

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

**LEGISLATIVE ASSEMBLY
FIFTY-FOURTH PARLIAMENT
FIRST SESSION**

**1 March 2000
(extract from Book 1)**

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The Hon. J. W. THWAITES

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Mr P. J. RYAN

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Leigh, Mr Geoffrey Graeme	Mordialloc	LP	Wynne, Mr Richard William	Richmond	ALP
Leighton, Mr Michael Andrew	Preston	ALP			

¹ Resigned 3 November 1999

² Elected 11 December 1999

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Wednesday, 1 March 2000

The **SPEAKER** (Hon. Alex Andrianopoulos) took the chair at 9.35 a.m. and read the prayer.

BLF CUSTODIAN

46th report

The **SPEAKER** presented report given to him pursuant to section 7A of the BLF (De-recognition) Act 1985 by the Custodian appointed under section 7 (1) of that act.

Laid on table.

Ordered to be printed.

PAPER

Laid on table by Clerk:

Financial Management Regulations 1994 — Amendment of Order in Council pursuant to Regulation 11 — Increasing the amount to be paid to a Board of Inquiry.

DRUGS AND CRIME PREVENTION COMMITTEE

Drug reform strategy

The **SPEAKER** — Order! When the house agreed yesterday to refer to the Drugs and Crime Prevention Committee an inquiry to consider and report on the records of the previous committee, the Chair inadvertently omitted to put the question to send a message to the Legislative Council seeking its concurrence to the resolution. To correct that, the house will have to formally agree to send a message to the Legislative Council.

I therefore put the question:

That a message be sent to the Legislative Council acquainting them of the resolution of Tuesday, 29 February 2000, to refer to the Drugs and Crime Prevention Committee an inquiry to consider and report on the records of the previous committee and seeking their concurrence therein.

Question agreed to.

MEMBERS STATEMENTS

Parliament: discrimination

Ms **ASHER** (Brighton) — I raise an issue concerning the equal status of women in the modern era as it relates to the Victorian Parliament and the

Legislative Assembly chamber in particular. I refer to the pro forma for questions on notice, copies of which are available at the foot of the table. Honourable members have the opportunity to fill out the pro formas with their questions; however, the only title on the pro forma is 'Mr'.

The form is archaic. It assumes either that only men are members of the Legislative Assembly or, even more alarming, only men are interested in asking questions in the Legislative Assembly. I am amazed that the issue has not been raised before.

As you are aware, Mr Speaker, I have written to you requesting that the form be withdrawn and that a new form be submitted acknowledging that there are 21 women in the chamber who are fully able to ask whatever questions they wish of the government.

The form is a relic of a past era and has no role in the chamber in 2000. I respectfully request, Mr Speaker, that you withdraw the form and take the opportunity to investigate whether any other forms in the chamber are relics of the past and assume that only men are members of the chamber.

Billy Goggin

Mr **LONEY** (Geelong North) — I pay recognition today to a constituent of my electorate who was recently elevated to the status of an Australian Football League legend. William — better known as Billy — Goggin wore the famous no. 35 for more than 200 games for the Geelong Football Club. He was well known as one half of the famous Farmer and Goggin partnership throughout the 1960s and was instrumental in Geelong winning the 1963 premiership.

Billy was a premiership player and best and fairest winner for and captain, coach and director of the Geelong Football Club. He was also Victorian state coach for a number of years. Billy's was an illustrious sporting career and he has lived in the northern suburbs of Geelong for the whole of his life. He had one aberration, I might say, when he wandered off for a couple of years to coach Footscray, but in view of his wonderful record we can forgive him that small transgression!

Billy Goggin is a wonderful person in the northern suburbs of Geelong.

Frankston Hospital

Ms **McCALL** (Frankston) — The house will recall that during the state election campaign and the Frankston East supplementary election campaign the

now-elected member for Frankston East made some fairly negative, vitriolic and particularly untrue remarks about the Frankston Hospital. The house will be delighted to hear that in an independent review organised by the part-time Minister for Health and the now parliamentary secretary for human services, the honourable member for Frankston East, the Peninsula Health Care Network, of which Frankston Hospital is the flagship, was given the largest tick of approval.

I should like also to announce to this chamber that the Frankston Hospital and the Peninsula Health Care Network — my colleague the honourable member for Dromana has Rosebud Hospital in his electorate — were also given an extended three-year accreditation award on the basis of quality of service related to patient care, their attitude to the community, their chemotherapy unit and the fact that they undertake and perform an excellent community service.

I am particularly disturbed that the honourable member for Frankston East, most of whose electorate would probably have access to that hospital, continues in his persistent criticism of the hospital, denying the Frankston and Mornington Peninsula communities the recognition that the hospital is their greatest community asset, of which they have every reason to be proud, and which was treated well by the previous government.

Mallacoota: ocean access ramp

Mr INGRAM (Gippsland East) — Today I wish to inform Parliament of a good demonstration of democracy and community spirit in my electorate. The ocean access ramp at Mallacoota has been the subject of long-running community debate. It is hoped a ballot of the residents, which I urged, will bring that division to an end. A recent ballot arranged by the East Gippsland Shire Council has demonstrated overwhelming community support for the project. Of the 966 votes returned in the ballot, 640 were in favour and over 300 were against. That shows two-to-one support for what can only be considered a great project for the development of tourism in the region.

Such projects are essential if communities such as Mallacoota are to survive and expand. It is unfortunate that the ocean access ramp project has been stalled for many years because of various divisions within the community. The result of the ballot should put that to an end. It is now up to everyone to unite behind the project and, it is hoped, see it through to a satisfactory resolution.

Emergency services: first responder program

Mrs FYFFE (Evelyn) — I recently received a letter and some brochures on the first responder initiative developed by the former Kennett government. The notice I received indicated that the now Minister for Police and Emergency Services would be launching the extended pilot scheme. However, there was no mention of the fact that the previous government had developed the program. It also appeared that the minister was quite intent on being associated with the program.

The first responder initiative is a great idea and I am pleased the minister has been able to put party politics aside and embrace one of the many fantastic health initiatives developed in Victoria over the past seven years.

I am very pleased that the program has been funded under the current government, given that the Premier had previously referred to the first responder program as ‘throwing in the towel’ over ambulance services. The Premier had also said that first responder was ‘an admission that the ambulance service is not working effectively’ and ‘is not resourced properly’.

I trust that the recent announcement by the Minister for Police and Emergency Services means that the Premier has had a change of heart on this issue. This is one inconsistent decision for which I can applaud him.

Harding Park, Geelong

Mr TREZISE (Geelong) — I direct to the attention of the house the shameful sale by stealth of Harding Park in Geelong. Harding Park was the people’s land until it was sold to a New South Wales development company by the previous state government in August 1999.

The whole sale process has been filled with secrecy, cover-up and, at best, half-truths — which would not surprise members on this side of the house because such secrecy was the hallmark of the previous state government. The end result of the sale process was also a hallmark of the previous government, in that it created winners among cash-strapped land developers and losers among, in this instance, the people of Geelong.

Right throughout the sale process members of the government who represented the Geelong electorate at the time remained silent. They were aware of the secretive deals that were taking place to sell off public land but they elected to remain silent. Harding Park was sold for \$1.6 million, based on land valuations carried out by the council in July 1994 — so the valuations were already six years old.

