures of this government. It has had the options before it for many years: recycling, which the Liberal Party has long been an advocate of and on which it has long had a policy, and the closure of Gunnamatta outfall. The

Liberal Party also has a policy of introducing a desalination plant to augment Victoria's water supply system — an idea that was scoffed at by the government before the last state election but which all of a sudden it is now warming to. It is having a study into it, and who knows, it could be one of the options the government decides on, coming kicking and screaming to the table at 1 minute to midnight in this water crisis.

Eastern Victoria is dramatically affected by the water crisis, and it really is an indictment of the government that the water situation is so bad. But of course it is not only with water that this government has let down people and communities. In its provision of an adequate road network and infrastructure the government has done very little. In the interface areas that I am lucky enough to represent, such as Berwick, Officer, Pakenham, Somerville, Langwarrin, Lilydale and elsewhere, the government has been more than happy to take the stamp duty with one hand but make the new residents of these areas get by with the existing infrastructure, which is clearly inadequate for a growing population.

I will touch on a couple of specific examples. The EastLink project — which we all remember was to be a freeway and is now going to be a tollway — when it opens will dump thousands of cars every day at the intersection of Cranbourne-Frankston Road and the Mornington Peninsula Freeway. The government has known this since the commencement of planning for this project, yet with the project nearing completion the government has commissioned a study to look at how to improve the intersection. The member for Frankston in the other place should be ashamed that he has been unable to convince members of the government — members of his party — to act on this issue. It is an indictment of the government that when the EastLink tollway opens it will dump thousands of cars at that intersection — an intersection that already cannot cope with the enormous traffic volumes that pass through it every day.

A similar situation exists with the Frankston bypass. The logical extension of the EastLink project would be to construct the Frankston bypass not as part of the tollway but as a free road. Again, the government has only just realised what impact the additional traffic will have on the Frankston area and has now commissioned another study to look into the Frankston bypass, a project that should have been ready to open at the same time as the EastLink tollway.

Further into my electorate the intersection of Clyde Road with the Pakenham rail line is a terrible traffic

spot. Traffic banks up on either side during morning and evening peaks, making it very difficult to access the Berwick village, causing a detriment to the traders and residents of the area because of the congestion. On the other side of the freeway Clyde Road is a three-lane road which narrows into one lane, making the passing of traffic virtually impossible at busy times.

Further down the growth corridor the Pakenham bypass, which only got off the ground after the commonwealth government kicked in a significant amount of money, will encourage a lot more traffic through the township of Koo Wee Rup. What has the government done about this? Has it foreseen the problem? Has it decided to address the issue before it becomes critical? No. The federal government committed a year ago to funding half the project; it is seeking matching funding from the state government, but the state government will not come up with that funding. It is going to be an absolute disaster for the people of Koo Wee Rup and those who live between Pakenham and Koo Wee Rup once the Pakenham bypass opens.

These are just some of the examples of the crisis on our roads. The Warburton Highway is also under a great deal of stress, carrying both an ever-increasing traffic load of tourists up to the Yarra Valley, Warburton and Mount Donna Buang, and a growing population of residents who live along the highway. Very little money has been spent on the highway, sadly, and numerous traffic accidents have occurred. There are many dangerous intersections and there have been several serious accidents, including some fatalities, which is a great tragedy. More money needs to be spent on the upgrade of the Warburton Highway.

Moving on to other issues, the state of the trains and the public transport system has been discussed earlier today during opposition business, but it is worth just touching on a couple of issues again. The trains on the Stony Point line that run to Frankston must be older than I am, and the carriages that accompany those old trains must be older than I am too. The frequency of service leaves a lot to be desired, and the connection with the Frankston line often leaves a lot to be desired. The Frankston line itself has had very few new services added despite the booming population of the peninsula, Langwarrin, Seaford, Frankston North and that whole area. It means that if you do not arrive at Frankston station car park by 7.00 a.m., you do not get a car park. You have to jump into your car and keep on going. Sadly that situation exists in several other of the train stations in Eastern Victoria Region. If you do not arrive at the station by 7.00 a.m. or 7.30 a.m. in Pakenham, Beaconsfield, Lilydale, Belgrave and Berwick, you will

not get a car park. All that does is encourage more and more cars to travel on roads that cannot cope with the added volume.

As part of the supposed fast train project a new car park was promised for Drouin station to cope with the anticipated increase in demand. The former member for Narracan in the other place originally spoke of that being completed at the same time as the upgrade of the train. Here we are with the physical works on the Drouin train station car park yet to commence even though the works on the supposed fast train are well over budget and time. It is another indictment of the government.

Mr Lenders has spoken in the chamber about the government's investment in education. He has said it is going to spend hundreds of millions of dollars rebuilding and upgrading schools. The emphasis from Mr Lenders is on dollars spent and not on outcomes achieved. But if you are talking about dollars spent, sadly many schools in eastern Victoria that had been led to believe they would be upgraded or brought up to standard have missed out in this budget. San Remo Primary School needs an urgent upgrade, but there is nothing for it in this budget. Garfield Primary School needs rebuilding, but there is nothing for it in this budget. Koo Wee Rup Primary School needs rebuilding, but there is nothing for it in this budget. Trafalgar Secondary College was promised an \$8 million rebuild, but there is nothing for it in this budget. The Maffra Primary and Secondary School complex needs upgrading and rebuilding, but there is nothing for it in this budget.

Perhaps it is in the Berwick–Pakenham growth corridor that the crisis in education is best demonstrated. Pakenham has one secondary college and urgently needs a second. The anticipated growth in school students means that the state schools that do exist both at a primary and secondary level can hardly cope with the numbers. The reality is that the private education system in the growth corridor is booming. That is an indictment of this government. Wonderful schools such as Hillcrest Christian College at Beaconsfield, Beaconsfields College, St Margaret's, Haileybury College, the new Lutheran school at Lakeside and various Catholic schools in the growth corridor are doing a wonderful job of picking up the slack where the government has failed to provide new infrastructure for the ever-expanding population of the growth corridor. Again, it is an example of the government being happy to take stamp duty, land tax and all the revenue that flows from new growth areas but failing to build the necessary infrastructure to cope with that growth.

This is borne out by statistics from SELLEN, which is the South East Local Learning and Employment Network. Only 68 per cent of year 10 students in the shires of Cardinia and Yarra Ranges go on to complete year 12 as opposed to the average of 80 per cent across the state. The students of these growth areas are not achieving as well as the state average. The government needs to spend more money to assist these areas to cope with the growing population. Mr Davis has spoken at length about the school maintenance backlog. I have my suspicions after visiting some local schools that the backlog as quoted by the government does not adequately reflect the true situation.

If we move on to health, the Rosebud Hospital birthing unit, which has been open since 1961, was recently closed. It is a great tragedy for the southern Mornington Peninsula, an area that has a number of young families moving in and a high number of children being born each year. Those families will have to go to Frankston Hospital. If you live in Flinders, Cape Schanck or other parts of the southern peninsula, it can take you over an hour to get to Frankston during busy traffic times and in the summer. The closure of this birthing unit at Rosebud will lead to problems in the future.

The West Gippsland hospital has been underfunded to the tune of \$1.5 million. Casey Hospital had theatres closed during the Easter period due to funding shortages. There was no funding from the government for the Latrobe community health centre in Morwell even though it was promised by the government. Although there was a \$10 million allocation in the budget for Leongatha hospital, this was promised in the last budget and was not delivered and moreover the Leongatha hospital needs a complete rebuild. It needs the certainty to plan for the future that funds will be forthcoming in future budgets to allow that rebuild to happen. In Wonthaggi there is an urgent need for an accident and emergency department but there was no funding for it in this budget. Again, in an area of growing population, the service levels stay the same or are retracting whilst the population is growing. There is a doctor crisis in Bass Coast, the upper Yarra, Warburton, Yarra Junction and in many parts, particularly the rural parts, of eastern Victoria.

Just this week there were rumours circulating that two of the police stations on the peninsula would be reduced to shopfronts — they would lose their police cars and would be open only from 9.00 a.m. until 5.00 p.m. This again is a reflection on the difference between the rhetoric of the government about increased police numbers and increased resources for police with the reality on the ground. Just because you spend \$X million more on a particular area it does not mean

that that is going to lead to increased services or, in this case, a safer community. It is very concerning that this speculation exists. It concerns many people on the peninsula, and I hope the government will address this issue and clarify for the people on the peninsula what exactly will happen.

Recently we have also seen concern that there are not enough police in the hills. Some members of the police have spoken publicly about the need to have additional resources at the Emerald police station. There is a police shortage in the Bass Coast and Phillip Island areas. Even though Phillip Island's population balloons in summertime there are not sufficient resources allocated to Phillip Island to cater for that increased community, and indeed Phillip Island needs a 24-hour police station. It does not have one, and to not have one compromises the safety of the residents of that area.

Finally I will talk about the housing affordability crisis. The government likes to pass the buck to the federal government on housing affordability and the difficulty that many young families and young people now have in entering the housing market. Let us be clear: the federal government's responsibility in the housing market is to provide a stable macro fiscal environment — a stable interest rate environment, a stable inflation rate and a certain expectation of a growing economy to provide employment certainty. On all three of those issues the federal government gets a big tick. Interest rates are at low levels. We all remember the disaster of the Keating era with the recession that we had to have. Economic growth at a federal level continues to be solid, consistent and stable. The employment situation has never been better in Australia. We have gone from 1 million unemployed during the Keating era to full employment.

I remember my year 12 economics teacher telling me in 1992 that there would be full employment when Australia had 7 per cent unemployment — that the best the federal Labor government could hope for was 7 per cent unemployment because of structural change to the economy due to the decline of manufacturing. The coalition at a federal level has introduced flexibility into the workplace environment and through that has created opportunity for hundreds of thousands of people who under the Labor model would never have got a job; they would have been unemployed for the rest of their lives. The situation that existed under the Keating government has existed also in other countries which have implemented similar policies, such as France and Germany. It is only through the excellent macro policies of the federal government that we have a stable fiscal environment with full employment. The federal government has done its job in assisting with housing

affordability and giving people the opportunity to find a job.

The state government's responsibility is to bring enough supply to the marketplace so that prices do not get beyond the capacity of the average wage earner. Sadly the government, through the enormous increase in complexity and red tape, has restricted the supply that has come onto the market, and that has forced an increase in the cost of all types of stock in the housing market — that is, residential units, house and land packages, vacant blocks of land and townhouses. The government crows about its funding for housing for low-income people but it is like putting a bandaid on a gaping wound, because it does not address the underlying issues that have led to the creation of this problem in the first place.

When I speak to constituents in Pakenham, in Somerville, in Langwarrin or in Berwick they are concerned that despite having a well-paid job they do not have the resources to buy into the housing market. They feel left behind, and that is a direct result of the actions of the state government. Allocating some money for people on low incomes to have access to housing will help some, but, as I said before, it does not address the underlying macro issue — that is, this government's clear failure to manage the demand and supply equation for housing.

In summary this budget is yet another example of wasted opportunities from the state government. It is another example of this government not delivering despite the enormous economic benefits it has enjoyed, and that has resulted in reduced services for the people I represent in Eastern Victoria Region and for all Victorians.

Mr KAVANAGH (Western Victoria) — I rise to make some comments on certain aspects of the budget in light of the values of the Democratic Labor Party and the interests of the people of Western Victoria Region, both of which I represent here.

Australia is enjoying unprecedented prosperity, and this has provided the Victorian government with bountiful revenue. The government has marginally reduced certain taxes in this budget. In my opinion, however, the modest tax relief offered is not wisely targeted.

The budget includes more than \$1 billion in revenue from gambling, much of it from poker machines. In my view the social cost of this revenue is too high a price to pay for the money. If we were to estimate the real cost to Victorians, and not just to the government, of this revenue, including broken homes, wrecked lives and

suicides, we would find that this business of government is already bankrupt. Pokies were introduced as a desperate response to a financial crisis. Victoria is no longer facing a crisis, and I suggest that the appropriate response is to reduce Victoria's dependence on pokie revenue by taking measures to end the exploitation of those least able to afford it and retaining only that part of the revenue that is derived from people who are sober, who understand their chances of winning and losing and who nevertheless decide to bet money that they can afford to lose.

Helping people, especially families, to buy their first homes has long been a very high priority of the Democratic Labor Party. Indeed many of the schemes that exist throughout Australia today are the result of initiatives taken by the DLP decades ago. Home ownership can be of long-term benefit, not just for one or two people but for all members of a family. It can bring security to every family member over a long period, and it can bring a degree of independence from government by reducing reliance on public housing or rent assistance and similar measures.

Even after the very slight cuts to stamp duty incorporated in the budget, Victorian families will still be paying around \$15 000 to \$20 000 in stamp duty to buy a modest home. In late 2005 the government decided to add to that very considerable burden by placing a development tax on blocks of land in new developments, which will add a further \$5000 to \$8000 to the cost of a new home. The stamp duty 'savings' promised and delivered by the government amount to a sum of perhaps \$1200 per home. There is also a relatively small grant available to some first home buyers. I do not agree with the comments that are quite often made in this house by some members that this amounts to the government giving money to people so they can buy a home. That the government is reducing the total tax paid from perhaps \$20 000 to \$17 000 does not mean it is giving anything to first home buyers; it is merely taking slightly less than it otherwise would have. This figure only applies if home prices remain stable. We all know that home prices continue to rise, and this means that even though rates are marginally cut, first home buyers are paying ever-increasing amounts in total stamp duty to the state government.

First home buyers do not have the benefit of capital appreciation on a previous property that is available to those purchasing second or subsequent homes. Our housing market presents families trying to buy a first home with a huge challenge. Stamp duty, the new development tax and other taxes add considerably to that great burden. The Democratic Labor Party urges the government to work towards genuinely abolishing

all taxes and charges on families seeking to buy a first home.

Melbourne is experiencing a growing crisis regarding both public and private transport. Metropolitan and regional train services are deteriorating rapidly. At the same time congestion on the roads seems to get visibly worse by the month, if not the week. Our trams have been judged to be among the slowest in the world, and of even more concern is the fact that many passengers cannot even get on trains at or near peak hours. This situation would be embarrassing even for a Third World city. Every month sees the problem grow. Victoria clearly needs long-term investment in public transport infrastructure to develop transport facilities for the future. It also needs emergency measures to immediately address the current worsening crisis. The measures proposed by the government seem to me to be a wholly inadequate response to those challenges.

Commuter services between Melbourne and Western Victoria are facing similar problems. Trains, especially those between Melbourne and Ballarat, are overcrowded at all hours of the day. Many passengers are being forced to stand for long journeys at high speed — a very dangerous situation. The people of Ballarat in particular ask the government to urgently address this situation.

Of course Victoria is also facing a water crisis. As the Chinese correctly say, 'In crisis there is opportunity'. That is true. The current low levels of water reserves present Victoria with unique opportunities to attend to its water infrastructure. Now is the time to deepen catchments, repair water channels and undertake improvements to water infrastructure such as strengthening dam walls so that future rainfall will be better utilised and the impact of future droughts reduced. I see little evidence in this budget that the government is using the rare opportunities that the water crisis presents.

Victoria is also facing an ice epidemic. In the long term I believe Victoria will adopt the only strategy that has been shown to work — compulsory treatment for drug addicts. In the meantime it is essential, given the nature of the problem of drug addiction, that resources be available to those who want them when they want them. The time opportunity is typically very short. Existing facilities are not adequate, and developing facilities to the required standard will inevitably be expensive. It will cost a lot of money, but we have no choice.