To highlight the bargain-basement price, Harding Park is big enough to cater for 37 units, 1 restaurant and 120 car parking spaces. Literally 100 metres away a housing block was sold six months ago for \$1.8 million.

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

Nursing homes: regulation

Mrs SHARDEY (Caulfield) — The treatment of residents at the Riverside Nursing Home was absolutely deplorable. Clearly the commonwealth is responsible and needs to ensure that its monitoring system protects the elderly.

However, the Premier and the Minister for Aged Care have misled the community into believing that incident is somehow a result of the legislative changes made by the Kennett government. The facts are that the legislative changes in Victoria completed a process that began with the federal Labor government's aged care reform strategy in 1985. The then Labor government declared that the funding and monitoring of nursing homes to commonwealth standards throughout Australia were to be a responsibility of the federal government and passed legislation to that effect in 1987.

In 1991 the Kirner government decided to cease inspecting nursing homes in relation to these standards in Victoria in acceptance of the commonwealth strategy. The Premier should know that, because he was the adviser to Premier Kirner at the time.

The staged strategy finally concluded with the formal transfer of responsibility to the commonwealth in 1994. Contrary to the minister's claim, discussions between the then minister and the federal minister and her department did not, I am told, lead to any warning or objection. Rather, the federal government concurred with the decision which supported its legislation.

SES: Broadmeadows and Sunbury

Ms BEATTIE (Tullamarine) — I give thanks on behalf of my constituents in Tullamarine to both the Broadmeadows and the Sunbury State Emergency Service (SES). On 28 December 1999 the men and women from those locations worked tirelessly for up to 36 hours, without a break, to protect both lives and property in the Gladstone Park and Sunbury areas.

When I doorknocked the Gladstone Park area on 29 December my constituents paid tribute to the care and professionalism demonstrated by the members of

that voluntary organisation, who pumped and sandbagged for hours to save many homes in Gladstone Park and Sunbury from extensive damage. I thank the SES.

Peninsula Health Care Network

Mr DIXON (Dromana) — Following the election of the Labor government there was great public concern in my electorate about the future of the Peninsula Health Care Network, which, as has been pointed out by the honourable member for Frankston this morning, is an excellent network. My community is pleased that the network is to be retained in its current form, because it is a great legacy of the former coalition government. However, a number of questions are being asked in the electorate regarding how the network will operate in the future.

Will it be a sham network? A recent review of the network system stated there will be a greater number of smaller networks throughout the metropolitan Melbourne area. How will the \$14 million in savings be made? Will the network be just for show, for having meetings, and have no real power? Will the decisions that affect the health needs of the community be made in a centralised fashion?

The community on the southern peninsula asks the part-time minister between offices to announce how the networks will operate. Will local decision-makers still have the power they had under the previous regime, or will the network be a sham that cannot respond to the needs of the local community?

Mother of God Primary School

Mr LANGUILLER (Sunshine) — I would like to report on my recent visit to the Mother of God Primary School at Ardeer, which is a great school. It is almost 35 years old and is quite small, having 65 pupils who represent 14 different cultures. Consequently the school has had 14 different cultural days since 1993, including days that focus on the cultures of Maltese, Korean, Polish, Ukrainian and Australian Aboriginal people.

On that occasion I spoke to the children on behalf of Premier Bracks about the contributions to Australian society made by Anglo-Irish settlers. I referred in particular to the social justice traditions those settlers brought with them to Australia and the hard work they put into establishing a new nation. They have played a very important role in making Australia the society it is today. Of particular interest was our democratic system of government with elected upper and lower house members as established by our British forebears.

I was told that the cultural events were started to bring the school community together. It is fascinating how such events — as is the case with many larger cultural events — start off with the aim of showcasing what other cultures have to offer. However, what emerges is not the differences between cultures but rather the similarities. The Mother of God school community has found that to be the case.

The SPEAKER — Order! The honourable member for Warrnambool has 30 seconds.

CFA: firefighters dispute

Mr VOGELS (Warrnambool) — I add my voice to the outrage expressed yesterday about the actions of the United Firefighters Union in its attempt to undermine the Country Fire Authority and involve itself in issues that are entirely the province of the volunteers. The Warrnambool electorate is proud of its volunteer firefighters. They know their own areas intimately and have given many years of service. They know each creek crossing and the whereabouts of every waterhole or dam from which they can get water.

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

INDUSTRIAL RELATIONS: DISPUTES

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

That this house notes with concern the lack of decisive leadership provided by the Premier with respect to recent industrial unrest in Victoria.

Dr NAPHTHINE (Leader of the Opposition) — It is clear that when the current government came to office it inherited a state that was clearly on the move. Victoria was abuzz with projects, investments and activity. The lack of leadership on industrial relations issues shown by the current government and the Premier has caused uncertainty and placed investments, jobs and economic growth at risk in this state.

A leading investment banker quoted in the *Weekend Australian Financial Review* of 12–13 February states:

But in Victoria and Melbourne, the challenge is to prove to investors that their capital is being protected by a strong government.

In Melbourne, when you don't have good government, you go backwards at a million miles an hour. Unless things improve quickly, Victoria will have a classic flight of capital.

Clearly there is a risk that there will be a classic flight of investment from Victoria.

The government inherited an economy that was strong, vibrant and growing. The GDP growth rate in 1998–1999 was 5.3 per cent. More Victorians were employed at the end of the Kennett era than at any previous time in the history of the state. Business investment growth had been turned around from a negative 10.7 per cent in 1991–92 to a positive 4.3 per cent when the Kennett government left office. The figures for the year ended 30 June 1999 show that retail turnover in Victoria grew by 11.6 per cent in that 12-month period compared to 3.8 per cent in New South Wales and 6.7 per cent nationally.

For the first time in many years, during the Kennett years there was net migration of people from other states and territories into Victoria. It is obvious that when the Kennett government left office Victoria was a dynamic state. Economic growth, job growth and investor confidence were strong because there was strong, dynamic leadership, a positive business environment and a low level of industrial unrest.

If one compares the last five years of the Kennett government to the last five years of the Cain–Kirner government one sees a significant difference in time lost due to industrial disputes. I seek leave to incorporate in *Hansard* a table that clearly sets out the Australian Bureau of Statistics figures on industrial disputes.

The SPEAKER — Order! The document has been cleared with the Speaker. Is leave granted?

Mr Brumby — On a point of order, Mr Speaker, the accepted practice for incorporating material in *Hansard* is that the graph or table must be cleared by the Speaker and by the governing or opposition party. That has not occurred. The government has not been consulted and there is no way leave will be granted.

The SPEAKER — Order! I remind the house of the procedure for incorporating a document: the document must be cleared with *Hansard* for technical reasons, it must be presented to the Speaker for his or her approval and it must be given to the other side for its decision on the granting of leave. It is my understanding that the first two steps of the procedure have been taken today. Is the minister refusing leave?

Mr Brumby — The matter has not been raised with the government, and therefore I am unable to grant leave.

The SPEAKER — Order! Leave is not granted. The Leader of the Opposition, continuing his contribution.

Dr NAPHTHINE — That is typical of the government. It does not want the facts known.

Honourable members interjecting.