This budget includes \$258 million for modernising Victoria's schools, a large part of which is dedicated to

the construction of 30 technical wings. This alone is a very high but regrettably necessary price to pay for the profoundly misguided hostility of former Premier Kirner to technical schools in the past. This price does not, of course, include the cost of lost opportunities for many thousands of Victorians who would have benefited from technical education over recent decades, and it does not consider the cost to the Victorian economy of wilfully and wantonly degrading the state's skill base. Within the terms of the budget alone, however, Victorians are paying a high price for this Kirner initiative from the days we might call not Moscow on the Molonglo, but perhaps Pyongyang on Port Phillip.

In response to this budget many local governments and community groups have asked me to bring to the attention of the government projects which require funding throughout my region, and I have been surprised by the degree to which skills are a theme in these requests. Horsham Rural City Council seeks a continuation of funding for the Wimmera-Grampians skilled migration project beyond this year. This is a successful program, which has been contributing to the development of sustainable industries and prosperity for the region. A career and skills centre for the Geelong region is proposed by the G21 group, which is developing ambitious but well-thought-out plans for Geelong and surrounding areas.

Geelong is facing particular challenges in coping with the decline in manufacturing and relatively high rates of youth unemployment. G21 sees a skills centre as a way of facilitating skill development, bringing helpful advice and information on training and job options, especially to young people, and providing much-needed opportunities to match skills with jobs. It is envisaged that the centre would also have branches in Colac, Corio, Bannockburn and Torquay. The Warrnambool community wants continued funding to develop the Warrnambool campus of South West Healthcare. The Greater Geelong City Council asks that the government contribute to the Shell water treatment plant — surely a necessity in our water crisis — and sees the need for funding stage 4 of the ring-road as urgent.

A large number of local governments in Western Victoria Region are anxious to see the Victorian government improve the Western and Princes highways. The Warrnambool, Geelong and Colac Otway councils in particular see the duplication of the Geelong to Western District section of the Princes Highway as a high priority. The Moorabool Shire Council has also asked me to emphasise that the Djerriwarrh section of the Western Highway is particularly dangerous and in dire need of an upgrade.

Moorabool is also requesting funding towards a Bacchus Marsh community precinct program. It sees a planned precinct as an opportunity to reinvigorate Bacchus Marsh and contribute to its development as a vibrant hub for the Moorabool community. It is a plan which really does seem to hold the potential to enrich the lives of people in Bacchus Marsh and surrounding areas. It is a well-prepared plan, which is consistent with the state government's policies of Moving Forward — Making Provincial Victoria the Best Place to Live, Work and Invest, and Building Stronger Communities.

Ballarat is seeking financial assistance to help develop the Ballarat aerodrome. Ballarat has a master plan to maintain the aerodrome as a transport, leisure and cultural hub and to develop the surrounding area for industrial use with an arterial road to strengthen the Ballarat economy, create jobs and stimulate associated businesses and industries.

Glenelg Shire Council is asking for support from Regional Development Victoria to fund a south-west Victoria timber industry consultation council to facilitate the production and export of blue gum chips from plantations. The council envisages that a high level of coordination will be essential to achieve the full potential of this industry, which is forecast to create 1500 jobs directly and indirectly over the next five years.

The Catholic Education Office is asking for funding to develop two schools: one new school in Mount Clear, near Ballarat, and the other to be relocated in Dennington, near Warrnambool. They are proposed to be redeveloped as lighthouse schools that will have a strong environmental and technology focus. Funding of these projects will surely have benefit for the future of Victoria.

Although I have raised this matter in the past, Western Victoria Region remains the only region in the state to lack an emergency helicopter service. I thank the Premier, Mr Bracks, and the Minister for Police and Emergency Services in the other place, Mr Cameron, for their correspondence on this matter, but I urge the government to reconsider its position. Early treatment following a serious injury is vital. Western Victoria Region needs an emergency helicopter service. I ask the government to be a leader in this matter and address the issue as a matter of priority.

I understand that it is all too easy to tell a government to cut taxes and increase spending and at the same time balance the budget. That is not worthy of the

Democratic Labor Party, and therefore I intend to make a few suggestions.

All members understand that without any changes to stamp duty rates, as housing prices rise, receipts from stamp duty increase. Therefore I suggest that the government leave unchanged the current stamp duty rates for second and subsequent home buyers and use the increased revenue from those transactions to cut and, if possible, abolish stamp duty for first home buyers, particularly families.

The cut to taxes on luxury cars in this budget seems to me to be not the wisest measure possible. It would have been much wiser to leave the taxes as they were and to have used the money that is now being cut from the budget to fund improvements to public transport.

The government is spending huge amounts of taxpayers money — approximately \$180 million a year — on advertising, a large part of which effectively promotes the ALP. This is unfair, not only to other parties but also to Victorian taxpayers. Victorians do not need to hear Daddy Cool singing *Eagle Rock* ad nauseam, as they did for much of last year during the most expensive TV air time.

There is no doubt that much of this budget is good and useful. I have not emphasised those points because the government has plenty of resources for doing that itself. What I have attempted to do is suggest some improvements in accordance with the interests of western Victoria and the values of the Democratic Labor Party. I urge the government to consider them.

Ms MIKAKOS (Northern Metropolitan) — I begin by expressing my sympathy to the families of those people who were killed or injured at Kerang yesterday.

I am very pleased to be able to rise to make a contribution in support of the 2007–08 state budget, which delivers on many of the government's election commitments. It delivers a great deal to people throughout the state, in particular the residents of Northern Metropolitan Region. Previously, in my speech in reply to the Governor's speech, I said that I am very honoured to be able to represent an electorate as diverse and interesting as Northern Metropolitan Region. It is an electorate that stretches from Melbourne's central business district out north to growth suburbs such as South Morang and Diamond Creek. It is a very diverse electorate culturally, with many different faiths and ethnic groups being represented there, and it has been home to many migrants over the years. It is home also to a great deal of Melbourne's and Victoria's manufacturing industry,

particularly in areas such as Thomastown, Reservoir and Broadmeadows, and of course it provides many jobs and many export opportunities for this state.

I am very pleased that in this year's budget Northern Metropolitan Region has been looked after very effectively. It is very important because my electorate is also home to many disadvantaged families — many people who are really struggling in this state. They might be on some Centrelink benefit, carers of people with disabilities, people who are in public housing or people who are experiencing some other financial disadvantage. I am very proud of the fact that this is a fair and equitable budget but also looks after those in our communities who are most disadvantaged.

In terms of the specifics in the budget, we in the Labor Party have always prided ourselves on making education our no. 1 priority. In this year's budget \$904 million is allocated to give a record boost to the state's school system. As part of that there is a commitment to the largest school building program in Victoria's history, with \$555 million to upgrade 131 Victorian schools as part of our 10-year commitment to modernising every government school in the state.

I am really pleased with that commitment, because I can tell members that in my electorate there are many schools, particularly those close to my electorate office in Reservoir, that were very much neglected during the Kennett years. They include the Northland Secondary College, where people had a very public fight with the Kennett government because the school was in the unfortunate position of being located next to a very hungry shopping centre that wanted to expand. The Kennett government was prepared to flog off that school to enable that to happen. All members will recall that Northland Secondary College was successful in taking the Kennett government through the courts and stopping the sale of that school.

I have been very pleased to see schools like Northland Secondary College be successful in obtaining very significant funding from the Bracks government since we have been in office. I was involved with other local MPs, in particular Martin Ferguson, the federal member for Batman, in lobbying very strongly for Ntec, which was a manufacturing school based at Northland Secondary College, to enable young people in my area to gain automotive skills and get onto a pathway of obtaining apprenticeships in the future. That is just one example of how the government has provided support and resources for many schools that have been disadvantaged over the years.

I am pleased that in this year's budget there is a commitment to modernising projects at 89 schools across Victoria, including modernising science rooms and tech wings. Many of my local schools, including Coburg Senior High School, Mill Park Primary School and North Melbourne Primary School, will benefit from that commitment. The budget also provides a \$93 million regeneration program involving 24 schools, including a very significant project in the Broadmeadows area that will see Broadmeadows Primary School, Broadmeadows Secondary College, Erinbank Secondary College and Hillcrest Secondary College benefit.

As I said, my electorate is home to growth suburbs, and many young families live in the area. This year's budget provides funding for seven new schools, including stage 2 of Lorimer primary school. There is also \$1 million for new select-entry schools, including one at North Melbourne. These are just some examples of how families in my local area will benefit from our commitment to making education our no. 1 priority.

The budget also provides significant funding for training. In particular, there is \$30 million for the stage 2 redevelopment of the automotive centre of excellence at the Kangan Batman Institute of TAFE to relocate automotive programs to the new state-of-the-art Docklands facility. Other capital expenditure for TAFE facilities in my electorate include \$50 000 for the planning and design of the Northern Melbourne Institute of TAFE stage 1 redevelopment at the Epping campus to meet the vocational educational and training needs in that growing community in the northern suburbs of Melbourne.

Another key priority since the Labor Party has been in government has, of course, been providing a world-class health system, and I am very pleased that there is a \$1.9 billion boost for our health system in this year's state budget that will provide more funding for elective surgery, expanded ambulance services and more inpatient and outpatient appointments. In this year's budget there is also a \$464 million capital investment in our hospitals, ambulances and community health services, including \$1 million for Kensington's Doutta Galla Community Health Centre redevelopment, which is again a centre in my electorate.

There are five major projects that will expand Melbourne's suburban hospitals, including \$12 million for a short-stay unit infrastructure upgrade and parking at the Northern Hospital. Can I say how pleased I was that just recently we had the formal opening of the latest expansion of the Northern Hospital, which has

now been completed. We have recently put in \$245 million to expand that hospital, which has added 64 beds. It is a busy hospital that has the busiest emergency department in the state. I always take a keen interest in how things are going at the Northern Hospital, and I am very pleased it is going to have that additional capacity as well as expanded paediatric and emergency departments, other allied health services and a wound clinic, all of which have opened recently.

I should point out that when the Northern Hospital was first planned by the Kennett government it was planned in an inadequate fashion because it was meant to replace PANCH. That hospital was sold by the Kennett government, which meant that we ended up with a net loss of beds for the northern suburbs. I am very pleased that we have already funded significant upgrades and expansions at the Northern Hospital, and there will be more on the way.

This year's budget includes \$16 million to replace ageing brickwork at the Royal Melbourne Hospital. There is also funding for two new surgical centres to help reduce waiting lists for orthopaedic and other elective surgery. There is \$8 million at the Heidelberg Repatriation Hospital to provide urology and general elective surgery for over 700 patients a year and \$7 million to build a new orthopaedic surgery centre, including two new operating theatres, at St Vincent's Hospital. This builds upon the recently opened Alfred Centre, which is already helping to reduce elective surgery waiting lists across the state.

I am pleased also that the budget provides for drug prevention and treatment services, which will receive \$156 million over the next five years including \$20 million to continue local drug hot spot initiatives in my electorate in areas such as the city of Melbourne and the city of Yarra.

One area that I am particularly pleased about is our continuing focus on mental health, and this year's budget sees a \$69 million boost for mental health which will provide an extra 95 beds. There is funding to build 40 prevention and recovery beds, including at Preston and Broadmeadows, to treat people who need further help after leaving hospital but before returning home, and there is \$1.5 million to begin demolition and site works to redevelop the veterans mental health facility at the Heidelberg Repatriation Hospital. This year's budget also provides funding to equip major hospitals with mental health treatment teams in emergency departments, and again this is a critical issue at the Northern Hospital. It also provides counselling, referrals and intensive treatment for patients with a

mental illness in Melbourne's north through the Craigieburn health service.

There is also a youth early psychosis program to help prevent mental illness at four services — Austin Health, Melbourne Health, Northern Area Mental Health Services and St Vincent's Health — to treat an extra 400 people each year. While I am on the issue of mental health, I also note that in the last sitting week many members attended, as did I, the inaugural meeting and launch — I guess we could say — of the Parliamentary Friends of Schizophrenia group. I was very pleased to attend that launch, which was organised through Mental Illness Fellowship Victoria. I really want to highlight the establishment of that group for members who may not be aware that it has now been formally established and to encourage members to take an interest in it as part of what should be an effort supported by all parties in this Parliament to help reduce the stigma associated with mental illness in our community. It was really heartening to hear from a young man who suffers from a mental illness who spoke about his experiences and how he has been able to turn his life around, engage in employment and really have quite a productive life.

Another issue I want to touch on is one that I think is now widely acknowledged by the community as probably the most pressing issue facing our nation today — perhaps with the exception of the Prime Minister — and that is the issue of climate change. I am really pleased that the Bracks government is taking this issue very seriously. We now have a dedicated minister for climate change in the other place, and John Thwaites is really taking the lead and helping to shape the debate — at a national level also — by pushing the need for a national emissions trading scheme by 2010. Of course this government has made a number of commitments about the need for a national emissions trading scheme.

The budget also makes a number of commitments in relation to tackling the threat posed to our planet by climate change, allocating \$50 million for a range of initiatives in this year's budget, including a partnership project with the Victorian Employers Chamber of Commerce and Industry to help thousands of small and medium-sized businesses to cut their carbon emissions. It has also funded a Rebates for Being Green program to provide rebates for households that upgrade to highly energy efficient appliances and funding for two years in a world-leading carbon capture and storage trial in the Otway Basin.

There are a range of other initiatives which I will not go into in any detail, but I think it is important to

acknowledge that this government is very much committed to tackling the issue of climate change and doing so in a very real way, and not just giving us the rhetoric we are getting at the moment from the Howard government.

Part of the climate change challenge is the associated issue of water. Again the budget makes a commitment of an extra \$136 million for vital water projects across the state to deliver water savings in excess of 80 billion litres, which is the equivalent of building another Sugarloaf Reservoir — Melbourne's fourth largest dam. That of course builds on a range of infrastructure projects which the government has already committed to in water and which our water service providers have also funded themselves.

Another local initiative funded in this year's budget is the significant commitment of a \$180 million investment towards a new biosciences research centre at La Trobe University in Bundoora, which is in my electorate. The new centre will strengthen Victoria's position as a global leader in bioscience technology. It will help develop new crop varieties with a greater tolerance to drought and safeguard the state's biggest export industry from new and existing biological threat. This is a very important development in terms of trying to protect and maintain Victoria's reputation as a producer of clean and green food products. I am hoping that by situating the biosciences centre at La Trobe University many young people who reside in that area of the northern suburbs — my neck of the woods — will take an interest and engage in science courses over the next few years.

Another significant area where the government has injected a massive amount of funds in this budget is in the transport area. This budget has a \$872 million boost in public transport funding, with a key component of that being the bringing forward of the delivery of 10 new trains and 22 extra drivers to deal with the current crowding during peak hours. The 10 new trains being provided for peak times will enable an extra 8000 people to be transported on our public transport system.

I am also very pleased that the budget provides significant improvements in the public transport system in the northern suburbs — for example, the budget commits \$48 million for the duplication of the rail track between Clifton Hill and Westgarth stations. This will reduce a major bottleneck on the system. At the moment up to 20 trains an hour use the single track at Clifton Hill junction during peak times, so the solving of this bottleneck will enable further upgrades to the system. It will be the first step in the broader program

of addressing constraints on the Hurstbridge and Epping lines and a key step towards progressively extending the Epping rail line to South Morang.

The budget also provides \$36 million for a new station at Coolaroo. It also provides for improvements to signalling at Pascoe Vale Road, a bus interchange, expansion of the car park and improvements to the pedestrian overpass. This is a very important project for the northern suburbs. The budget commits to an upgrade of three metropolitan premium stations, including two in my electorate which are Burnley and Watsonia. These stations will be staffed from the first to the last train. There will also be an upgrade of stations, including Broadmeadows, Preston and Coburg, that will improve passenger accessibility, security and amenities.

In terms of road funding, there is a \$30 million commitment to a targeted congestion improvement program, which includes \$420 000 to construct an additional traffic lane in Diamond Creek Road, Yan Yean Road and Plenty River Drive, one part of the northern Melbourne growth suburbs.

The budget also makes significant commitments to supporting young families. This is very important for the young families in the northern parts of my region. I am pleased that there is a significant commitment to the construction of 40 new children centres where there will be a range of early children services co-located, a commitment to refurbishing 1600 kindergartens and child-care centres and an increase in the kindergarten fee subsidy from \$320 to \$730, which delivers on our election commitment to ensure kindergarten is effectively free for children from families with health-care cards.

I am very proud of the fact that we have made an historic commitment of \$510 million for 2350 new or replacement public or social housing dwellings, which is the biggest investment of its kind ever made by a state government in this area. As I said earlier, my electorate is home to many people who live in public housing, including very large public housing estates close to my electorate office in East Reservoir. I know there are many families who are struggling to access affordable housing and many members have already touched upon this issue in their own contributions. I am pleased with the continuation of the first home buyers grant that we give to first home buyers. I make the point that if we are really serious about the issue of housing affordability — and I say this as someone who has practised as a tax lawyer in the past — we cannot escape the issue of negative gearing. If there is one issue that has contributed more than any other to the

decrease in housing affordability in this country it is negative gearing. Countries such as the United States of America allow people to offset as tax deductions payments they make to the purchase of their first home. In this country we have the absurd situation where people are able to claim a tax deduction on an investment property. If we are serious about housing affordability we should look at this issue, which is a federal issue.

In terms of the other areas where the state budget provides for my electorate I draw attention to the fact that my electorate covers the Melbourne central business district, including many of our iconic cultural precincts. An \$8 million commitment is made in the budget for upgrades to the Greek precinct in Lonsdale Street, Chinatown and Little Italy in Lygon Street. They are important initiatives and part of boosting our tourism market for the city. When you visit New York City, for example, people always make the point of visiting Little Italy and Chinatown. It is important we continue to support these areas as landmark places for tourists coming to Melbourne and visiting these particular cultural precincts.

I now turn to the areas of the budget that relate to the justice portfolio. I do so in my role as Parliamentary Secretary for Justice. I am honoured to have been appointed by the Premier to continue in this role since the election last year. It has been a role that I have enjoyed very much being involved in over the last four years. It has given me tremendous opportunities to work in innovative projects that we have been involved with as a government, including the introduction of Koori courts, the Neighbourhood Justice Centre in Collingwood, the Drug Court and domestic violence pilots and initiatives that we are supporting as part of the Victorian Aboriginal Justice Agreement.

The Bracks government has prided itself on its very strong commitment to community safety. Since 1999 the Bracks government has increased the police budget by more than 50 per cent to a record \$1.6 billion and has boosted police numbers by over 1400. As a result of this and a range of other measures that the government has taken in the justice portfolio, I am pleased to say the crime rate has fallen by 22 per cent. We also have a very strong track record of refurbishing more than 150 police stations. This is to provide our police with modern facilities and resources to do their job properly. As part of this year's budget we have funded an extra 350 new police officers, as well as 25 specialist crime fighters and 25 forensic investigators, a total of 400 additional police to make our streets and our communities safer.

We have also committed to building eight new police stations, five of them to be in regional Victoria, and the upgrade of the crime department at the St Kilda Road police complex. We are also providing funding for improvements to the technology and equipment that the police use, including new facial recognition technology for rapidly identifying suspects, 250 laptop tablet computers for use at crime scenes, 100 new police cars on the streets, including 71 new cars being visibly marked as police vehicles, and funding for new weapons and equipment.

There is also an allocation of \$4.5 million over three years as part of the Bracks government's fight against graffiti. I know this issue is important as part of reducing the public's perception of crime because when people see graffiti in a particular area they sometimes tend to think the area is in some way unsafe, which may not reflect reality but it does colour people's perceptions about their safety and risk of being a victim of crime.

Sitting suspended 6.30 p.m. until 8.02 p.m.

Ms MIKAKOS — Before the dinner break I was discussing the various commitments in the state budget in relation to the justice portfolio. This year's budget continues the very strong track record of this government in the area of emergency services. Since the Bracks government came to office the combined annual budget of the Metropolitan Fire Brigade, the CFA (Country Fire Authority) and the Victorian State Emergency Service (SES) has increased by 94 per cent to over \$490 million. In this year's budget there is a funding boost of \$80 million for Victoria's emergency services. This includes a Valuing Volunteers program, which will receive \$3 million to recognise the contribution made by emergency services volunteers in their local communities and to encourage more people to volunteer their time.

The emergency services funding also includes a further \$11 million in grants to buy safety and rescue equipment. The SES will receive \$8 million for new and improved SES units and \$4 million for other equipment such as trucks, trailers and four-wheel drives. The State Emergency Service will also receive a \$36.8 million boost to reflect increased operational costs. The CFA is also receiving a major boost in funding. Eighteen CFA stations, including two in my region — Christmas Hills and Whittlesea — will be replaced or upgraded. In addition two Metropolitan Fire Brigade stations are to be replaced or upgraded, with a total commitment by the government of \$9.8 million. The CFA will also receive more than 20 000 new sets of personal protective clothing, with a government

contribution of \$7.4 million. This is very important because as a result of climate change it is anticipated that there will be an increased fire threat across the nation. This funding will ensure that our emergency services are able to respond to that threat.

In today's world we cannot ignore the risk of terrorism. The Bracks government has made a number of very significant financial commitments over the last few years to ensure that this state is prepared in case of a disaster but also to prevent acts of terrorism from being carried out. This year's budget provides \$1.7 million from a total of \$9.6 million over four years to maintain Victoria's counter-terrorism and disaster preparedness capabilities and ensure that the state is able to respond not only to such emergencies but also to natural disasters such as bushfires.

Something I have been very proud to be associated with in my role as Parliamentary Secretary for Justice is my work with the Attorney-General in another place, Rob Hulls, whom I regard as this state's best-ever Attorney-General, to improve access to justice and to modernise our justice system. Since we came to office many of our courts have been modernised. We have also taken an innovative approach to justice issues by focusing on the underlying causes of crime and establishing innovative courts such as the Koori Courts, the Drug Courts, the Family Violence Courts and Australia's first neighbourhood justice centre, which was opened earlier this year. We have made significant reforms to the way the justice system responds to the special needs of sexual assault and family violence victims. We have also provided better financial support and better counselling to victims of crime. The budget provides a 30 per cent increase in funding compensation for pain and suffering for victims of crime.

This year's budget includes a very strong commitment to improving our justice system. In addition to the further funding for victims of crime, there is funding to implement the recommendations made by the Victorian parliamentary Law Reform Committee to improve the delivery of coronial services, including renovating the court and providing better facilities. There is a total package there of \$43 million. There is a \$45 million commitment to appointing two additional Supreme Court justices and two additional County Court judges plus additional support staff and resources. This is intended to ensure that people going to court can get through the court process as expeditiously as possible. There is an increased commitment to ongoing professional development for judicial officers and a financial commitment to continue the work on Melbourne's legal precinct master plan, including the

future redevelopment of the Supreme Court buildings. This follows on from the very significant work done on the Melbourne Magistrates Court and County Court buildings but also many other court buildings across the state.

I am pleased that the budget includes a significant commitment of \$400 000 for the Court Network Blue Jacket project. The Court Network is a very important part of our courts today. It has been around for a long time. It involves people who volunteer their time to help people attending court as litigants or witnesses find their way around the court and also refer them to relevant support services. I know the Court Network helps many people attending court by making their experience a little bit easier. It can be a very difficult time for people, particularly those involved in criminal matters.

The budget also includes \$18 million to make justice more accessible and affordable for vulnerable Victorians. This four-year package, which includes a significant contribution from Victoria Legal Aid, will deliver, as I indicated before, \$8.4 million to increase state-funded compensation for pain and suffering by 30 per cent; \$3.2 million to fund a network of five rural and regional community lawyers at community legal centres across the state; \$3.8 million to fund a network of 7.5 dedicated family violence community lawyers; and increased resources to provide assistance for people applying for family violence intervention orders. This additional assistance will be available at a range of courts, but in particular two courts in my region, the Broadmeadows and Melbourne magistrates courts, will benefit from the additional assistance. I am very pleased that this initiative also provides a further family violence position at the Aboriginal Family Violence Prevention and Legal Service, as the issue of family violence has been identified as a significant problem for indigenous communities.

The package includes \$1.8 million to support a change in legal aid guidelines to enable families struggling as a result of drought in rural and regional areas to get legal assistance for civil matters such as debt refinancing and mortgage and contractual issues. This is important, because normally civil matters are not funded for legal aid. There is also an \$800 000 commitment to fund a dedicated homeless-persons liaison officer to be located at the Melbourne Magistrates Court and to increase funding for the Homeless Persons Legal Clinic. This is a significant contribution, because it is important that those who are the most vulnerable in our community — that is, the homeless — are able to enforce their legal rights and have access to our justice system.

In conclusion, I think this is a very financially sound budget. It delivers an operating surplus of \$324 million this year. It delivers a record amount of funding for infrastructure — a total of \$3.3 billion for capital works this year and more than \$13 billion to be spent over the next four years. This is about planning and building for this state's future needs. It also provides a record boost for education and a very significant increase in funding in the health area. As I have indicated before, there is a record amount for public housing and significant funding to address our water and climate change needs and our future transport needs. There is \$1.5 billion in savings for Victorian families and businesses over four years and cuts to land tax, stamp duty on land transfers and motor vehicles and WorkCover premiums.

This is a very good budget for Victoria. It delivers on all the key service areas that are important to our community. It also addresses issues of disadvantage. It provides support for those in our state who are finding it most difficult, and in terms of my parochial interest as one of the members for the Northern Metropolitan Region, it delivers in a range of areas across all portfolios for the people of my electorate. I am very proud to be able to support the budget this evening, and I wish it a speedy passage.

Mr DRUM (Northern Victoria) — The budget handed down by Treasurer Brumby in early May shows the amount of money at this government's disposal, and it is wise for all of us to ponder just how much money this government is now receiving compared to what it received when it first came to power. Ms Mikakos, as is generally the case, is keen to compare the amount of spending in today's terms and dollar amounts with that spent by the Kennett government. But it is quite disingenuous for government members to compare the spending of the Victorian government in boom times, in prosperous times, with the spending of any government in times when the state was effectively broke.

We need to get straight to the point. When the Kennett government was in power in the early 1990s the state was broke, and we need to acknowledge that. When, for example, a family has its budget and its finances ripped apart, it has to go into lockdown mode. That is what every family does, and the state is no different with its budget. In the early years of the Kennett government the state was broke, and it was broke for one reason: it was broke because the Labor government that preceded it spent all the money and racked up \$90 billion-odd in borrowings and debt. We have to be a little less disingenuous when we stand in this Parliament and rewrite history, because we cannot keep

comparing what happened back then with what is being spent today.

Having said that, it is time to move on and talk about the situation we find ourselves in today. Victorians are having to wait substantial amounts of time for their infrastructure. The issue that has created the most interest in this budget debate is water and ongoing investments in water infrastructure. Ms Broad was able to make it clear that this government has spent on both its own projects and the projects that have been invested in by water authorities around the state an amount of money that is akin to the amount it has ripped out of the state through the water authority dividends.

The Labor Party throughout Australia and particularly in Victoria is quick to say that the Howard government has been slow to realise the impact of climate change. If that is true, then the Labor government in Victoria has been unbelievably slow to analyse and work through the impacts of the drought, because this state has had anywhere from 8 to 10 consecutive years of below-average rainfall, depending on which part of the state you live in, and yet we had to wait until communities were literally within weeks of running out of water before it stopped sitting on its hands, went into the regions and instigated some emergency water procedures.

It was documented that Bendigo would be faced with running out of water by September. When that was enunciated to the government it came up to Bendigo and put in place a pipeline proposal that would see it have water arrive by September. That is cutting absolutely to the bone. Any leeway was taken away by the fact that the government did nothing in the face of dire warnings. It simply did nothing for the last three years, even when it became apparent that our storages were plummeting to depths they had never been to before. Now we have had some genuinely strong rains, but the storages in north-western Victoria are yet to start filling, and we hope the rain flicking through the state as we speak might bring some inflows into some of our storages.

We recently visited Wangaratta and spoke with some of the locals involved in the water industry, who said that they got to within three weeks of running out of water when the Treasurer, the Minister for Industry and State Development in the other place, and the Minister for Water, Environment and Climate Change travelled to Wangaratta and got things happening — I think it was more the former rather than the latter who got things happening — with three or four emergency water bores which generate in the vicinity of 10 megalitres per day

to keep Wangaratta going. That came in with three weeks to spare. As it turned out it rained in the ensuing three weeks and the bores have not yet been called on to supplement Wangaratta's water supply. It is laughable that the government tries to defend its actions in relation to water infrastructure when it can let a city the size of Wangaratta get to within three weeks of running out of water.

Places like Euroa have had their water supplies trucked in because there has been no infrastructure planning. Places like Violet Town have a similar situation. Water storages have dried up and have left those communities without a backup plan. The township of Bright has a standard population of around 2000 to 3000 people but that grows to 30 000 people during peak holiday periods. Bright has no infrastructure support, such as a reservoir or dam above the Ovens River, so when the river dries up there is no storage from which more water can be released. That is not part of the government's thinking. Its ideology of having no more new dams will cause communities in the north of the state to close down if we have a repeat of the circumstances that we have had in the last 12 months.

It is not being alarmist or overdramatic to tell city-based members of Parliament how dire things have become in regional Victoria. Mansfield has very small reservoirs at the foothills to the alps that are simply inadequate for taking that community forward. They are some of the communities we have not heard a lot about that came within a whisker of having to go down the path of Euroa, which had water trucked to it — some hundreds of trucks per day.

In the midst of all of this proposals have been put forward by people other than those in the Labor Party to create greater water security than the government is currently able to provide. The inability of the government to take on board some of those suggestions and ideas and run with them has been staggering. It is an amazing situation that the government has been locked into playing the politics of water as opposed to doing what is right by the respective communities. That has been one of the most disappointing things. Not one person who has any credibility has tried to blame the government for the fact that it has not rained. The criticism of the government is that it has not been able to instigate plans and spend money in areas that would secure the water supplies that communities need.

Bendigo possibly has the driest climate of any city of about 100 000 people anywhere in the world. Bendigo is not located on a significant waterway, so it is not able to draw its water resources from the Goulburn, Broken or Murray rivers or any of the other rivers that run

through other parts of the state. It relies on the ingenuity of its forefathers of more than a hundred years ago, who built dams to the south of Bendigo. They worked out that water could gravitate to the Bendigo storages, some 70 kilometres from the edge of the Great Dividing Range, through other mountain ranges and that they could get that water into Bendigo via gravity-fed concrete and earthen races. It is an ingenious system, but it is inefficient. Once the water gets to Bendigo the system is even more inefficient.

There has been a lack of government desire, will and backbone to ensure in Bendigo's case that the infrastructure problem would be remedied and the water system maintained to a standard that would mean 6 gigalitres of water would not be going to waste. That is 6000 megalitres, or 6 billion litres, as the water minister refers to it, that is in effect wasted in the Bendigo region because this government will not do anything about it. It has put in place a 5 to 15-year plan to fix these leaks and inefficiencies, but it must go further than that. That is water that is wasted on its way to the customer. If the system were piped in the first place, once that water arrived at the many hobby farms there would not be the need for hobby farmers and those who have larger rural allotments with 1-megalitre to 4-megalitre dams on them to maintain water rights or pump water out of their dams. There is potential to save anywhere from 12 gigalitres to 16 gigalitres of water by simply investing in water infrastructure in the Bendigo urban and rural areas.