The SPEAKER — Order! The Leader of the Opposition is entitled to be heard.

Dr NAPHTHINE — The figures clearly show a significant difference in time lost due to industrial disputes under the Kennett government compared with the Cain–Kirner government. If one looks at the average over the last five years of the Kennett government one sees that time lost due to industrial disputes was on average 179 580 days. In comparison, over the last five years of the Cain–Kirner government the figure was almost double that, at 307 460.

Clearly there is a significant difference between the ability of the previous government and that of this government to deal with industrial disputation. Unfortunately, the performance of this government is giving every indication of Victoria going back to the old Cain–Kirner years. The comparisons are well known. The government is not providing the leadership that is required, giving the impression that Victorians are heading back to the bad old days of industrial disputes that wrecked the state. The *Herald Sun* editorial of 23 January states:

Alarm bells are ringing for Victorians as militant unions flex their muscles in the face of an inexperienced Labor government.

Discomforting memories of the unruly closing years of the Cain–Kirner era are in the air.

The *Herald Sun* editorial of 18 January, headed ‘Time to lead, Mr Bracks’, states:

The honeymoon is over for Steve Bracks and his ministers.

Now comes the hard part: governing on behalf of all Victorians.

This was a challenge the Cain and Kirner governments were unable to meet because they were beholden to a union movement determined to run the state.

An article in the *Australian Financial Review* weekend edition of 12 and 13 February, referring to the Colonial Stadium, states:

Rising at the western end of Melbourne’s central business district, the massive, brightly coloured \$460 million Colonial Stadium was supposed to be a symbol of Victoria’s economic and social resurgence.

But unfortunately for the Premier, Steve Bracks, this week the incomplete stadium became a symbol of a state racked by industrial chaos, economic uncertainty and the prospect of capital flight.

It has also become a symbol of Bracks’s political impotence and the inability of the greenhorn Premier, and his Labor cabinet, to grasp the fundamental concepts of good governance.

There are real concerns in the Victorian community and the investment community about the government’s ability to deal with industrial disputation. As an example I shall examine in detail one of those disputes — the electricity crisis. The electricity crisis involved random blackouts and restrictions across the state for a week, which caused enormous damage to individuals, businesses and confidence in Victoria.

On 29 December 1999 Yallourn Energy advised the government of possible industrial action which would affect the power station and possibly affect power supplies in Victoria. On 5 January Yallourn Energy again wrote to the government saying that the possibility had become a distinct likelihood. On 11 January Yallourn W, which represents 20 per cent of the state’s generating capacity, was shut down due to industrial disputes. On 12 January — the next day — the opposition adopted a leadership position and said that the government should get involved in the dispute on behalf of Victorians, including businesses, families, the aged and people with disabilities, to ensure that the state’s power supplies were not threatened.

In response to that, an article appearing in the *Herald Sun* of 13 January reports:

The state government has reassured Victorians their power supply is safe ...

Further on the article quotes the Minister for Health, the then Acting Premier, as saying:

This is a dispute between a private company and a union under the federal industrial relations system.

The Acting Premier said, ‘There is no threat to power supplies’, and he then washed his hands of the dispute.

On 13 January the National Electricity Market Management Company, also known as Nemmco, briefed both the South Australian and Victorian governments, saying there was a threat to power supplies. Again this government — which is supposed to represent the interests of all Victorians — failed to act and to show the leadership that was required to deal with this dispute.

I am advised that at the beginning of the week commencing 31 January — that fateful week in which

there were random blackouts and other problems — Nemmco again specifically warned the government that action had to be taken or power supplies would be under threat. It is a known fact that on the afternoon of Wednesday, 2 February, the day before the random blackouts and chaos in Victoria, the South Australian minister issued a press release warning of blackouts, which was reported in the Adelaide *Advertiser* the very next day, because he clearly understood the risk, as he had been advised of it.

It is now known from comments in the upper house yesterday that the Victorian government was also warned on that Wednesday that there were threats to power supplies. But what did it do? Again it failed to act in the interests of Victorians by failing to tell people. It failed to tell nursing homes across Victoria, it failed to tell the parents of children with disabilities, it failed to tell dairy farmers, and it failed to tell businesses that there was a risk of random blackouts. On that terrible Thursday, 3 February, traffic lights went out and there were random blackouts which disrupted businesses, costing enormous amounts in terms of dollars and pride and reputation.

Then on Friday, 4 February, Acting Premier Thwaites was summarily pushed aside because he had failed the test of leadership, and Premier Bracks returned. After three or four weeks of the government saying, 'There is nothing we can do about this', Premier Bracks then said, 'There is a raft of things we can do about it; the government has a raft of powers'.

Honourable members interjecting.

Dr NAPHTHINE — There is the Electricity Industry Act, the Essential Services Act, the federal Workplace Relations Act, and the — —

Honourable members interjecting.

Dr NAPHTHINE — Unfortunately, Victoria had to suffer a further week of uncertainty and restrictions. On some days when they were leaving home people did not even know whether the restrictions would apply. Clearly, what was missing was decisive leadership from this government at any stage of the dispute.

Then there was the final insult. During the restrictions in Victoria, Victorian power companies were selling electricity to New South Wales while Victorian businesses and families were suffering.

Honourable members interjecting.

The SPEAKER — Order! Would the Deputy Premier cease interjecting. The house will come to order.

Dr NAPHTHINE — Clearly, if the Premier and Acting Premier had acted decisively, with strong leadership in early January, the crisis would never have occurred in Victoria. There would never have been blackouts and restrictions. The government had the powers. Why did it not get involved in mediation weeks ago? Why did it not get involved in solving the dispute in the middle of January? Because the government washed its hands of the issue. Even when the chaos occurred on the Thursday, why did it not introduce the powers provided for under the Electricity Industry Act there and then to protect Victorians?

Clearly, Victoria needed leadership and direction. The furphy that the situation had something to do with the privatisation of power is absolute and utter rubbish. Victoria has had privatised power for over four years, but it has not had random blackouts and restrictions.

The change is due to a lack of leadership and commitment from the government, the Premier and the then Acting Premier to effectively deal with an industrial dispute in the Latrobe Valley. That is the important issue.

Similarly, the dispute in the building industry would not have escalated to the current chaos that is occurring, with major projects being suspended and cancelled in this state, if the Premier had come out weeks ago, been absolutely firm with the unions, and said, 'A 36-hour week and a 24 per cent pay rise are simply not on!'. He should have shown some leadership and some direction.

There is clearly a situation of uncertainty due to the lack of leadership on industrial disputes.

I shall quote Mr Jock Rankin, the former ABC journalist who should be well known to the Labor Party. On 16 February last, he is reported in the *Age*, as saying:

The industrial situation is creating a climate of uncertainty and investors are very understandably reacting to that.

That is what he said, and that is what the community is saying.

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

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Bentleigh shall cease interjecting. She has already been disorderly this morning by constantly disrupting the house. I will not warn her again.

Mr BRACKS (Premier) — From the outset, I thank the Leader of the Opposition for raising industrial relations as an issue. I am absolutely delighted that for the first time in three months he is actually talking about the issue!