Places like Bendigo could become self-sustainable with proper government investment. On top of that, if a groundbreaking world-first stormwater harvesting plan were instigated, you could gain another 5, 6 or possibly 10 megalitres of usable water by capturing stormwater. And because it all runs down one creek it would be easy to harvest. The government is actively working against these proposals because these are not its ideas and it does not see the desperation of the situation. It thinks it is a better idea to buy farming water from another community and pipe it to the urban area of Bendigo. That is the only course of action that is now available to the government, so that system has to be supported, because there must be water for a city that is as dynamic as Bendigo and that is experiencing the growth that Bendigo is. But that should not take away shame from a government that has refused to act responsibly over a long period, because the warnings have been there.

Public transport has also been spoken about in the debate. It is worth putting on the record that public transport in regional Victoria is grossly inadequate. We have to be careful in this place when talking about

trying to get people off the roads and on to public transport. It is a laudable cause to fight for in metropolitan Melbourne, but there are so many communities around Victoria where that is not an option. The bus system in regional Victoria is spasmodic at best, and only a small portion of the community has confidence in getting to their respective appointments in a respectable time.

We need to push hard to improve government investment in public transport in regional Victoria. We also need to be mindful that we are a long way from forcing people off the roads and getting them to use public transport. The transport system that links our regional centres with Melbourne is one that can certainly be improved. The government has spent an enormous amount of money in the last few years on its rail upgrades dressed up as the fast rail project. To be perfectly truthful, the fast rail has not been successful.

What has been dramatically successful is that the government has reduced public transport fares by an average of 20 per cent across the board, which has resulted in a 15 per cent increase in patronage. It is the best thing that has happened to public transport in regional Victoria in a long time. Cutting fare prices is something The Nationals were calling for six months before the Commonwealth Games when special deals were being handed out to people in Melbourne and regional Victorians were left out of those deals. It was The Nationals that stuck up for regional Victoria and said regional and country Victorians had to be cut in on the special deals enabling people to travel to the Commonwealth Games in Melbourne in effect for free — there were \$10 return tickets for regional Victorians.

The roads have been a huge issue in regional Victoria over the last decade or so, and possibly even before that I would imagine. There simply is an ongoing need to spend enormous amounts of money to try to get our roads up to standard. We have the argy-bargy that goes on between this government and the commonwealth government about who should fund the state highways, the fact that we are always calling out for the federal government to fund the national highways and the fact that there is always pressure from locals on the councils of regional Victoria to upgrade the roads that fall under their responsibility.

Again, we need to realise that there are councils in my electorate that have funds available to spend on recurrent road maintenance programs that would allow them to upgrade their bitumen roads only once every 300 years. That is how much money they have available to them for the many kilometres they need to

look after — a road maintenance program that can be completed every 300 years. That is a stark reminder of the position we have put our local governments in and the pressure we are putting on them in their endeavours to try to fix up our road system.

We need to be very cognisant of the fact that there has been inadequate investment in the road system around regional Victoria. The scenario I have just painted can be repeated in nearly every one of the regional councils throughout northern Victoria. There are only a handful of councils in regional Victoria that would say they have got enough money to upgrade the roads that they need to maintain. The others are dramatically underfunded and have to continually try to pinch money from somewhere. There has been a trend where all they are doing is simply grading roads rather than trying to fix up the shoulders and actually resurfacing them.

This is at a time when this government is the recipient of more money than any government in the past, and by substantial amounts. Every government is guilty of having more money, taxing more or receiving more taxes than the previous governments. It is a bit of a folly for opposition people to talk about governments receiving more tax; and it is just as much of a folly for governments to say they are spending more money. It is simply a matter of fact that that is the way it is always going to be. But why does this government need to send the state of Victoria back into debt? Why do we have to go down the path of increased debt levels when the state government should be looking to the federal government for a greater source of fiscal management as opposed to increasing state debt?

Australia is \$14 billion better off each and every year because of the federal government's ability to repay the debt that it inherited from the previous Labor government. We are \$14 billion better off each year. So many of the initiatives that are introduced by the federal government are only possible because we were able to pay off the debt of the previous Labor government. That is something we should always be aware of, something we should be cognisant of, so that we never go back in that direction again, and yet while we are receiving record sums of income this government is saying that we are going to start increasing the amount of debt that this state holds. There is no reason why this state could not implement its own future fund with some of the funds that are available to it, rather than following the lead of the federal Labor leader, who wants to raid the \$50 billion-odd that is in the federal Future Fund.

The Future Fund that was put in place upon the sale of Telstra is actually going to safeguard remote, rural and regional Victorian communities from ever experiencing the growing divide between those communities that can afford, just through sheer critical mass of numbers, to have the latest and the grandest communication technology and those communities without any critical mass of people, which are going to miss out. It was the Future Fund that was going to be able to pass on its dividends to subsidise the growing divide. If it stays in place then remote, rural and regional Victorians can in fact look forward with some confidence to being subsidised so that they will also be able to enjoy the same technological advances that their metropolitan cousins take for granted. That is something that should occur.

This government has made a lot of noise about it and the Minister for Education, Mr Lenders, was very eloquent in the way that he was able to pinpoint many of the taxes that have been abolished since the GST has been introduced. The \$8.5 billion that has been returned to the government through the GST has enabled it to scrap some of the smaller, obscure taxes. To the letter of the law, this government has upheld its intergovernmental agreement, but there is so much scope for this government to be doing more.

It must also be put on record that in the next year this government is going to have an increase in payroll tax. It will receive 5 per cent more than it received last year from payroll tax. There is going to be a nearly 5 per cent increase in gambling taxes as well. This is about the sheer amount of money this government is going to receive. Stamp duty is also going to increase.

This government is very good at underestimating the cost of projects and recurrent spending. In 2006 it was estimated that employee benefits would grow by approximately 4.8 per cent. What in fact happened was that those costs grew by 6.6 per cent. Again, we have a situation where the government is underestimating costs all the time, underestimating expenses, underestimating major project blow-outs and also underestimating income streams and income revenues.

Over the past four years the combined growth in employment-based benefits was estimated to increase by 15 per cent. The actual growth was 28 per cent. In my opinion if you underestimate your income once, it could be said you were a little bit unlucky. If you underestimate it twice or three times, I am not quite sure but it could just be luck. If you continually underestimate your finances, you are either very, very unlucky or very dumb — or maybe it is so consistent that everybody knows it for what it is. The Victorian

public knows it is pure and utter deceit. This government knows what its income streams are going to be, and when it suits it simply underestimates them, because it is much easier and more palatable to control increased income streams than to deal with the inverse.

The government has come under huge pressure in relation to its responses to drought and bushfire. Living on a daily basis with communities that have been through bushfire and drought has been some of the toughest work we have done in the last few years. The response of this government to the drought has been poor. I notice that the Treasurer came up with a figure of \$157 million. When asked how much the government was contributing to dealing with the drought, he came up with that figure. When he was questioned he included the \$5000 rebate that is provided to farmers who have to pay for water they do not receive. This is a pathetic response from the government. We have been begging this government to simply pay the amount farmers owe water authorities for water they do not receive. The government would not do that; it went about a quarter of the way there and said it was part of an emergency drought response. It is a pathetic response, and I think the government should hang its head in shame when it starts trying to be cute about how much money it has used to assist some of these families.

In 2002, when the situation was equally dire, this government at least had the courage to offer \$20 000 grants to families. I think about 3500 families were able to access on average about \$16 000. That was a \$50 million program that helped many families just put bread on the table. Instead of wearing that as a badge of honour, this government recoiled and decided it would never do that again. This is one of the most heartless responses we have seen to many families who through no fault of their own have been forced to the wall simply because it has not rained in the right catchment areas.

Recently in this chamber we have been pushing the fact that the government is refusing to fund drug and alcohol centres in regional Victoria. We have put up as a case in point the Molyullah farm near Benalla with 12 residents in place all the time. Unless this government realises that drug and alcohol rehabilitation is necessary in regional Victoria and that we do not want to have to send everyone with these troubles to Melbourne to receive this sort of treatment, then this centre will close down in September. It had to close down last year because the state government refused to fund it, and it will have to close down again this year if the state government refuses to fund it.

The state government's response to our request for this additional funding was that it is a federal government pilot program which has been funded for eight months and should be funded for the other four months, and it is not the state government's problem. These are some of the almost unbelievable responses we are getting from this government, which has hundreds of millions of dollars in reserve and has simply decided that drug and alcohol rehabilitation programs are not an issue for regional Victoria. It is as if we do not have these problems in regional Victoria. I am saying that we do and we need some resources.

In the area of disability, which we continually push in this chamber, there are waiting lists for nearly everything. We start with the waiting list for assessment. If you have concerns about how your son or daughter is responding, there is a waiting list. Once assessment has been completed, then there is a waiting list on nearly every service your son or daughter will have for the rest of their lives. There are waiting lists in day programs and services, employment programs, accommodation and in-home and out-of-home respite. We are simply asking the government to step up to the plate and pay its share of the disability sector.

This government is taxing Victorians at record levels — that is fine. That is what happens with all governments — in today's terms they are taxing in record amounts and they spend in record amounts. We need to talk about the percentages. This government is receiving nearly 100 per cent more than when it came to government. If your particular area of interest is not receiving 100 per cent more now than it did in 1999, then it is not getting the same share of the pie that it did when this government came to power. That is how this government should be viewed. We need to look further than that and into the outcomes that have been achieved by this record spending. Unless we are getting some outcomes it does not matter how much this government throws at respective issues, because we are always going to have the same problem — that this government can waste money like no other government before it.

Mr GUY (Northern Metropolitan) — It is rare that you can come into the chamber and have two shots at talking about the Bracks government's economic record in the one day, but that is the privilege I have been given.

Mrs Coote — You still have the adjournment debate to go.

Mr GUY — Mrs Coote is quite right that I still have the adjournment debate to go, and I have another issue

to raise. I will not talk about the economic record of this government in my adjournment matter, but I certainly want to talk about it in the budget response, which is what we are on now. When I first came into this Parliament only seven months ago, I commented in my inaugural speech that I was very concerned with the state of Victoria's finances and with the way our state is progressing by comparison with other states and certainly other jurisdictions internationally. As I said earlier today, it is a concern that has not left me. This budget has confounded my beliefs and caused my concerns. I made the point earlier today that one of the most telling examples — —

Mr Lenders interjected.

Mr GUY — I say to Mr Lenders that that is not true. My family was there to be convinced. As I was saying, one of the most telling examples of the state government's economic performance and its vision — I use that term very loosely — for Victoria is summed up by the Treasurer's words when he said that we are the best of the rest. Mr Lenders should not roll his eyes. He has heard this speech, and he is going to hear it again, because it is true — and every Victorian must hear about it. That is what the Treasurer of Victoria thinks about our economy and about our state. He thinks, 'We are the best of the rest', and that that is all we are worth and that is all we are considered to be. He thinks, 'There is nothing forward or visionary about our trying to be the best state in the nation; let us just be the best of the rest. We are bound to be overtaken by sun-drenched states to our north and west and therefore we do not need to try. It is no use trying to compete with them. Let us just try to compete with Morris Iemma and the corpses of the economies that are New South Wales or South Australia or Tasmania or somewhere else. We do not need to be the best'.

Mr Vogels — They're all Labor governments.

Mr GUY — The common theme is right, Mr Vogels, they are all Labor governments. I am concerned with that attitude which comes from the Treasurer of this state that says we need only to be the best of the rest, that there is a two-speed economy and it is okay for us to be down there. But that to me says everything about this government. It says that it accepts mediocrity. Labor has always accepted mediocrity. It did so when it was in government during the Cain and Kirner terms in office, and it did so in other jurisdictions, such as in New South Wales under Neville Wran. Labor just gets by. This government and this budget certainly reflect that attitude. One of the comments I heard from Mr Kavanagh today — —

Mr Lenders — You are accepting mediocrity. You wanted to be the member for the Yan Yean electorate in the other place and you came here.

Mr GUY — I should pick up Mr Lenders's interjection and say that the good people of Yan Yean have already been insulted enough by his government via the comments of the Minister for Planning about McMansions. I do not think further comments from Mr Lenders about them or their background are necessary.

In my first speech one of the comments I made was that any government that engaged in taking pride in maintaining huge budget surpluses without making any real effort to reduce the taxation burden was engaging in the boast of a thief. After looking at this budget I would seriously question the government's commitment to real taxation reduction in Victoria. As I said earlier today, we have seen a lot of piecemeal tax cuts, if you like. The Labor Party has ticked a box here and ticked a box there and said that it might go to the next election with a few tax cuts here and there, but at the end of the day the Labor Party has a huge tax take. It is the biggest there has ever been in Victoria's history. In 1999 the government's recurrent revenue base was \$19 billion and it is now \$34 billion — a \$15 billion increase over seven years. It took 150 years or so to get the revenue base for the state to \$19 billion, and it has gone up \$15 billion in just seven years and a bit. Victorians need to ask whether service delivery, the infrastructure of this state and the performance of the government are 80 per cent better.

Mr Lenders — Yes.

Mr GUY — They are 80 per cent better?

The DEPUTY PRESIDENT — Order! We are having a speech by Mr Guy, not a conversation between two players. I ask the minister not to assist Mr Guy further.

Mr GUY — I say to Labor Party members that for them to come into this chamber and say they believe service delivery is 80 per cent better in the state of Victoria means they are grossly out of touch. They have clearly not caught a train on the Epping line from Preston at 7.10 a.m. It is packed and you cannot get in. There are no seats anymore, not even by the time trains reach Preston. That was not the case seven years ago. There is no increase in services. The government comes back and says, 'We are here to provide upgrades to the Epping and Hurstbridge lines, and we will get to those later on, but at the end of the day you guys can put up

with poorer services while we have got increased revenues coming in from a GST that we opposed'.

At the end of the day we come into this chamber with Labor politicians who are prepared to say, 'We may give a tax cut here and there'. They never, never mention to the community that they are getting \$8.5 billion per annum extra in GST revenues. They never factor that fact into the argument and never admit to the fact that the \$700 million per month they get in revenue is from a tax that they blatantly opposed and campaigned against.

Let us talk about the Labor Party and its record on tax. We talked about land tax earlier today — —

Mr Lenders — You ranted about it.

Mr GUY — I did not rant about land tax; I talked about it. Mr Lenders may see it as a rant, but it is true. He may not want to believe that land tax in this state rose by 102 per cent between 1998–99 and 2006–07. It has gone from a \$378 million take to a \$890 million take. Labor Party members walk back into this chamber and say, 'We are going to give land tax relief', but the total tax take is going to increase because Labor does not believe in genuine taxation reform and genuine taxation reduction. We have seen that from this budget.

I turn to the stamp duty reductions on passenger vehicles. I admit that it is a start and that these tax cuts are designed to assist the local passenger car market. It is very small and it is selective, but it is something. As a party we do not oppose taxation reduction — we certainly welcome it — but at the end of the day let us have a look at stamp duty as a whole and the overall revenue. In 1998–99, \$1006 million was collected in stamp duty compared to the 2006–07 budget estimate of \$2850 million. That is a 184 per cent increase. Labor members walk into this chamber and say, 'We are reducing stamp duty. We are lowering the stamp duty burden on Victorians'. That is rubbish; it is just not true.

Let us talk about stamp duty on properties in the outer suburbs — the suburbs the Minister for Planning in the other place so disdainfully referred to as full of obese houses and McMansions. On a \$300 000 home purchase in New South Wales, a buyer pays \$9500 in stamp duty; in Queensland the figure is \$3500; the figure in Victoria is \$12 700. This probably means nothing to the members opposite, many of whom inhabit the inner parts of my electorate and Mr Finn's electorate, but it means a lot to people who are trying to get a start in the housing market — trying to get their foot in the door by buying their first home. It means a

huge amount to them. The Labor Party in this state should be ashamed.