Over the past 15 minutes honourable members heard how the Leader of the Opposition is obsessed by the performance of the previous Kennett government. He compared the previous Labor government with the previous Kennett government. Not once did he come up with any proposals or suggestions about what the opposition would actually do. His main focus and obsession is with the previous Premier and government and past privatisations. Every time the opposition leader talks about this issue the Victorian public remembers that the electricity industry was privatised by the previous government — now in opposition. That is why there are problems.

What inkling do we have of what the Leader of the Opposition stands for when it comes to industrial disputes? In today's *Age*, the former Premier, Mr Kennett, is reported as talking about acting as a broker in a deal with Mirvac. The opposition leader also mentioned Mirvac yesterday — he said it was gone, finished. That was news to Mirvac. What did Mr Kennett say he would do today? He said he would step in, use his leverage and special relationship with the state secretary of the Construction, Forestry, Mining and Energy Union, Mr Martin Kingham, to try to negotiate a deal with Mirvac. What was Mirvac's response? 'No thanks'. The article goes on to say:

Industry figures have also criticised Mr Kennett over the enterprise agreement he negotiated on the Federation Square project when he was Premier.

On the subject of the 36-hour week, the best inkling we can get of what the opposition stands for is a comment made by the Leader of the Opposition — the only comment he has made on industrial relations — when he said on *Seven Nightly News* of 17 February 2000 — —

An honourable member interjected.

Mr BRACKS — I will do my best. I will quote what I think is an accurate report of a statement made by the Leader of the Opposition, when he said on 17 February 2000:

The opposition isn't totally opposed to a 36-hour week settlement like that at Federation Square.

That is the best guess we can get.

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Monbulk shall cease interjecting.

Mr BRACKS — Another member who likes the 36-hour week just interjected. We should rename the Liberal Party the 36-Hour Week Party. That is what their broker negotiated.

The government is about negotiating a fair settlement between the parties, without taking sides. That will mean there must be compromise and agreement between the parties. That is what the government is about; it is not about taking sides. What happened in the last 15 minutes? The opposition leader reflected on the performance of his idol, his hero, Mr Kennett, the former Premier. The Leader of the Opposition has no policies of his own. He is a policy-free zone. The opposition had a two-day retreat at Ballarat — a two day love-in at Ballarat — but no policies have come out of that.

The question has to be asked — —

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Monbulk and the Deputy Leader of the Opposition shall cease interjecting across the table.

Mr BRACKS — On behalf of the Victorian people, I pose the following question: should the partnership happen to be elected some time in the future, what would it stand for? What do members opposite believe in? Are theirs the policies of the previous Kennett government, or do they have new policy positions of their own?

Honourable members interjecting.

Debate interrupted.

SUSPENSION OF MEMBER

The SPEAKER — Order! The honourable member for Bentleigh has persisted in interjecting despite repeated warnings from the Chair. Under sessional order 10 I ask her to vacate the chamber for half an hour.

Honourable member for Bentleigh withdrew from chamber.

INDUSTRIAL RELATIONS: DISPUTES

Debate resumed.

Mr BRACKS (Premier) — It is not possible to find any new policy proposals coming from the opposition, even after three months.

Dr Napthine interjected.

Mr BRACKS — The Leader of the Opposition asks, ‘What about industrial relations?’. He had 15 minutes to talk about industrial relations, but instead he talked only about his obsession with the previous Kennett government and the previous Labor government. The Leader of the Opposition gave no new policy proposals for the future.

I turn to the heart of the issue, which was not discussed by the Leader of the Opposition. The real problem dates back to the early years of the Kennett government. The coalition pursued a policy both in opposition and later in government which said that no Victorian worker would be worse off under the legislation it would bring in. The Kennett government then ditched that policy and introduced the Employee Relations Bill, which was to revolutionise industrial relations in Victoria. It was to become the benchmark, establishing a system similar to the one that existed in New Zealand. The Kennett government sought to create an industrial environment that would supposedly make Victoria more competitive by driving down wages and costs. That was the aim of the Employee Relations Act, and that is what the Liberal Party believed in.

Unfortunately, it went horribly wrong for the Kennett government as worker after worker and industry group after industry group fled to the federal system to get protection under federal awards. Only about 700 000 Victorian workers were left on individual contracts, and the Kennett government threw in the towel and said the federal government could take over control of industrial relations in Victoria.

The problems that have occurred both in Victoria and Australia date back to the time when the previous government failed to deliver its own industrial relations system.

Honourable members interjecting.

Mr BRACKS — I will, just wait.

Honourable members interjecting.

The SPEAKER — Order! The Leader of the Opposition has had his say and shall cease interjecting.

The Deputy Premier shall cease waving his arms about in that manner. He is being disorderly and I will not warn him again.

Mr BRACKS — The problems stem back to the former government’s handing over its industrial relations powers to the federal government.

An Honourable Member — What rubbish!

Mr BRACKS — What, that it was not handed over? The handing over occurred only when there was a like-minded federal government and a like-minded federal minister — Peter Reith, the Minister for Workplace, Industrial Relations and Small Business — to whom the Kennett government could hand over its powers.

Victoria is the only state in Australia without the capacity to deal with industrial relations. In the absence of any policy from either the current opposition parties or the former government, Victoria has only Peter Reith look-alikes. That is their policy. Anything Peter Reith does — —

Honourable members interjecting.

Mr BRACKS — I am sorry, I was a bit severe. I will forget about the appearance. What about policy look-alikes? The federal Workplace Relations Act, Australian workplace agreements and individual contracts apply in Victoria in the absence of a state industrial relations regime. Those initiatives contain a pressure-cooker — —

Mr Honeywood — Do you have a policy?

The SPEAKER — Order! The honourable member for Warrandyte will come to order. The Premier should ignore interjections.

Mr BRACKS — The government has to manage a system which it inherited from the former government and which is run by the federal Minister for Employment, Workplace Relations and Small Business. Leaving Victoria with no capacity to intervene, the federal government has thrown out the time-honoured system of ongoing bargaining — and if that fails, the parties’ recourse to conciliation and arbitration. As a result pressure-cooker situations build up during bargaining periods, and the unions almost have an obligation to institute disputes. Those bargaining periods have matured this year, which means the parties are required to go head-to-head and take a dog-eat-dog approach to these matters — and that is what has happened in Victoria.

The government will not stand by and accept the federal Workplace Relations Act continuing to apply in Victoria. The system has failed Victoria and will continue to do so. The current construction industry dispute has come about because of the architecture of the federal Workplace Relations Act. It has no provision for discussion and dialogue, which results in the parties having to go head-to-head during the bargaining period, the instigation of disputes and a break-down in the process. The federal system has no capacity for conciliation and arbitration. Because of the failures of the previous Kennett government and the federal government we stepped in to protect the interests of Victoria.

I have brokered talks with the Master Builders Association and the construction unions. The head of my department has met several times with the parties, and ongoing negotiations continue. My government has picked up where the federal government has failed. Bargaining that I believe will lead to a positive, negotiated settlement is continuing behind closed doors. It will not involve having a cheerleader on the side like the former Premier, who settled on a 36-hour week, and it will not involve a Leader of the Opposition who says that he does not know what to do but that he will support a 36-hour week. Instead it will involve genuine bargaining and an outcome that will be in the interests of sustainable industry in Victoria.

The government is not about taking sides: the only side the government takes is the side of all Victorians. This state has a schizophrenic opposition that sometimes sides with employers and at other times caves in to the unions to ensure a project is completed.

The Leader of the Opposition spoke for 15 minutes about his hero, the former Premier. He is so obsessed and holds the former Premier in such high esteem that, after two years, he would have been prepared to hand his job to Mr Kennett if the former Premier had stayed in Parliament. He is now prepared to hand the job of opposition leader to a frontbench member after six months when his position is reviewed in May. That is the sort of leadership provided by the Leader of the Opposition.

Ms ASHER (Brighton) — The unions are back in town because the Premier is too weak to take them on. The Premier is indebted to the union movement — in particular, to Martin Kingham and Dean Mighell — for his job.

Mr Brumby interjected.

Ms ASHER — Well may the minister laugh. He well knows that the Premier owes his position to the support of Martin Kingham and Dean Mighell.

I will deal with a couple of furphies. The first, presumably devised by Tim Pallas and employed by the Premier, the Deputy Premier and the invisible Minister for Industrial Relations, is the claim that the government had no power to deal with industrial relations in Victoria. What nonsense! The government has the Essential Services Act and the Electricity Industry Act, under which it finally intervened. At any stage the government can argue a case before the Australian Industrial Relations Commission, as the former government did and as the government has done before.

The government has the capacity to give direction to both the community and the union movement. As regards the dispute involving the CFMEU, all Victorians want from this weak Premier, who is beholden to the trade union movement for his job, is one simple sentence — that the union's claims are excessive. The community, business leaders and potential investors need to hear those words. They want leadership from the Premier, but he will not give it.

The second furphy is about privatisation. The government has argued repeatedly that the cause of the electricity dispute was the privatisation of the industry.

This is a nonsense. Privatisation has been in existence in the electricity industry for two to three years without dispute. The only difference is that the Bracks Labor government was elected, and that is why the dispute occurred. The government is beholden to its mates. The Premier is beholden to the unions for his job after he usurped the previous Leader of the Opposition. The dispute has nothing to do with privatisation.

The electricity dispute was handled poorly. Yesterday the Minister for Energy and Resources indicated in the other place that she had been briefed on the threat to power supplies on 2 February. It took her 17 hours to feed through to the public the information that some restrictions would be needed.

An honourable member interjected.

Ms ASHER — The Minister for State and Regional Development said what the minister in the other place says is not true. Check the *Hansard* report; speak to your colleague! Another example of division.

The Premier will not stand up to Martin Kingham, Dean Mighell or the union movement because they put him into his job. People have short memories, so I will

remind the house that these are the two people who are responsible for ousting the previous Leader of the Opposition from his job. When he was dissatisfied with his performance as leader Dean Mighell called for the previous Leader of the Opposition to resign. Martin Kingham said there was strong anger regarding John Brumby, and he actively briefed media, campaigned within his party, destabilised John Brumby's leadership and supported Steve Bracks in moving into the job as Leader of the Opposition. The Premier will not discipline Dean Mighell or Martin Kingham and will not make a statement of leadership, because they gave him his job.

Members of the house will do well to remember the staged walkout on John Brumby's speech at an Australian Labor Party state conference: Martin Kingham led the walkout in an attempt to destabilise the previous Leader of the Opposition. Who was with Martin Kingham in the walkout? The current member for Richmond, who actively destabilised the previous Leader of the Opposition, supported the current Premier and was rewarded with a seat without preselection.

The current member for Richmond will be further rewarded for his support for the Premier when he is promoted as the Minister for Industrial Relations at the expense of the invisible one. Other ministers have clearly been rewarded for their roles in the ousting of the previous Leader of the Opposition and their support for the Premier. For example, the current Minister for Small Business has been rewarded for removing her support from John Brumby and moving it to the current Premier.

Martin Kingham and Dean Mighell are running the Premier. The Premier is weak and he will not tackle the men who gave him his job. He is indebted to them. As part of the campaign to destabilise John Brumby, Martin Kingham threatened to withdraw CFMEU funds from the Australian Labor Party.

One other reason the current Premier is particularly weak in regard to the unions and will not take them on is that, according to the funding and disclosure statement issued by the Australian Electoral Commission, in the 1998–99 financial year the Victorian division of the ALP received \$1.4 million from the unions. A sizeable slab came from the CFMEU. Why would the Premier take on or crash-tackle those who gave him his job and funded his election campaign? Having put \$1.4 million into the coffers of the state ALP, the employers of Victoria could not expect the Premier to take on his mentors — his benefactors and mates.

What have we seen? A disastrous electricity dispute costing business \$100 million and a shattering of business confidence in the state. I refer to the latest Yellow Pages *Small Business Index* survey in which businesses were asked in the last quarter their assessment of the ALP government policies. What percentage of businesses think the state ALP policies are helpful? Six per cent! That is a disgraceful record following on the back of the Victorian Employers Chamber of Commerce and Industry (VECCI) survey which indicates business confidence in the state is being undermined.

Yesterday the Premier accused the Leader of the Opposition of talking Victoria down. The opposition is not talking Victoria down. Every respected political and financial commentator in the country is saying Victoria is facing a dire future because of the weakness of the Premier and his inability to handle the unions.

The Minister for Industrial Relations is indebted for her job to the trade union movement. The empty vessel over there is also indebted for his job to the trade union movement. The Premier is indebted for his job to the trade union movement. The Premier will not take on the unions and he will not restore investor confidence. There is absolutely no way the Premier has either the motivation or the capacity to take on the unions.

The unions are back in town. There is no leadership from the government, and regrettably that is a cause for concern for Victoria.

Mr LONEY (Geelong North) — I had heard that the motion was broad, but I did not realise it was that broad!

The Deputy Leader of the Opposition is caught in a time warp. She thinks she is still in her old job as Minister for Tourism appearing at the Melbourne Comedy Festival. Have you ever heard so much whingeing, whining, carping and moaning? Never in your life, Mr Speaker.

The motion is a clear demonstration of three truths about the opposition: firstly, it has an unlimited capacity for hypocrisy; secondly, it has masochistic tendencies; and thirdly, it has a short memory. I need to add a fourth truth: the opposition has a total lack of interest in industrial relations. In their combined 25 minutes of speeches the Leader and Deputy Leader of the Opposition have made no more than a passing reference to industrial relations. About 1 of the 25 minutes was actually spent on industrial relations. I suppose that is due to the result of the last election when the opposition lost so many people, leaving its

frontbench a bit thin. It is also, no doubt, due to the huge loss of corporate memory on opposition benches.

I will review some of the facts to help them to bring back that corporate memory. The first thing they need to remember is the infamous bottle of whisky industrial relations legislation. I am sure they will remember that. The former minister had a good time with a bottle of whisky and dreamed up a new IR system. He told us it was all done over a bottle of whisky — evidently very cheap whisky.

Like anything dreamed up out of a whisky bottle, the legislation was a total failure. Because it was such a failure the previous government went to the system now being advocated by the Leader of the Opposition — namely, the do-something system. The coalition government ran around saying, 'There is a failure. We will have to do something!'. Then, because it did not know what to do, it did the big handpass — it handed the matter over to the commonwealth. It was too hard for the previous government, so it handpassed industrial relations to the commonwealth. It handed over Victoria's IR system to Canberra in toto. As the honourable member for Springvale has pointed out, not even Polly Farmer could handpass that far! Victorian workers and employers were handed over to the vagaries, designs and connivances of Peter Reith, with his union hatreds and what can only be referred to as his indescribable charm!