I will talk about Queensland's 2007–08 budget. I quote from a document associated with its budget:

Strong house price growth in recent years has made it increasingly difficult for potential first home buyers to purchase a home.

I am glad the Queensland Labor government has acknowledged that; its Victorian Labor counterparts have not. The document continues:

With immediate effect ... the first home buyer exemption threshold will be doubled from ... \$250 000 ... to \$500 000 ...

That is one example of what Queensland is doing to place itself at a competitive advantage over other states regarding taxation.

What is Victoria doing? Nothing. That is not true. The Victorian government is doing one thing. It is imposing a tax — the development levy. It is imposing a tax on people willing to buy their first home. Not content with taking in the largest amount of stamp duty in Victoria's history — \$2.85 billion worth in 2006–07 — or with facing competitors like New South Wales and Queensland, which have lower stamp duty rates than Victoria, the Victorian government is now saying, 'By the way, we will put an extra tax on you for living in the outer suburbs'. That is madness.

We should not be surprised that the Labor Party has again with this budget forgotten the meaning of taxation reduction and relief. As I did earlier today, I will list the 14 taxes that the Labor Party has either introduced or increased during its seven and a half years in government. These should be kept in mind when considering the fact that the Labor government is sitting on the largest recurrent revenue base in Victorian history. Every month \$700 million comes in from goods and services tax revenues. The new or increased state taxes include the gaming machine levy, which is up; the payroll tax on fringe benefits; the payroll tax on apprentices and trainees; the stamp duty on mortgage-backed debentures; and the disgraceful annual indexation of fines, fees and government charges.

I will digress for a moment. We all know that public transport fares went up recently. The government says it is committed to getting people onto trains — just like it is supposedly committed to housing affordability — but its strategy is to up the cost of public transport.

I return to my point. Other taxes that have been introduced or increased include the transit city tax; the stamp duty extensions on land-holding bodies; the payroll tax on employment agencies; the 5 per cent water levy; and the long-term parking levy, which is a congestion tax.

Again I digress. The Labor Party says, 'We want to get people in the inner city area out of cars and onto public transport'. What is the government's strategy in this budget?

Mr Barber — Tax cuts for gas guzzlers.

Mr GUY — It may be tax cuts for gas guzzlers, Mr Barber — it may be a whole range of things. The Labor Party's strategy is not to cut taxes, but to introduce a new tax. This is the ideology of people in the Labor Party — to solve a problem you put a tax on it. The government does not say, 'We have a problem with what people are doing, so we will provide you with an incentive to do the opposite or we will upgrade public transport services so that train or tram travel is a competitive option'. It simply says, 'We will tax it'.

I go back to the list. It includes the land tax on trusts; the rental business duty; and, as Mr Davis has talked about a number of times, the inbound international airline stamp duty extension. The last item on the list is the one I have talked about before — that is, the development tax. It is tax on the people who can least afford it, people who Labor says are its constituency, people who are trying to get a start in the housing market. For a government that says it is committed to helping people from lower socioeconomic backgrounds, it is doing a helluva lot to prove the opposite. What Labor is doing in this budget to people in the outer suburbs of Melbourne, in the northern part of my electorate — —

Mr Finn — And the west.

Mr GUY — I take up the interjection of Mr Finn, who has just entered the chamber. I include the north-western part of Mr Finn's seat. What the Labor government is doing to those people is disgraceful and deceptive. It is taxing the people who can least afford it. If you are trying to get a start in life by buying your first home, you can go to Queensland where the government has just upped the stamp duty free threshold to \$500 000; you can go to New South Wales where the state Labor government is looking at stamp duty reductions — even though its rate is high, it is certainly less than Victoria's — or you can come to Victoria, the best place to live, work and raise a family, according to members opposite. At the end of the day Victoria is the

highest taxing of these states when it comes to building a new home.

The Labor government wants to cram people into activity zones through its Melbourne 2030 strategy. If it wants to make the city more compact, that is fine. But at the end of the day the ideology of the ALP is not to help people but to tax them. If it has a problem it does not solve it by providing an incentive but by introducing a new tax. That is the ideology of the Australian Labor Party, and it has been its ideology throughout history. It stands as a beacon of what this government is doing.

I talked earlier today about something in this budget that concerns me greatly, and I think it should concern every Victorian — that is, the Labor Party's obsession with debt. I put out a challenge to Ms Tierney and to all the Labor Party members here today to find me a Labor government that has entered office in the last 30 years and has left behind it lower levels of government debt than existed when it entered office.

There is silence, and there is silence for a reason, so let us have a look at it. Let us talk about this.

Ms Broad — We are not listening.

Mr GUY — I am sure you are not listening, Ms Broad, because you were part of the problem in the Cain and Kirner governments — through you, Deputy President.

The DEPUTY PRESIDENT — Order! If Mr Guy is directing remarks through me, I would suggest that he does not try to provoke members of the opposition. It would be best if he stuck to the substance of his speech.

Mr GUY — As I was saying, the financial record of Labor governments over the last 30 years is not strong, particularly at the time they leave office. I think everybody in this chamber has memories of the Bannon government in South Australia; of the Brian Burke government in Western Australia; of the Cain and Kirner governments in Victoria; of our Greens friends who were of course, with the Labor Party, part of the Michael Field experiment in Tasmania; and of the Peter Beattie government in Queensland, which is increasing debt in that state. From being the lowest taxing state in Australia, Queensland is now on track to lose its position and its competitive edge due to the Beattie government — up tax, here we go. And of course there is the Bracks government. Our debt level is \$4 billion. At the end of the forward estimates our debt level will be \$14 billion, halfway back to the position that former Premier Joan Kirner had us in.

An honourable member — Here we go again.

Mr GUY — Here we go again. I am sorry, but members opposite just have to understand that when the Labor Party is let loose with a credit card it concerns the Liberals because we have had to clean up the mess all around the country after former Labor governments. It concerns us, and it should certainly concern the Victorian community.

I want to turn, if I can, to areas in my own portfolio of planning. I have talked about housing affordability and the disgraceful levels of stamp duty in Victoria being presided over by the Bracks government, certainly when compared to Queensland and New South Wales. This government is utterly uncompetitive compared to other states. It discourages people from building out in the suburbs, principally because its planning minister no doubt thinks they live in obese housing, in McMansions. He has put on record his dislike of the outer suburbs, and I am not surprised. When the government talks about Melbourne being the most affordable market on the east coast, the reality is that it is the least unaffordable out of Sydney, Brisbane and Melbourne. The minister's comments, when saying that, are a reflection of the Treasurer's comments suggesting that rough enough is good enough for Labor and that we are the best of the rest. That is what the Treasurer said about our economy — the 'best of the rest'.

The Department of Sustainability and Environment (DSE) planning, urban design and housing affordability areas saw a reduction in target funding from \$73.9 million in 2006–07 to \$71.5 million in this budget. The planning minister described this as an accounting error. It may be, but the reality is that target funding is no higher. The public face of planning through land administration and property information will see a \$9.5 million funding cut — \$97.6 million down to \$88.1 million in the new financial year. As I said, at a time when housing affordability is the toughest it has ever been in Victoria — it has never been harder to buy a first home — the government's principal response is to cut programs in the DSE that are designed to come up with strategies to help with housing affordability. You would expect nothing else from the Bracks government.

Heritage programs also fared badly in this budget — a 17 per cent funding cut in a single financial year. As I said, the only bit of good news out of this budget, the only thing the planning minister might be able to take credit for, if you like, seems to be the Melbourne 2030 audit, which scored a bit of cash. What this shows is

that in the five-year life of that document two years will be spent in a review process — 40 per cent of it.

I will briefly turn to some issues in my electorate, which is in the northern suburbs of Melbourne, a terrific area of the city. As members of this house will know, I am one of five members in that region.

Mr Finn — The only good one.

Mr GUY — Thank you very much, Mr Finn.

The most pressing issue in the Northern Metropolitan Region is without a doubt transport. That is because there is no freeway coming into town, so the roads are very full. They are clogged in the morning. It takes a long time to get in. The traffic is usually gridlocked from about Bell Street into the city, and the trains are full, usually from about Regent station. Transport is a very big issue. I think a little over a week ago when I came into this chamber and talked about the Epping to South Morang railway extension I was surprised that the minister at the table did not seem to know about this issue. I guess in hindsight I should not be surprised.

In this budget the government has committed to duplicating the section of railway line from Clifton Hill to Westgarth, but it has advised that it will take more than three years to build. Granted this section of rail line will have a new bridge, but the section from Clifton Hill to Westgarth is 949 metres long. Of that, 391 metres is currently already duplicated, leaving only 558 metres of track to be duplicated. That is the distance from the steps of Parliament House to in between Russell and Swanston streets — and it is going to take the Bracks government three years to build it.

Going back to the Epping–South Morang railway line extension, I have mentioned this issue regularly because I believe it is the most important transport issue in the northern suburbs. This is principally because by the year 2021 there will be an extra 40 000 people living in the city of Whittlesea corridor — an extra 40 000 people!

Mr Finn — Where are they going?

Mr GUY — Well, Mr Finn, they will be living in McMansions. I am not sure the planning minister will be too happy about it, but they will be living there. Those people living in that part of Melbourne need heavy rail, and they need it now. It was promised by the Labor Party in 1999 and it was promised again in 2002, but in the budget for 2007–08 I do not see funding for that rail extension.

In fact what I do see in the budget is a quite unique quote. I do not know where the government gets this from, but it says that the project for the construction of the Clifton Hill to Westgarth duplication over the creek will provide additional pathways and capacity for the possible future extension of the Epping line to South Morang. That might sound credible, but the reality is that the extension from Clifton Hill to Westgarth is on the Hurstbridge line. It has nothing to do with the capacity of the Epping line, and it has nothing to do with the extension of the Epping line to South Morang, which is 17 kilometres away. I can only say to this government: it is the most pressing issue in the northern suburbs. The government promised this extension seven and a half years ago, and it is disgraceful that the government is still not coming through with the goods, or the funding, to build the railway line that it promised.

The northern suburbs may benefit from some of the new trains — I think it is one per line that this government has ordered in the budget — but they too will be stuck on what is indeed the slowest rail service on the metropolitan network, the service on the Epping–Hurstbridge section.

An honourable member interjected.

Mr GUY — I will give some quotes here. This is fact from the government's own documentation. It states that poor signalling has meant that the Epping line trains have an average speed of just 25 kilometres an hour on the shared-track section from Jolimont to Clifton Hill, which is about 7 kilometres. I could and sometimes do ride my bike faster!

Mr Finn interjected.

Mr GUY — Mr Finn, better than that, express trains have an average speed of 35 kilometres an hour on the same section. If they are not stuck at ghost stops, crawling between Collingwood and Victoria Park, the passengers are unfortunate enough to be packed in like sardines. The government has not put any serious money into upgrading the signalling on that line. All it has done is put money into buying more trains so that those trains can be stuck in a system that has trains running at 25 kilometres an hour. What is bizarre is that the Siemens trains and the Xtrapolis trains, the new trains on the network, have a maximum speed of 130 kilometres an hour, up from 115 kilometres an hour. I do not know where they are doing 130 kilometres an hour, but if they are it certainly is not on the Epping–Hurstbridge section, that is for sure.

Unfortunately for the northern suburbs in my own electorate, this budget provides my constituents with a

lot of rhetoric and a lot of promises but little by way of reality with money to fix the problems that exist there. By the way, they are going to get a big debt bill at the end of it, too — \$4 billion to \$14 billion.

Victorians should take as clear messages from this budget that this government, while having record revenues and record GST income and gloating about what it has done over the past seven and a half years, still needs to go into debt to fund general infrastructure upgrades. Not a CityLink, not the Scoresby — which it said would not be funded by tolls — not any of that; we are going into debt to fund general infrastructure upgrades.

Mr O'Donohue interjected.

Mr GUY — Back on the debt trip, Mr O'Donohue. You are dead right; that is exactly what it is. Unfortunately, as I have said before, people in my electorate, indeed all Victorians, should rightfully be concerned about members of the Labor Party when they walk into this chamber gloating about how good and how important it is that we go back into debt, because Labor has a record on debt that should not and certainly cannot be forgotten by all Victorians. It is a record that is frightening and serious.

An honourable member interjected.

Mr GUY — That is shameful, and unfortunately it will not be etched out of the minds of a lot of Victorians for a long time. Nor should it be, because the damage that was done to our state's economy in the late 1980s and early 1990s is unforgivable. That kind of economic vandalism should not be allowed to be repeated. I fear that in this budget it is.

The best of the rest is what this government says it wants to provide for Victoria. That is its goal, that is its strategy, that is its target: the best of the rest. It is a commitment to mediocrity, a commitment to being bland and a commitment to doing the basics — ticking the boxes — but it is not a commitment to truly lead. With this budget Victorian Labor has had its eighth opportunity to show that it can be more of a leader and can be seen as a government with a bright and strong future for Victoria, more than being just simply the best of a bad bunch. But unfortunately this budget, like the preceding seven from the Bracks government, has missed this opportunity. Unfortunately the biggest loser will not be just Labor; in the end it may be the whole state.

Mr ELASMAR (Northern Metropolitan) — I rise to congratulate the Treasurer, the Honourable John Brumby, and the Bracks Labor government on bringing

down a comprehensive budget that seeks to address shortfalls within the current system and to augment the many services we deliver every day to young families, the aged, the infirm and ordinary Victorians. In particular I make specific reference to some areas within my electorate that will benefit from this budget, which is the opposite of what Mr Guy has said.

Members of the government are committed to providing quality and timely health services. I was very pleased to see a vitally necessary injection of \$8 million for the Austin medical centre, just one of the many medical centres and facilities in my electorate, and the extension of Nurse-on-Call, a service that provides all Victorians with medical advice, regardless of where they live in Victoria.

Following on from its commitment and its action in December 2006 in appointing Victoria's first Minister for Mental Health, the Bracks government will continue to build on its investment through additional funding of \$68.8 million over five years. This includes \$15.5 million for the Northern Hospital to provide additional mental health beds, expanding the number from 25 to 50. Our government is meeting the growing demands for mental health care across the outer northern suburbs, with \$9.6 million allocated to delivering additional prevention and recovery care beds, with 20 in Deer Park and 10 in Preston and Broadmeadows.

Funds for community health centres, which provide, among other services, a program that allows the elderly in our community to remain safely in their own homes, have been boosted by \$11 million per year for the next four years. The budget provides \$2 million to be invested in establishing a central child-care register for all Victorians. This register will take the confusion and stress from working mums planning a return to work.

The \$48 million upgrade of the Hurstbridge railway line provides for the duplication of 750 metres of existing single train track between Clifton Hill and Westgarth stations, which will significantly reduce a major bottleneck in the system. During peak traffic times up to 20 trains an hour use the single track at Clifton Hill junction. The overall investment in public transport in our state is a whopping \$872 million. I note that when I was in the chair Mr O'Donohue had a question about the 22 extra drivers. Mr Tee has mentioned this before me, and I am proud to repeat it: the budget provides for the purchase of 10 new trains and the recruitment of 22 extra drivers. That, fellow members, is a commitment to our commuters and a recognition of the overreliance we all have on petrol-driven vehicles. The provision of an efficient

public transport system will also have a flow-on effect of protecting our fragile environment.

Helping senior Victorians stay independent and active is a commitment the Bracks government will deliver on, with an extra \$2.2 million to provide personal alert units for older people. This enables our older Victorians to live independently in their own homes by increasing their confidence and providing access to 24-hour-a-day support.

La Trobe University has been allocated a staggering \$180 million to establish a biosciences research centre. This major project will protect and grow Victoria's agriculture sector over a four-year period. It will cost a massive \$239 million.