After opting out and leaving Victoria in that position, members of the opposition now have the cheek to start running again the same line they ran seven years ago — 'Do something! Somebody please do something. Help us out'. That is the Chicken Little approach. We have a Chicken Little opposition running around the farmyard saying, 'The sky is falling; somebody do something!'. They have no idea what to do. In seven years they have demonstrated very clearly that on industrial relations issues they have no idea what to do.

The Deputy Leader of the Opposition carried on about standing up to Martin Kingham and Dean Mighell. May I remind the Deputy Leader of the Opposition that when the former Premier, Mr Kennett, stood up to Martin Kingham and Dean Mighell he gave them a 36-hour week and a 20 per cent pay rise. That was Jeff being tough! What the unionists are saying now is, 'Will this government be equally tough on us, please? Will it give us a 36-hour week and a 20 per cent pay rise?'.

Members opposite do not understand the system they created. They established an industrial relations volcano that steadily built up pressure. It had already started to

erupt before the state election. At the end of the former coalition's last Parliamentary session the pressure was building up tremendously.

In the first two months of the former Kennett government in 1992 some 502 000 working days were lost in Victoria — that is, 80 per cent of all working days lost in Australia at that time were lost in Victoria.

In December 1992, 35 900 working days, or 70 per cent of Australia's working days, were lost in Victoria due to industrial disputes. Under this government 7800 days were lost in October 1999 and 25 200 days were lost in November 1999 — that is, only 16 per cent of Australia's working days were lost in the second month of this government.

I will put it further into perspective by giving the figures for June, July and August of 1999 when the coalition government was in office. In June 1999 under that lot on the other side of the house 15 600 days were lost because of industrial disputes — 56 per cent of Australia's working days; July 1999, 19 600 days were lost due to industrial disputes — 45 per cent of Australia's working days lost; and August, the month before the election, 67 600 days were lost — almost 60 per cent of Australia's total working days. Two months later under a Bracks government the figure was down to 16 per cent of Australia's working days lost.

Opposition members interjecting.

Mr LONEY — Here we go again! They are the latest figures. The coalition government had a consistent practice of being the Australian leader in days lost due to industrial disputes. It was the leader on nearly every count. That is its industrial relations record — it is abysmal. Yet opposition members come into the house today and tell the government to do something. What were they doing when the majority of Australia's working days were being lost in Victoria during the seven years when they were in office? The wimps, wusses and weakies on the other side would not stand up to their own Premier — —

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

Mr RYAN (Leader of the National Party) — I have great pleasure in joining the debate on behalf of country Victorians. Over the past four or five weeks I have travelled some 15 000 kilometres around country Victoria, and I can assure the house that one dominant theme emerges from what country Victorians are talking about — that is, the issues that form the foundation of the motion before the house: a lack of leadership on the part of the Premier and the

government, particularly in industrial relations. It is a dominant theme because country Victorians know the way they live has been disrupted because the government has lost its way, cannot control its own constituents in the union movement and is unable to rule properly in Victoria.

The whole issue is fuelled by the union movement, which is back in town. The same old players — John Cummins, Martin Kingham and Dean Mighell — are all back. It was interesting to see the 46th report of the BLF Custodian tabled this morning. John Cummins and his mates wreaked havoc in Victoria over the years, and they are all back again. The difficulty for country Victorians is that the demon is out of the bag. The union movement knows it is back in charge of the show because it has a Premier who does not have the courage to do what premiers are supposed to do — that is, lead. He does not have the courage to do it, and he does not have the ability to do it — —

Government members interjecting.

The SPEAKER — Order! I am having difficulty hearing given the interjections from members of the government. I ask honourable members to desist from interjecting.

Mr RYAN — We are seeing the spectre of such things as Martin Kingham being quoted in Victoria's newspapers as saying that employers will have to lick the boots of the union movement. That is what he said — they will have to lick the boots of the union movement! He was quoted on the front page of the *Age* a couple of weeks ago as saying that the union movement has to be able to belt employers around the head a bit before they can be brought to the table to negotiate. That is un-Victorian and un-Australian. The problem is that the Premier cannot control his own constituency.

In the early days of the power dispute we saw a Pontius Pilate effort from the Premier. I give credit where credit is due, and I give credit to Ewin Hannan for his comment that appeared on the front page of the *Age*. He said the Premier's claim that the government could not intervene in the power dispute because it had nothing to do with it and that it was a matter for the parties involved was a Pontius Pilate effort. What a cop-out! The honourable member for Dandenong North, who is sitting across the chamber, was the state secretary of the Victorian ALP about 135 days ago, yet he could not even get on the telephone to talk to a few of his union mates to put forward a point of view and try to do something on behalf of all Victorians, particularly country Victorians.

The cabinet comprises half a dozen former advisers to Labor ministers, about four former electorate officers, a couple of full-time union employees, a couple of former full-time employees of the ALP and four others, including a tall footballer who played for the wrong team. Despite that, they could not go among their own constituency, the union movement — the Cumminses, the Kinghams and the Mighells — to talk to them to try to bring about a resolution. Licking the boots of the union movement, indeed! It is all happening because the union movement has been empowered by a Premier and a government that are incapable of dealing with them. It has produced a crisis in confidence in Victoria. We have seen the way the situation will be reflected in Victoria, particularly country Victoria, from the material presented by the Leader of the Opposition and the Deputy Leader of the Opposition. Worse still, the Premier's approach to the issue is permeating through his cabinet. I will mention a couple of his advisory players.

The Deputy Premier, John Thwaites, has taken a terminal hit from this issue. What rubbish for him to take the same stance when the Premier was out of the state, saying that nothing could be done!

The Minister for Regional and State Development was not able to issue guidelines on the much-vaunted Regional Infrastructure Development Fund when he should have. He finally issued some the day after I issued them, which was months after I had been calling for them. Country Victorians are trying to get access to the \$170 million that the government has allocated in its usual smoke-and-mirrors manner, but they do not have the means to do so. The minister still cannot produce all the guidelines because they have been put out for consultation! Talk about lack of decision-making capacity! What a joke!

I will not even mention what the Minister for Industrial Relations, the Honourable Monica Gould, did because she is easy pickings — and she has been dealt with in the other place. The Honourable Candy Broad — —

Ms Kosky — On a point of order on the issue of relevance, Mr Acting Speaker, I ask that the honourable member be brought back to the debate rather than being allowed to wander around the state.

The ACTING SPEAKER (Mr Nardella) — Order! The debate before the house is broad. However, I ask the honourable member to take the minister's comments into account.

Mr RYAN — Whenever I travel around Victoria I hear that private training groups are worried that the

Minister for Post Compulsory Education, Training and Employment is trying to manage the situation by putting them out of business. She wants to drag them back into the centre circle. She is another one who cannot make a decision. She is hopeless!

The same is true of the Minister for Police and Emergency Services, who is stuck in the clutches of the union movement. Why is Trevor Roach not involved in discussions to try to resolve the United Firefighters Union dispute with the Country Fire Authority? Will the veto clause be used against the CFA? The demon is out of the bag, and by Jove country Victorians know it!

The state has been degraded by the efforts of the government. I was in Brisbane a couple of weeks ago for an important conference — and how the tables have turned. The other states are laughing at us again! Queenslanders all remember, as we all do, the day last year when the house was given the impression that Virgin Airlines was about to land its planes in Spring Street. We all remember the Premier trotting into question time and talking about getting Virgin Airlines involved in Victoria. He has again made a fool of himself and his government.

The Premier is making fools of all Victorians because he cannot lead his government, and the worst feature of it is that he is in a state of denial. He talks about the opposition parties talking Victoria down. If we were not saying anything about the situation we would be the only people in Victoria not saying anything! One only has to read the *Age*, the *Herald Sun* or the article by Robert Gottlieb in this week's *Business Review Weekly* to know that people are all talking about it!

Mr Clark — And the *Australian Financial Review*.

Mr RYAN — And the *Australian Financial Review*, as I am reminded by my colleague the honourable member for Box Hill. What is the government doing about it? The answer is nothing, because it is in a state of denial.

Another sign of the state of denial in which the government is intractably caught is that it blames the situation on everybody else, saying, 'It is everybody else's fault except ours'. The appalling reality is that Victoria is heading down a path that we only just managed to get off in 1992. We are heading back to the future, and the government is incapable of stemming the tide.

The government should lead. Even the Premier's Labor colleague Bob Carr, the Premier of New South Wales, has announced today that he is taking on the education unions. The Victorian government should have

intervened earlier in the dispute than it did. The claim by the honourable member for Geelong North about the government not having the capacity to intervene is stupid. Having denied its capacity to do so a few weeks ago, the government is now busily doing what it should have done when the dispute first threatened to erupt.

There is unquestionably a lack of decisive leadership in Victoria from a Premier who is not up to the job and from a government that comprises a bunch of rank amateurs. They all ought to vacate their spots and hand them back to the people who really know how to run Victoria.

Mr MILDENHALL (Footscray) — What a waste of time and money the love-in in Ballarat must have been! One would think honourable members opposite would have taken the opportunity to reflect on the past and on what went wrong and why, in a result that was extraordinary and unpredicted, the community of Victoria threw them out of office. One would think they would have examined their style of leadership and compared it with the style of government that Victorians respond to. One would also think they would have thought about the abusive, arrogant and nasty leadership style of the former government, which was so roundly rejected by the Victorian community.

It is sad that, having just taken up his new role, the Leader of the National Party has obviously not thought about those matters or given consideration to a leadership style that is different from beating the living daylights out of the state's work force with a baseball bat. He has not thought about the merits of a different style of leadership and a different role for government in Victoria.

It is a bit rich to be lectured by the opposition on industrial relations. The seriousness with which the previous government approached the issue was demonstrated by its walking away from its legislative responsibility. Victoria was the only state to respond to the community's expectations that government should take a role in industrial relations by walking away from its responsibilities!

As the honourable member for Geelong North has said, nobody denies that Victoria has traditionally had a higher level of industrial disputation than the other states. One might think that if it were a bigger issue in Victoria than it is in other states, government should take on a responsible role. However, the previous government walked away from industrial relations — the only state to take that course — despite Victoria being more significantly affected by the issue than the other states. Even as late as the second half of last year

the Kennett government was actively supporting Minister Reith's second wave of industrial relations reforms, advocating that the last shreds of power the federal Industrial Relations Commission had should be stripped away.

The opposition parties ask, 'Why doesn't the Bracks government take a greater role in the dispute?', despite having torn those powers away. That would be like sending an Interfet force into East Timor unarmed and then asking, 'Why haven't they sorted it out in a couple of days? Why isn't there peace?'. The former government disarmed the people whose job it was to bring about peace. It is an extraordinary criticism for the opposition to lob on the government.

The opposition parties stand condemned for their negligence of industrial relations while in government. Not only did they totally neglect the issue, they walked away from their responsibilities. As other government members have clearly said, the level of hypocrisy evident in the previous government's activities was breathtaking.

The federal government said publicly, 'We are happy with the law of the jungle free-for-all in Victoria. We are happy that there be no role for the Victorian government'. It was happy for Peter Reith's light-handed regulation of the industrial relations system to continue to the extent that there was a guiding hand in it. It dropped into condoning activities such as balaclava-clad guards and guard dogs being involved in the dispute with the Maritime Union of Australia. The former Victorian government was happy with that hands-off approach because it was doing its own grubby deals.

While the former government was saying the construction industry union and other strong unions ought to be kept in their place under the control of the federal system, Mr Kennett was demanding that the employment advocate, Jonathan Hamburger, be kept away from Victorian sites. So, although Mr Kennett was saying that Mr Reith's administration and regime was okay for other workplaces around the state, it was not okay for his work force and his projects. Mr Kennett wanted to get Federation Square completed, so he demanded that Jonathan Hamburger be kept off Victorian government building sites. As other honourable members have mentioned this morning, at the same time he negotiated a 36-hour working week deal on Federation Square. It is extraordinary! As usual the opposition members today are silent on that matter and on what they would do.

Having stripped away the state's powers and done grubby little deals, opposition members then try to criticise the current government for not taking stronger action. What is the nature of the action they seek? As was so clear from the remarks of the Leader of the National Party, opposition members still slip into that old syndrome of saying, 'Our role is to take sides, to get the baseball bat out, pick a winner, pick a loser, and beat up the loser'.

I suggest to opposition members that there is an alternative method to what I term the Tony Shaw on-field leadership, by which you run onto the field, whack a few players around the chops and push somebody over the fence.

The problem with Liberal and National Party members is that they confuse aggression with leadership. They believe aggression and taking it out on the weaker parties in the community are the basis of successful leadership. In reality it is a much more difficult task displaying a much stronger show of leadership to find the middle ground, the public interest, and bring the parties together to find a way of brokering a deal during the heightened intransigence and emotions in an industrial dispute. The easiest thing to do is to become a cheerleader, to join the crowd and bray and bellow and beat up on the other side. It is easy to be a member of a football crowd. It is harder to solve problems, to get in there, bring the parties together and say what is in the public interest.

Employees are back on building sites, the Colonial Stadium is going up and the power is back on. The resolution of the disputes is well under way. It is harder to resolve the disputes than to just invoke the powers of Peter Reith or get the baseball bat out and beat up one of the parties.

The industrial relations record of the opposition when in government is a disgrace. It abandoned, exploited and casualised many Victorian workers, creating many problems for members of the work force and their families. Opposition members have not learnt their lesson.

Mr DOYLE (Malvern) — It is ironic that the debate on this matter of public importance is taking place on the day the 46th report of the custodian appointed under the BLF (De-recognition) Act 1985 is tabled.

An honourable member interjected.

Mr DOYLE — It was an act of some bravery, and I believe it had bipartisan support, but who would have thought a short 15 years later —

An honourable member interjected.

Mr DOYLE — Credit where credit is due.

It is ironic that Victoria seems to be returning to the days when that type of coordinated industrial militancy was the order of the day. Victoria may be moving towards that position, and it must be carefully guarded against by both sides of the house.