What an innovation free fruit Friday is! Our children will be provided with free fruit one day a week, usually Friday, to encourage prep to grade 2 schoolchildren to eat and enjoy fresh fruit. The obvious benefit will be the nutritional value and the education of our little ones in eating healthy, tasty alternatives to sweet or salty snacks from an early age.

Giving children the best start in life is a high priority for me and our government. The first stage of our 10-year commitment is to modernise or rebuild every government school in Victoria. As a former teacher I am passionate about education. Mill Park Primary School will benefit from \$4.43 million in upgrades, including the modernising of areas such as the library, the art and craft room, the music room, the first aid room and staff and student toilets. An amount of \$11.14 million will be invested in regenerating Broadmeadows secondary and primary schools. The Bracks government continually leads the way in education.

I could talk all day and all night about the positive aspects of this budget. I commend the government on the 2007 budget because it has targeted all Victorians from all walks of life by ensuring the tax dollar is being spent wisely and well. The Treasurer, Mr Brumby, has again brought down a budget that seeks to improve the quality of life for all of us.

Mr DALLA-RIVA (Eastern Metropolitan) — I thank the member for his 8 minute and 30 second contribution. I would have liked it to have been a bit longer so that I could get myself ready.

I am pleased to make my contribution to the debate on the budget. I do it in the sense that as a member of the Public Accounts and Estimates Committee I guess I have been through the rigorous process of interrogation, as it were, of each of the ministers who have presented

their components of the budget to the committee. It has been an interesting process to engage in to see how members of the government speak on the one hand about what the government has delivered or proposes to deliver and what the budget outlines on the other hand. For those who are not aware of it, the budget contains a lot of what are called TEIs, or total estimated investments. The TEI is a calculation of what the government anticipates it will spend over the period of the forward estimates on the budget program for particular areas and for any of the proposed outcomes.

The budget covers the Department of Education, the Department of Human Services, the Department of Infrastructure, the Department of Innovation, Industry and Regional Development, the Department of Justice, the Department of Premier and Cabinet, the Department of Primary Industries, the Department of Sustainability and Environment, the Department of Treasury and Finance, and that elusive department called the Department for Victorian Communities.

It is interesting to note what is in budget paper 3, which reviews the government's performance measures in a range of portfolios. It is very clear that while the government speaks about what it intends to do, when you look at the budget papers you see that the government does not deliver what it says it will. Budget paper 3 talks about the TEI and about the government's proposed future expenditure on particular projects. We heard the previous speaker, who I think has decamped from the scene of the discussion —

Mr Finn — He's shot through.

Mr DALLA-RIVA — Exactly, Mr Finn, he has shot through. Maybe there is a warrant out for his capture. The fact of the matter is that the TEI is the government's proposed expenditure over the forward estimate period. The forward estimates cover a period of something like four years, so what we find is that the government talks about the budget as being expenditure in this financial year or the forward estimates for the 2007–08 year but when you look at the budget papers you find they are extrapolated over a period of four years. We are talking of a period leading into 2009–10 and 2010–11. Often that is fraught with concern, because clearly there are things that may or may not occur over that four years of forward estimates.

I note that the government always talks about delivering a surplus — and every year we have seen that the government has delivered a surplus far in excess of what it anticipated. The Treasurer anticipates an excess on revenue less expenditure of \$100 million a year. We note it is expected that the net result will grow

every year. Page 9 of budget paper 4 shows a net result in the 2007-08 estimated operating statement for the financial year ending 30 June of \$303 million. In 2008-09 it will be \$406 million, in 2009-10 it will be \$362 million and in 2010-11 it will be \$419 million. We know this government is quite effective at obtaining revenue streams far in excess of what it anticipates, and we have seen quite substantial amounts of revenue far in excess of what the government expects to receive as its net result for those particular years. Again, it will be interesting to see how the government fares in the 2007-08 financial year when it expects a net result of \$303 million on the estimated operating statement.

We know the government makes adjustments. Recently we debated a bill which included the word 'reduction'. I love the way the government uses that word. The bill included a reduction in land tax, a reduction in the congestion levy and a reduction in stamp duty. But when you do the comparisons, as I think I indicated the other day, and you look at the real expenditure and the increase in real terms, it is actually substantially more than what had been expected in previous years. That aside, the spin doctors are working well and the government seems to be getting away with it. The people of Victoria seem to be prepared to pay more taxation than most other states. That is the way it is at the moment.

I was intrigued during the hearings of the Public Accounts and Estimates Committee to see how relevant ministers portrayed their budgetary responsibilities and how well they handled their understanding of the budget process. Some understood it very well and I commend them for that, particularly those seasoned ministers who had an understanding about where we are at in terms of the forward estimates. I had some concerns about some broader issues of government, particularly the issues relating to infrastructure.

I know we had a debate today that will continue later. It is clear from the budget there was a \$2.7 billion of total estimated investment with expenditure on infrastructure related to issues for water infrastructure. When you look at the budget, the figures did not correlate with what the government was saying. Despite questioning, the Treasurer, the Minister for Water, Environment and Climate Change and the Premier could not reconcile the figures provided. It was almost as though they believed in their own hype and the spin doctors about what was being delivered as opposed to what was shown in the budget papers. Even the media reported on the fact that there was a discrepancy between what the government had indicated and what the budget papers showed.

I do not want to be too specific because budget paper 3, which contains the performance measures, comprises 450 pages, and I do not wish to labour — no pun intended — the issues relating to this government. At every particular level, whether it be the Department of Education, the Department of Premier and Cabinet, the Department of Innovation, Industry and Regional Development, the Department of Primary Industries or the Department of Sustainability and Environment, there was always an excuse as to why the figures did not seem to correlate with what the government had proposed in either a press release or with the budget papers.

It fascinated me how ministers could talk their way around some of the performance measures set out in budget paper 3. It gives a 2005-06 actual, a 2006-07 target and a 2006-07 expected outcome, which figures never correlate with the target. The 2007-08 target, which if it did not correlate or match the previous figures, would fall into appendix C, 'Discontinued outputs and/or measures'. This government is famous for discontinuing measures which do not suit it. The typical example is where the government has been hammered year in and year out on hospital waiting lists, for those waiting on a hospital trolley for 12 hours or more. I recall last year that the government put that in appendix C in the 2006-07 budget and introduced a new performance measure for those patients waiting on hospital trolleys for more than 8 hours. You had no comparison between the 12 hours and the 8 hours, which meant you could not compare them with the previous forward estimates. It is an amazing feat that the government seems to get away with every year.

The Public Accounts and Estimates Committee questioned the Minister for Planning about livable cities, responsible development, effective property markets and living cultural heritage, which are dealt with at pages 211, 212 and 213 of budget paper 3. Page 212 refers specifically to planning, urban design and housing affordability. The minister said a discrepancy between the 2006-07 and 2007-08 budget figures was the result of an accounting error. Committee members examined him in respect of that, and he then said that it was not an accounting error but a material mistake, or words to that effect. He denied he used the words 'accounting error', even though the Hansard transcript shows the words 'accounting error'.

The government continues to use the budget papers less for delivering real outcomes for Victorians and more as a vehicle for its spin-doctoring and its expectation that the people of Victoria believe what it is saying is gospel. The fact is that in the last eight years the government has been running under a mantra of not

delivering the facts, not delivering the truth and not delivering on outcomes. It is a shame for Victoria because Victorians would truly like to see outcomes but they will not get that in this budget, which is an unfortunate result of the way we are in the state of Victoria under the Bracks Labor government.

Mr EIDEH (Western Metropolitan) — Children are the future and they deserve a solid and complete education. They are the focus of much attention by the Bracks Labor government. The reason for that is that the government cares. While there is much in the state budget for the community in my electorate, it is our achievements in education that have so deeply attracted my interest. The budget was just a small part of the long history of commitment to our youth by this government. I am proud to be a member of the government.

Record amounts have been committed across a range of areas, but this government is not limited to simply handing out money. The 2007–08 budget includes much for my electorate of Western Metropolitan Region, including redeveloping and upgrading hospitals in Sunshine and Footscray, upgrading roads, water recycling at Altona and other areas, expanding ambulance services in Melton and Altona, and much, much more. Such is the great commitment of the Bracks government to the western suburbs. We can add to that rebates for rainwater tanks, projects with businesses to achieve water savings, rebates to households to improve energy usage, greater funds to Victoria Police to fight crime, support for our emergency services and much more.

I wish to talk about the dedicated support of education and the leadership of this government. A record amount will be spent on education because education remains the government's no. 1 priority. Some \$80 million will be spent to employ additional welfare officers for primary schools, \$1.8 million has been allocated to train qualified professionals as teachers, \$1.4 million over six years has been allocated for science teaching scholarships, \$113 million is available to support needy non-government schools, \$35 million has been allocated to hire new assistants for each and every government secondary college, \$5.4 million to support the already strong commitment to after-hours language education and much more. On top of that there is \$11 million for grants of up to \$55 000 for every government secondary school to improve and modernise science teaching at a time when this area has been suffering nationally, and \$49 million over three years is allocated to continue the Schools for Innovation and Excellence program. The Bracks government is

truly committed to the education and welfare of our children, and I am honoured to be a part of it.

Mr VOGELS (Western Victoria) — In making some comments on this budget I intend to focus on my shadow portfolio of agriculture, which includes fisheries and forests, and to make some comments on the state's finances in general and the failure of the budget to live up to election promises in the western half of the state.

Before a government can deliver anything it must have a sound economy with a revenue stream that enables it to deliver the services demanded by the population. Thanks to the excellent management of the Australian economy by the Howard-Costello federal government Victorians are doing well. This shows up in all the key performance indicators — low inflation, low interest rates, low unemployment, confidence in consumer spending et cetera. Yet there is a real concern about those services for which the Bracks government is responsible — water, transport, education, health and agriculture. Why is this so? As we have heard before, since the 1999 state election state revenue has increased from approximately \$19 billion to \$35 billion per annum — approximately \$100 million a day. All the announcements in the budget are of expenditure over four years. No doubt this makes the figures look and sound better.

A new bioscience research centre, for example, will be established by relocating the existing DPI (Department of Primary Industries) metropolitan research centres at a cost of \$180 million over four years. I fully understand why this is so. However, the point I am making here is that the Bracks government will have control of and will expend approximately \$150 billion in its third term in office and yet it is finger-pointing. It cannot lead or take responsibility for any project which is clearly a state responsibility. Examples include the extension of the Princes Highway from Geelong, the so-called Bendigo and on to Ballarat super-pipe and rail standardisation. The Premier and Treasurer announce these projects — half-costed, half-baked projects a lot of times — and then demand 50 per cent input from the federal government. What they fail to explain is that Victoria receives, as was mentioned by Mr Guy, some \$700 million a month, banked with the Treasurer, in GST alone, and the government can spend this money on whatever project it desires with no strings attached.

Let us look at agriculture and how it fared in this budget. The Bracks government has dropped the ball as far as primary industry is concerned. We have heard the Treasurer, John Brumby, and every Labor agriculture minister — first Keith Hamilton, the former member

for Morwell in another place; then Bob Cameron, the current Minister for Police and Emergency Services in another place; although the current Minister for Agriculture in another place, Joe Helper, is more cautious — repeat over and over again that we will have \$12 billion worth of food exports by the year 2010. I took this off the DPI trade and investment web pages. It states:

The Victorian government, working in partnership with companies and farm enterprises, is committed to meet the target of increasing Victorian food exports to \$12 billion dollars by the year 2010.

There is more spin after that.

When I was the member for Warrnambool in the other house in 2002 the then Minister for Agriculture, Keith Hamilton, said in response to a question from the member for Ballarat West, Karen Overington:

The total food and fibre exports are well on track to reach the key sum of \$12 billion by 2010.

They are currently over \$7 billion in exports ...

This was five years ago. At the Public Accounts and Estimates Committee hearing on 17 May the current Minister for Agriculture put up a lovely slide which showed that Victoria's food and fibre exports were worth \$7.2 billion last year. We have not increased that figure by one single dollar over five years yet we keep talking about this magical target of \$12 billion worth of food and fibre exports by 2010. If we have not increased those exports by one single dollar in five years, I do not know how we are going to increase them by \$5 billion in the next three years. The government needs to come clean, tell the truth and say that that target will not be achieved and was never intended to be achieved.

After the budget the Minister for Agriculture, Joe Helper, put out a press release saying there was \$239 million in it to strengthen Victorian agriculture. When I look at the budget figures — budget paper 3, page 185, table 3.7 — the output summary shows a revised output for the Department of Primary Industries of \$486.2 million for 2006–07, increasing to \$487 million in 2007–08 — an increase of \$800 000. With inflation rising at anywhere between 2 per cent and 3 per cent this is a reduction in real terms.

As I mentioned, this press release claims the government is spending an extra \$239 million. Obviously this is just money that has been reallocated from one bucket to another bucket — it is robbing Peter to pay Paul. Let us dig into some of this spin. Before the election the Bracks government promised to buy out

commercial fishing licences in Western Port to increase recreational fishing opportunities. True to its word it has made available \$5 million to carry out that promise. However, this is not new money out of the \$35 billion tax take — the government has taken it out of the DPI budget and moved it from one bucket to another. If it were new money, that \$486 million budget from last year would be \$491 million. The budget shows we are building a new bioscience research centre at a cost of \$180.2 million with \$10.2 million allocated in 2007–08. In my arithmetic we should add that in if it is new money, so the DPI budget for 2007–08 should now be \$501 million. The budget also shows another \$800 000 for a new fish production facility in northern Victoria. If you add that money, we come up to \$502 million. The budget is clearly showing that there is no extra money for agriculture — it is taking it from one source to another but there is no new money.

While we all applaud the relocation of several different campuses around Melbourne into a single campus, I think a lot of this expenditure will come at the cost of jobs at other research centres around rural and regional Victoria. This year alone we have had outbreaks of abalone virus on the south-west coast, fruit fly in the north-east, anthrax in central Victoria, two large outbreaks of locusts, one in the east and one in the central west, and yet DPI is retrenching staff. I would like to quote from an article which appeared in the *Weekly Times* of 25 April 2007. It is headed 'Science to lose 33 jobs' and states:

At least 33 Victorian plant and animal scientists face losing their jobs as the primary industries department 'refocuses' its priorities.

The scientists are among 44 staff who have been told they are surplus to DPI's needs.

Clearly this government is reducing services in country Victoria, at the coalface where we need the scientists, and it is putting this money into a bioscience research centre in Melbourne. That concerns me. As a farmer I know how important it is to have the vets and the agricultural scientists on the ground in Hamilton, in Tatura and in Gippsland rather than sitting in a campus in Burwood. A good example is that when we had the anthrax outbreak earlier this year we found there was not enough vaccine available. Farmers who requested vaccine for herds outside the buffer zones were denied the vaccine, leaving them at the mercy of Mother Nature. DPI should conduct an open, public review with input from all stakeholders to enable the industry to find a better way to control the management of future disease outbreaks.

Similarly, an epidemic is killing off the abalone stock in south-western Victoria, from Warrnambool to the South Australian border. Yesterday's *Portland Observer* ran a headline 'Wild abalone wiped out'. This \$60 million industry is facing extinction, yet the department has done absolutely nothing. It does not even know where the abalone virus started or where it came from. It is a very important industry, and it is slowly disappearing.

When I speak to people in the fishing industry they have many concerns. I mentioned the abalone virus, but they tell me there has been a dramatic reduction in the number of enforcement officers, a reduction in equipment and vehicles for officers and a reduction in budgets for existing officers to carry out patrols. All this is happening while we have the problems with the abalone virus and poaching. Along with the creation of the marine parks more officers were supposed to have been employed to police the parks, but they are not out there.

A week or two ago I once again went to the wholesale fish market in Melbourne. The vendors have been told they have to be out of there by March 2009. The market is where our fishers who go out and catch the fish sell their produce. Melbourne City Council has given them until March 2009 to get off that side of Footscray Road, which is all well and good, but they have to go somewhere. I think it is the responsibility of the state government to make sure that we have a wholesale fish market in Melbourne so that supermarkets, restaurants and so on can access the fish caught by our fishers, but the Bracks government has turned a deaf ear and said it is not its responsibility, it is too hard.

There must be plenty of Crown land available down in Docklands, maybe under the Bolte Bridge or at South Wharf. When I have been down there I have seen thistle-infested country everywhere, and I cannot see why we could not move the fish market down to that region. The people do not want to be moved out to Epping or somewhere in the bush; they need to be able to sell their produce and to start doing that at 5 o'clock in the morning. It is very important that it is in the city itself. With a bit of forward thinking it could be a wonderful precinct, as it is in Paris, a precinct for tourists to buy and enjoy fish.

I will now move on to forestry, which is another disaster area that is the responsibility of the DPI (Department of Primary Industries). When the Bracks government first came to office it rewrote the regional forest agreements or RFAs, as they were known, assuring the forestry industry that it could look forward to a sustainable future with a guaranteed resource of

approximately 970 000 cubic metres. However, with an election looming in 2002 we had the new policy *Our Forests Our Future*, which reduced that 970 000 cubic-metre resource to a 576 000 cubic-metre resource. This has now, without any explanation to the people who have to make a living out of this industry, been reduced to 450 000 cubic metres, and it is still falling. Hardwood timber is now auctioned online, with no guarantees of supply and a dwindling resource to bid on. The last two auctions have seen only 10 sawmills be successful at both auctions. That compares to the 52 sawmills that existed in 2004-05.

It is difficult to understand why the Bracks government has turned its back on such an important industry, aside from political reasons. This lack of support has cost hundreds of jobs in country Victoria. We watch our hardwood timber being exported overseas, where value-adding is carried out. We then find hardwood furniture being imported back into Australia. We need to look at retaining a sustainable agricultural industry in Victoria. Agriculture is not bad, as some would have us believe. The timber industry is sustainable.

I read some comments made by Professor Paul Ehrlich the other day, but before I go to those I should put on record some facts I found on the Web. The total land area of Victoria is 22 760 000 hectares; forests occupy 36 per cent of all Victorian land; the total forest area is 8 318 000 hectares; the area of native forest that is public is 6 635 000 hectares; the area of native forest in conservation reserves is 3 050 000 — that is, about half; the area of public native forests harvested last year, 5184 hectares or 0.1 per cent; and the number of people employed in the timber production and forest production industries, 39 000. They are very important people to rural and regional Victoria.

Professor Paul Ehrlich of Stanford University once wrote that the battle to feed all of humanity was over and that in the 1970s the world would undergo famines and hundreds of millions of people would starve to death. Of course that did not happen, because we now have better technology, better sustainable farming and better farming practices. I found some facts from the Institute of Public Affairs which explain the situation very well. We could all sit on wooden chairs imported from Indonesia, in polyester fleece jumpers manufactured in China, while sipping chardonnay from Chile. We do not need to log Australian forests to grow rice; we can import all of that. We can import our oranges from Brazil, our sugar and tuna from Japan and our dairy products from New Zealand. However, would we be doing the right thing by the environment if we imported all our food and wood? After all, our farming practices are better monitored and are much more

sustainable than those of the countries we import from. Our farming practices are a credit to us and an example to the rest of the world.

The other thing I would like to talk about is my electorate. In 2001, when I was in the Assembly, Treasurer Brumby stood up and announced that in the budget we were going to have rail standardisation. That was six years ago but not a sleeper has been laid or a spike driven. The duplication of the Princes Highway from Geelong to Colac and eventually on to the South Australian border does not get a mention in this budget, because now it is a blame game and the federal government has responsibility.

With regard to water infrastructure for Geelong and Ballarat, we have seen no vision and heard no ideas. Water is available in the Otways with the Newlingbrook aquifer. There has been no recycling. The government has sat on its hands and watched opportunity after opportunity go by — and nothing has been done. One of the things that the Bracks government will be remembered for when it is kicked out of office in 2010 is its failure to deliver the infrastructure that should be available for the next 40, 50 or 60 years. When I go to rural councils they say there is no funding for local roads and bridges. The Treasurer has said once again that it is a federal responsibility, not a state government responsibility. We have no emergency helicopter for south-western Victoria, which is the only part of the state that is not catered for.

While I am on health, the Bracks government announced \$90 million in a pre-election commitment for the redevelopment of the Warrnambool Hospital. This was money for stage 1. The redevelopment was expected to cost double that, but that was the first tranche. The Liberal Party supported the government's proposal, and the government promised that it would fund stage 1 in its first term. Page 268 of budget paper 3 shows that the Bracks government has committed a miserable \$16 million over four years. The Warrnambool Hospital board and the people of south-western Victoria have been misled once again by the Bracks government, with funding of less than 10 per cent of the project overall.

The Timboon community was promised a new ambulance station with two full-time paramedics. There is no mention of that in the budget or even in the forward estimates, which we know go out to 2010–11. Camperdown and Terang hospitals are both in need of capital works and have not received a brass razoo. In 1999 the Camperdown hospital was promised a new hospital, but it has still received nothing.

I turn to education. Koroit was promised that a school would be prioritised for a major upgrade, and \$1.7 million was promised by the Treasurer when he was in town supporting the local candidate. There is not a single razoo for that in the budget. We often hear members on the other side criticising the Kennett government for closing schools across south-western Victoria. I obtained a list of the schools that the government has closed since 1999. A reply to a question on notice asked by me states that the following school closures have occurred within Western Victoria Region during the time period in question: Wando Vale Primary School, Gerangamete Primary School, Lexton Primary School, Ewing House School for Deaf Children, Wareek Primary School, Harrow Primary School, Dean Primary School, Kingston Primary School, Bessiebelle Primary School and Peshurst Primary School. These are all schools that were closed by this government.

I must admit that the Labor Party has done much better than the Kennett government in forcing school councils, through lack of funding, to say, 'We do not have the funding for the school, the spouting has fallen off the roof and the roof is leaking. We have nowhere to go and have no money to move'. That is a very smart way of doing it.

I would like to spend a few minutes speaking on Glenormiston agricultural campus. I have grave concerns about the future of the TAFE courses coming out of that campus. We all know that South West Institute of TAFE took over the facilities approximately two years ago. That arrangement, which is for approximately 100 000 hours of teaching, runs out at the end of this year, but to this stage, with about six months to go to the end of the year, the students and the staff do not know whether the TAFE will commit again to courses being run at Glenormiston. That is an issue I am concerned about.

In conclusion, I must say I am disappointed that health facilities, rail and road infrastructure, water and education facilities have not received the funding they so rightly deserve. Unless an organisation or service has received an increase in funding of approximately 100 per cent, then it has actually had a decrease in funding because revenue over the eight years of the Bracks government has increased by 100 per cent.

Debate adjourned on motion of Mr PAKULA (Western Metropolitan).

Debate adjourned until next day.

Business interrupted pursuant to standing orders.

HEALTH PROFESSIONS REGISTRATION AMENDMENT BILL

Introduction and first reading

Received from Assembly.

**Read first time on motion of Mr JENNINGS
(Minister for Community Services).**

ADJOURNMENT

The PRESIDENT — Order! The question is:

That the house do now adjourn.

Autism: early intervention

Mrs COOTE (Southern Metropolitan) — The issue I raise on the adjournment is for the Minister for Children in another place. Autism affects 1 in 100 children in Victoria, and by all accounts that number is increasing. The Bracks government has given \$7 million over four years, which equates to just under \$2 million a year, to autism, but this is a drop in the ocean in comparison with what is needed. This will deal with only the 150 additional enhanced packages that will be provided for. Although they are welcome, it is not sufficient.

Families with an autistic child face undeniable stress. From the moment of diagnosis they feel a mixture of anxiety, anger and hopelessness. Scientific research shows that early intervention will enable these children to develop skills that will eventually integrate them successfully into the wider community. Scientific and clinical evidence that has been gathered over three decades or more suggests that the best outcomes for children with autism are achieved by intensive early behavioural intervention. Recent studies have shown that quite dramatic and long-lasting improvements can result.

Victorian families are telling me that they cannot access intervention programs and that they need at least 30 to 40 hours of intervention per week. Some of the comments I have had include:

At the moment my son is getting 30 therapy hours a week for \$700. My only source of income is Centrelink payments. These payments do not adequately cover our daily living costs, never mind the additional financial burden of my son's ongoing therapy and medical costs. I am extremely worried about how I will be able to go on and support my children.

This woman is a sole parent who has two children, one of whom has severe autism. Another family states:

In Victoria we know of families who have to wait until next year to have their child formally assessed.

That is a whole year they have had to wait for an assessment. That is not good enough.

Mr Finn — It is disgraceful.

Mrs COOTE — It is disgraceful. Mr Finn would know from personal experience. Early intervention and early diagnosis are very important. Everybody in this chamber would have heartfelt concern for families who have children with autism. I ask the minister to increase the number of early intervention places for children with autism in Victoria so that every Victorian autistic child has access to 20 to 40 hours a week of early intervention.

Bairnsdale: community health services

Mr HALL (Eastern Victoria) — Tonight I raise a matter for the attention of the Minister for Health in the other place concerning the co-location of community health services in East Gippsland. A recently completed study entitled *Bairnsdale Ambulatory and Primary Care Study* considered the feasibility of co-locating a number of community health service providers in a common location referred to as the Bairnsdale one-stop shop. The study was funded by the Department of Human Services and concluded that there were significant advantages and efficiencies in such a co-location. The study looked at service provision and efficiencies of co-location and potential sites.

Four organisations have indicated their desire to co-locate: the Bairnsdale Regional Health Service, Gippsland Lakes Community Health, the Latrobe Community Health Service and the East Gippsland Community Mental Health Service. There are also others such as Kilmany Uniting Care, Anglicare and the Gippsland Community Centre Against Sexual Assault. The preferred site is a former police station site in Nicholson Street, Bairnsdale. While the cost of this proposal is in the order of \$10 million, what the proponents are asking for at this stage is preservation of that particular site while further details for the co-location are worked through.

My request to the Minister for Health in the other place is to ensure that the former police station site in Nicholson Street, Bairnsdale, is not declared surplus to requirements at this particular stage, but that it is preserved for the future development of the co-location of the delivery of community health services for the East Gippsland region.

Drugs: treatment programs

Ms HARTLAND (Western Metropolitan) — My adjournment matter tonight is for the Minister for Mental Health in another place, Lisa Neville. *Towards a New Blueprint for Alcohol and Other Drug Treatment Services — A Discussion Paper* is a government document released earlier this year. The introduction states:

Since the implementation of the VGDI —

the Victorian government drug initiative —

demand for services has been increasing, patterns of drug use have changed markedly, and client needs appear to have become more complex with consequences for the effective delivery of services and interventions.

The government's document is correct. When you speak to the other agencies they will tell you that in the 1980s and 1990s most people contacting drug agencies such as Turning Point Alcohol and Drug Centre were heroin users, but today they are not. They are polydrug users, involved with heroin, ice, other party drugs and alcohol and will often have mental health issues. It is difficult for agencies to respond to such massive changes, and we know that if drug users are not looked after by drug treatment programs they end up in the mental health system or in the prison system. We also know that drug treatment programs prevent HIV, hepatitis and crime.

We ask the government to reconsider and re-look at the document, especially where it says:

Improvements proposed within this discussion paper are to be achieved within existing resources.

I ask the minister to reconsider this decision and increase funding to a realistic level to deal with these complex issues.

Horsham North community action centre: opening

Ms PULFORD (Western Victoria) — I address my adjournment matter to the Minister for Community Services, Gavin Jennings. Last week I had the pleasure of travelling to Horsham to be briefed on a significant project that is taking place to make Horsham North a more attractive place for residents to live and to reinvigorate the local community. Horsham North has long been considered the wrong side of the tracks in that area, but the local residents, along with Horsham Rural City Council and many agencies and stakeholders, are determined to see this area improve, and are working hard to make it happen.

I met with Eddie Hadzig, who is the community participation and partnerships officer for the 10-month-old Horsham North community engagement project, along with local resident and project volunteer, Ian Haustofer, to get an update on the project's progress. Also tirelessly involved are Fran Tucker, who is a welfare student on placement, and Melissa Ritchie, who is employed part time as a project manager. Eddie, whose role is to encourage local involvement and liaise with agencies and governments, informed me about the project's success and how everything is driven by consultation with the local community and Horsham North residents.

In fact while agencies like the Department for Victorian Communities, Department of Human Services, Department of Education and Department of Justice are all assisting the project, it is the local community that has taken the bull by the horns and come up with a logo for the project. It has set up the Horsham North residents group to discuss on a monthly basis the needs of locals in this project, it has established a homework club from the third term of this year to support children who need assistance with study or find it difficult to study at home, and it has worked hard to transform a house recently acquired for the project into the vibrant new Horsham North community action centre, which is now a suitable base from which to run the project.

The project has received a significant donation of some used computers from the local campus of the University of Ballarat. Every cupboard in the house is full to the brim with computers that are being prepared for one of the project's programs. The community action centre began operating in May and has provided a centralised focus to the project. The Horsham North community engagement project is hoping to stage an official opening for the community action centre. I ask the Minister for Community Services to join me in Horsham to officially open the community action centre and meet with those involved in this fabulous project.

Gaming: Responsible Gambling Awareness Week

Mrs PEULICH (South Eastern Metropolitan) — I wish to raise a matter for the attention of the Minister for Gaming in another place in relation to what was to be Responsible Gambling Awareness Week between 21 to 27 May, to which \$132 million has been committed over five years. Despite visiting six or seven gaming venues during this week, I can honestly say that I saw no evidence of any special promotional material or any special activity pertaining to this Responsible Gambling Awareness Week, which then inspired me to

do a little bit of research. I noted that in visiting a number of web pages that the major partners — some of these are very reputable community organisations and are to be commended for the work they do — had all issued very positive releases on their web pages supporting Responsible Gambling Awareness Week.

The government in fact launched it at the Essendon Football Club. The Minister for Gaming spread the message, 'Gamble responsibly. Stay in control' and apparently the launch included the unveiling of a resource kit to help healthy and wealthy professionals, including those in Australian Football League clubs and other sporting clubs, identify the early warning signs of problem gambling. I thought those particular initiatives were peculiar, because I could not see how it would actually reach out to the grassroots level in the community in raising awareness of this particular week.

I went to the problem gambling web page and was again perplexed. It says:

Throughout Responsible Gambling Awareness Week information will be available through community service announcements on radio and television; a newspaper supplement; posters, brochures, tent cards and coasters highlighting the responsible gambling messages at gambling and gaming locations around the state, including hotels, clubs, TAB and Tattsлото outlets and Crown, as well as community centres.

Again, I saw no evidence of this and I think it is a real travesty because clearly money is not being spent in a way that is intended to achieve the program's objectives.

Similarly Tabcorp put out a release, as did the Salvation Army and Racing Victoria, all of them supporting this program. To all intents and purposes it sounds impressive, but I call on the minister to review this very patchy program to which significant funds have been dedicated and either extend the week or revise it to make sure it achieves the objectives that it was designed to do. Clearly there is a problem out there in the community.

I disagree with the minister. He claims only 1.1 per cent of the population are problem gamblers. I believe 1.1 per cent are compulsive gamblers and that the problem gambling figures are much higher. I call on him to make sure that money is spent very effectively on this very important need in the community —

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

Black Forest Timbers: timber access

Mr DRUM (Northern Victoria) — My adjournment matter is for the Minister for Agriculture in the other place. In 2000 Black Forest Timbers Pty Ltd, a company in Woodend, was encouraged to relinquish its existing arrangement and licence in the Wombat State Forest. In return it was given an assurance by way of a contract that it could access Victorian ash timber from forests east of the Hume Highway.

This initial five-year contract was granted with the understanding that there would be ongoing contracts after that and that the initial amounts, whilst they were slightly inadequate, were going to be maintained. Whilst the initial quantities possibly were not quite adequate and bordered on being inadequate, the company had access to additional quantities of Victorian ash from east of the Hume Highway and was promised that that access would be maintained. The problem is that those extra quantities have been diminishing due to the introduction of the quota and auction systems that were put in place in years subsequent to the second of its five-year contracts.

Black Forest Timbers firmly believes there has been a breach of the contract and that the state government has failed to fulfil its agreement to provide regular access to a secure source of timber, which was the initial agreement. There has been some sense of wanting to take this further, but there has been some nervousness in trying to sue a government. Black Forest Timbers has to date spent over \$160 000 in legal fees trying to access timber it previously had on its own back doorstep. It is trying to do the right thing, but it believes this government has walked all over it by renegeing on its timber quantities.

I call on the government to set in place a scheme that will enable Black Forest Timbers and other timber-reliant industries and businesses to access the timber they were promised when they gave up their initial Wombat forest licences.

The PRESIDENT — Order! Mr Drum called on the government to take action. Would he like to rephrase his request?

Mr DRUM — I call on the minister to set in place a scheme that will enable Black Forest Timbers and other timber-reliant businesses and industries to access the timber they were promised when they gave up their licences in the Wombat forest.

Rail: new timetable

Mr PAKULA (Western Metropolitan) — My adjournment matter is directed to the Minister for Public Transport in the other place. It relates to the announcement of a new train timetable to commence operation in the next four months. As members are aware, there has been an astronomical increase in public transport patronage — in excess of 18 per cent over the last two years. That is the result of a number of things: the abolition of zone 3, a very large spike in petrol prices, which is a function of world oil prices, and of course federal government inaction on petrol prices. I should indicate for the record that the commonwealth does not contribute \$1 to public transport anywhere in this country, even though it is a major economic driver — —

The PRESIDENT — Order! I know Mr Pakula is not engaging in debate here.

Mr PAKULA — I am absolutely not.

The PRESIDENT — Order! I would like him to finetune his adjournment matter.

Mr PAKULA — I will move on immediately, President. As part of Labor's election commitments we committed to the triplication of the Sydenham line between Sunshine and West Footscray, which no doubt will have an impact on capacity in Melbourne's west. We acknowledge that is a medium-term solution for that line. In the shorter term, and with reference to the Williamstown line, extra services have been committed. I should also indicate that last week I was very pleased to see 60 new parking spaces had been made available at Tottenham for the park-and-ride facility. There are three new services on the Williamstown line. Yarraville station, where my electorate office is situated, is unsurprisingly a very busy station. It is only a few kilometres from the city. It has a strongly pro-public transport demographic, and we need to make provision for that sentiment to be utilised. It is a very welcome announcement that Yarraville will get an additional three services during the morning peak period.

We do not yet have the actual timetable. My request to the minister is that she advise me of the details of the changes to the timetable as they affect the Williamstown line at her earliest convenience so that I can advise local residents and members opposite, who may also be interested.

Princes Highway: speed checks

Mr KOCH (Western Victoria) — I raise a matter for the Attorney-General in the other place concerning

the accuracy of overhead speed advisory checks on the Princes Highway between Melbourne and Geelong. I have recently been contacted by a constituent who informed me of yet a further incident involving an infringement notice for speeding issued on 8 March 2007. He openly believes he was unjustly fined.

When he was travelling north from Geelong along the Princes Highway he saw the speed-check indicator and took the opportunity to check the speedometer and calibrate the speed of his car. He noticed that while he was travelling at 100 kilometres per hour according to the car speedometer, the speed-check indicator showed he was doing only 92 kilometres per hour. As he was driving a relatively new car still under warranty, he planned to get it fixed as soon as he got home. In fact he had the vehicle booked in the same day as the infringement notice arrived in his mailbox. He wrote to Senior Sergeant Ron Ritchie of the Victoria Police Traffic Camera Office some six weeks ago explaining the circumstances but to date is still waiting for a response.

There is little doubt that my constituent's experience is not unique. Recent media reports in the *Age* and the *Geelong Advertiser* reveal that several motorists were forced to pay hefty speeding fines because they relied on the speed-check readout, adjusted their speed and then got caught by the fixed speed camera on the Point Wilson overpass. While police say readings on these displays are advisory and carry no legal weight, motorists believe them to be accurate and therefore adjust their speed if their speedometer shows a different reading. Believing these speed checks are reasonably accurate even when their speedometer may read well above the speed displayed overhead, motorists not unreasonably assume they can legally speed up.

Despite several challenges from angry motorists, the Department of Justice has defended the accuracy of speed-checking devices, has declared that these speed indicators are checked every six months and stated that they have to be within 2 per cent of the speed camera readout. But if the overhead speed-check readouts are inaccurate and are known to be so, then surely this government is guilty of just raising revenue.

The action I seek is that the minister review the accuracy of these advisory speed checks on a more regular basis and confirm that the speed-check devices provide reliable readouts. If they are not accurate, they should be withdrawn from service immediately.

Fishing: Western Port commercial licences

Mr O'DONOHUE (Eastern Victoria) — My matter is for the Minister for Agriculture in the other place. Fishing in Western Port has a long and proud history. The second colony ever established in Victoria was at Corinella on Western Port, and it relied heavily on fish from the bay. Families such as the Mirabellas from Hastings have been fishing in Western Port since 1880. Commercial and recreational fishermen and fisherwomen coexist well in Western Port, as by and large they fish for different species. The commercial fishing industry provides jobs and opportunities for many of the families of Western Port, and as it is a year-round profession it balances out the peaks and troughs of the tourism industry.

Given this background, the decision by the Bracks government to close the Western Port commercial fishing industry makes no sense. Even if it did, and it does not, those affected by the decision have had very little, if any, consultation from the government. Before the last election the government promised a buyback of fishing licences at a cost of \$5 million. Sadly, despite more than six months having passed since the election, the fishers have had no direct contact with the government and are living in a state of limbo.

On 21 March this year the Department of Primary Industries wrote to the executive director of Seafood Industry Victoria saying:

The department will be working closely with the affected licence-holders regarding the specific implementation of the policy to ensure they will have adequate financial assistance if they choose to remain in the fishery and relocate to Port Phillip Bay or surrender their licence and exit the fishery.

The department is proposing to meet with Western Port fishers in the near future at Hastings and would appreciate comment from your organisation ...

Despite two and a half months having passed, the commercial fishers of Western Port are still waiting to meet with the department. They do not know where they stand. I ask therefore that the minister do the following: meet with the affected fishers immediately and reverse the erroneous decision to ban net fishing in Western Port. Alternatively I ask him if the government will not reverse its decision and expedite the payment of adequate compensation for the buyback of licences so that these men and women can get on with their lives.

Burgundy Street, Heidelberg: safety

Mr GUY (Northern Metropolitan) — I raise an issue for the Minister for Roads and Ports in the other

place and seek action on a number of traffic issues relating to Burgundy Street in Heidelberg, which is right in the middle of my electorate.

Mrs Peulich — Is that where you live?

Mr GUY — I live close to it. Burgundy Street is the major roadway through Heidelberg and runs parallel to the north-east's major east-west road route, which is Bell Street. The Heidelberg activities area is identified in the *Melbourne 2030* document as an area where a substantial residential development can and will take place. Indeed there are a number of proposals in the planning stages, many of which are multistorey and all of which will change the landscape and nature of the central Heidelberg area.

Noting all of that, I can understand why people want to live in Heidelberg. It is a great suburb. It has a great shopping area; it has a very large range of supermarkets; it is about 20 minutes to the city by train; and it is well serviced by the Austin public and Mercy and Warringal private hospitals. Heidelberg is also well serviced by schools, is close to La Trobe University and has a range of good sporting facilities located close to the activities area. It has a neatly designed and compact central area that makes it a very nice suburb.

But as I have said, Burgundy Street is growing fast, and so is the traffic. The Burgundy Street shops are midway down a long hill, and vehicles tend to travel through the shops right on the 60-kilometre-per-hour limit. The Heidelberg traders have expressed their concern about this issue for quite a number of years — in fact since the mid-1990s. They have written to VicRoads and raised this issue with members of Parliament over the years in order to get a solution — namely, to have a zebra crossing installed and the road speed limit lowered at certain times to 40 kilometres per hour. The council is supportive, locals and trader groups are certainly very supportive, but VicRoads seems to be slow in coming to the party. As I said, Banyule City Council has been supportive and accepts that the loss of four car parking spaces along the street will be a small price to pay for the installation of a proper zebra crossing at a convenient position near the shops that will certainly help the traders out.

I seek action from the Minister for Roads and Ports to urge VicRoads to expedite this very much overdue issue and to ensure that Burgundy Street, Heidelberg, and the need for a 40-kilometre-per-hour speed limit and the installation of a zebra crossing are placed as a priority on the VicRoads to-do list rather than being forgotten, as they appear to have been for around a decade.

Planning: rural zones

Mrs PETROVICH (Northern Victoria) — The issue I raise this evening is for the Minister for Planning, the Honourable Justin Madden. Last Wednesday night I attended a meeting of the Fair Go landowners group along with my colleague Matthew Guy. This was the third meeting in a series. Each meeting has steadily grown in attendance, and there were approximately 380 angry residents there that night. The temperature outside the hall was approximately 6 degrees Celsius, but I can assure members it was much warmer inside.

Mr Guy — It was very hot.

Mrs PETROVICH — It was hot. The area of concern has arisen over planning issues which are a direct result of the rural review undertaken by the Macedon Ranges Shire Council. In many cases landowners have had permits refused, and they are now so disheartened that they are not reapplying. The initial purpose of these rural reviews was to protect the right to farm on rural land. Planning staff at councils are making officers recommendations to refuse under the guise of state planning policy. This is placing councillors in the position of not accepting the officers recommendations and having to move alternative motions. For those councillors who do not have planning qualifications, this is a minefield.

The action I seek is that the minister explain to me and the many affected landowners how the state government's planning policy requirements have improved the right to farm or the lifestyle of affected landowners. I hope his response will give those landowners a fair go.

Brimbank: Sydenham community centre

Mr FINN (Western Metropolitan) — I wish to raise a matter for the attention of the Minister for Local Government in the other place. It concerns the Sydenham community centre, which is owned by Brimbank City Council. A state-registered child-care facility operates at the centre, and the committee of management of the centre is chaired by a Brimbank councillor. The issue of possible conflict of interest pales into insignificance compared with some of the allegations that have been brought to my attention about conduct with regard to the centre. At the very least these allegations imply gross mismanagement, and on the surface it appears that there may be cases of fraud and misappropriation of funds.

One former employee has provided evidence that no employer contributions were paid into her superannuation fund. Moneys were taken from her wages for the purposes of superannuation but were not deposited in the fund. Funds for long service leave and holiday pay are also missing. I am informed that at least 12 other people — both former and current employees — are also in this situation. There is also a question hanging over some \$50 000 which is missing and which apparently was written off as bad debt. An investigation into the conduct of the management of the centre is desperately needed. I am asking for a full ministerial investigation into the role played by the Brimbank City Council in the activities of the Sydenham community centre. I ask the minister to report to police any criminal activity that is found.

Responses

Mr JENNINGS (Minister for Community Services) — I thank members for their adjournment matters, which I will draw to the attention of my ministerial colleagues.

Andrea Coote raised a matter for the attention of the Minister for Children in the other place, Lisa Neville, seeking her support for early intervention programs to help those families in the community whose children have autism and require early intervention support.

Peter Hall raised a matter for the attention of the Minister for Health in the other place. I have already indicated to Mr Hall that I think the Minister for Health's intervention might be to draw to the attention of another minister the member's hope that the vacant police station site in Nicholson Street, Bairnsdale, will be made available for the potential use for health purposes in the years to come.

Colleen Hartland raised a matter for the attention of the Minister for Mental Health in the other place, Lisa Neville, seeking her support to add to the resource allocation to implement policies as outlined in the *Towards a New Blueprint* document released recently.

Jaala Pulford raised a matter for my attention and urged me to join her at a community event in Horsham to support the great endeavours of her community. It has embarked on a community engagement project and has created a community action centre. The great calibre of the work that is being undertaken by the community has previously been conveyed to me. If my diary allows, I would be very pleased to join her and those community members in Horsham North to celebrate their great achievement, the ongoing capacity of their

community centre and the neighbourhood renewal program.

Inga Peulich raised a matter for the attention of the Minister for Gaming in the other place seeking his review of the activities that took place during the Responsible Gambling Awareness Week. Even though she could outline to me and the chamber a great deal of material regarding the week published by various stakeholders and appropriate bodies in the sector, she as a market researcher in the field could not find any material beyond that provided by websites, press releases and attachments. She is seeking the minister's support to make sure the information permeates the community to the extent that we would all agree is warranted.

Damian Drum raised a matter for the attention of the Minister for Agriculture in the other place regarding the allocation of ash timber from sites east of the Hume Highway to Black Forest Timbers in the second of its five-year agreements after it had agreed to give up licence allocations in the Wombat forest.

Martin Pakula raised a matter for the Minister for Public Transport in the other place seeking her advice about the way in which the timetables and new service provision in the western suburbs will be delivered so that he can share that with his constituents.

David Koch raised a matter for the attention of the Attorney-General in the other place. I am not sure that the Attorney-General is the appropriate minister to deal with the issue of overhead speed-monitoring devices, but I will refer that matter on. Mr Koch believes we are obliged to maintain the accuracy of those devices.

Edward O'Donohue raised a matter for the attention of the Minister for Agriculture in the other place seeking his personal intervention in the process that will lead to the reduction of commercial fishing activity in Western Port bay. He asks that the minister provide commercial fishers with some degree of confidence regarding the way in which these matters will be dealt with.

Matthew Guy raised a matter for the attention of the Minister for Roads and Ports in the other place, after painting a very vivid picture of the Heidelberg area and its richness of virtues. He believes they would be added to by having a zebra crossing in the precinct.

Donna Petrovich raised a matter for the attention of the Minister for Planning seeking his explanation of planning scheme arrangements. She was seeking his enthusiastic response in relation to those planning scheme regimes so that she could be satisfied and, perhaps more importantly, so that landowners who seek

to develop their properties or maintain their businesses can do so with some degree of certainty, particularly in the Macedon Ranges.

Bernie Finn raised a matter for the attention of the Minister for Local Government in the other place seeking his investigation of matters relating to a community centre operated out of a facility owned by the Brimbank council.

The PRESIDENT — Order! The house stands adjourned.

House adjourned 10.36 p.m.

Increased Business Tax Collections under the Bracks Labor Government*

	1998-99 (\$m)	2006-07 Budget Revised (\$m)	Increase 1998-99 to 2006-07 (\$m)	Percent Increase	2007-08 Budget Estimate (\$m)	Increase 1998-99 to 2007-08 (\$m)	Percent Increase
Land Tax \$m	378	890	512	135	765	387	102
Metro. Improvement Levy \$m	72	97	25	35	101	29	40
Congestion Levy \$m		38	Introduced 2006	-	39	Introduced 2006	-
Stamp Duty \$m	1,006	2,850	1,844	183	2,854	1,848	184
Police Fines \$m	99	376	277	280	419	320	323
Insurance \$m	532	1,083	551	104	1,136	604	114
Payroll Tax \$m	2,211	3,454	1,243	56	3,602	1,391	63
Motor Vehicles \$m	885	1,294	409	46	1,338	453	51
Gambling \$m	1,447	1,514	67	5	1,530	83	6

*Source: Victorian Government Financial Statements and Budgets

This document was prepared by David Davis, MP

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