The Leader of the National Party quoted the public statements of some of our union leaders, and it is interesting to listen to the language. I hear in their voices that they sense the fear of government members of what the unions can do to this minority government. The union leaders sense the weakness in the other side, and they will push, drive, cajole and muscle in every way they can to garner advantage for themselves and their members, not for the state. It will take decisiveness to stand up to that pressure.

Colonial Stadium has been thrown up at opposition members. With all the abuse about the stadium, why on earth would Colonial Stadium be a further target of the unions? Why on earth would they do that? As the shadow Treasurer publicly stated, if the unions wanted to pick a single project, if they ever wanted to send a message to the world about whether Victoria can complete a project on time, the last project to target would be Colonial Stadium. However, that is exactly what happened. The Latrobe Valley power dispute was also mentioned.

Victoria is moving into a period when the building industry is causing grave difficulties. Later in the year the manufacturing industry will also ramp up, and I believe the fifth part of this process will involve the services and clinical industries.

I will now deal with the area of health and the impact of the industrial relations climate on the capital works programs announced by the government yesterday in its public sector asset investment program for 1999–2000. Some interesting projects are referred to. When one considers the climate of the construction industry one holds grave fears for the completion of many of those projects, most of which were announced and planned by the former government.

The difficulties in the construction industry are compounded in the health area. The builders are always concerned because they know the employer is liable for liquidated damages if the project runs over time, so they can be held to ransom. There is also a political ransom to be paid, as government members know only too well. If these sorts of projects are not finished on time there is a political price to pay, and that is a lever that

will be used. Opposition members will be watching to see how well the government withstands that pressure from its own people. It will be extremely difficult for the government.

There are probably two occasions in the course of a capital works project when the employer is particularly vulnerable to union action — at the commencement of the project and as the project nears completion. The beginning of a project — when much of what will happen is mapped out, sometimes over succeeding years — is a time when builders are particularly vulnerable. As the project nears its end and the builder wants to get out of it, he is also particularly vulnerable to union action.

When I look at the list I have grave fears for the nearly 30 projects in train in the health sector, and the nearly 30 projects announced yesterday as funded to commence in 1999–2000.

What is the best target for the militant construction unions? It is the health sector and associated capital works, and what better than a project that has to get started this year to meet a three or four-year timetable? I wish I could go through the 30 projects already under way and the 30 that are on the books for commencement this year. But I can assure honourable members opposite that my colleagues will take the matters up in their own electorates with some vigour.

The Labor health policy document headed ‘Labor’s hospital building program’ gives priority to a number of large projects, including a \$37 million redevelopment of the Royal Women’s Hospital, a four-year project, and a \$155 million redevelopment of the Austin and Repatriation Medical Centre. That project is not yet even at the planning stage. The government has not even decided whether it will have one or two sites or where it will be. If the government thinks it can do it for \$155 million, that is its good luck. Both projects are slated for commencement this year, when \$7.5 million will be spent on the Royal Women’s Hospital and \$5 million on the Austin. How can projects of that size commence in the current Victorian climate without the certainty that is so conspicuously lacking?

What about Dandenong Hospital? I ask the minister to enlighten me as to why Labor’s hospital building program lists the project as a \$24 million project, but its priority list one page later refers to it as an \$18 million project. No explanation seems to have been given about where the extra \$6 million will go.

An honourable member interjected.

Mr DOYLE — That's what it is: the Bracks factor — the \$6 million the government builds in because it knows it will face industrial disputation and that the final cost of a project will be about a third more. That might be the built-in Bracks factor, which I did not recognise in the Labor Party documents.

What about Frankston Hospital? This year \$6 million is slated to be spent on the hospital, and it will receive 64 beds. What about the Werribee hospital? This year \$2.5 million is slated to be spent there. What about the integrated care centres at Sunbury, Lilydale and Preston? This year each will receive \$2.5 million — if the government can stitch up the deals.

Mr Holding interjected.

Mr DOYLE — The honourable member is quite right, it is very good, because it was planned under the former government. But now the hard part — —

Mr Holding interjected.

Mr DOYLE — You should read the policy documents rather than throwing back your head and laughing. You would find that they were planned and that this government has just taken them over.

Honourable members interjecting.

Mr DOYLE — Now you are stuck with delivery, so good luck. Almost 60 projects are at some risk.

I now turn to the increased union activity. Recently elective surgery at the Monash Medical Centre was cancelled for two days. Was that because of an industrial dispute? The enterprise agreement was signed in July or August last year. The Australian Industrial Relations Commission recommended that the workers go back to work. They were due to go back into the commission on a Tuesday. But on the Monday night they barricaded themselves inside the cafeteria, imposed level 3 bans, and two days of elective surgery at the Clayton campus was cancelled.

I turn to the effects at Dandenong. Where was the intervention, help and support for the networks then? Where was the support for Victorians then? What was it over? Government members could not even tell me why the bans were imposed. I challenge every one of them to tell me why. The reasons were so trivial that the action was just ramping up industrial action, and that was after an agreement had been signed.

Now let me really strike fear into the government. What will it do in September when the nurses enterprise agreement is due? I will be interested to watch how the

government will deal with the Australian Nurses Federation in this industrial climate, knowing what the state can afford, and knowing what the ANF will demand. The unions are watching what is happening in the construction and manufacturing industries, and they are waiting their turn. They know that one more pinprick into the carcass on the other side will not make much difference and they might just get the extra trickle of blood for themselves. They know that, come September, the government will be in a state where it will just cave in. That will be the fate of the Victorian public sector. It will be held to ransom by a range of unions — whether or not they have enterprise agreements, as the members of the Health Services Union of Australia did. The unions will still find an excuse to ramp up actions and to cancel elective surgery for a couple of days, and the government will cave in — every single time. It will cave in before September, and it will cave in again and again. Why? Firstly, because it cannot handle its own.

The government thinks the unions are on its side. The unions hold the government in contempt — in even more contempt than they hold the opposition. That is the best part for the opposition. The unions think the government is pathetic; however, that will not stop them draining every bit they can. The government knows that politically it cannot afford to let the 60 major capital works health projects run off the rails, but it will let the unions do that.

Ms BEATTIE (Tullamarine) — I thank the Leader of the Opposition for bringing this matter before Parliament. It gives me great pleasure to join in this debate because it will give me an opportunity to correct the wrongs. It might be fanciful for some opposition members to talk Victoria down, but government members are not about to do that. I will relate to the house some of the facts.

One fact is that the opposition is totally hypocritical in its disregard for industrial relations, and it was totally hypocritical when it was in government. Those on the opposition benches over there are the ones responsible for leaving the Victorian industrial relations system in such a state.

I will remind the house of what it was like when honourable members opposite were in office under the previous leader, Mr Kennett. I do not know what is in the drinking water in the Liberal Party room. As the former Premier did with the Bolte painting, the Liberal Party seems to suffer from selective amnesia when it comes to industrial relations. Members opposite talk about their glorious record. Let me also talk about that. The coalition was elected on 3 October 1992.

An honourable member interjected.

Ms BEATTIE — I will stand corrected. On 10 November — just a month later — 110 000 people turned out in the street to demonstrate against the Kennett government's policies, as the former Premier tried to take away public holidays and the 17.5 per cent leave loading. Then it all got too hard and he said, 'I can't do this any more; I'll give it to Reith the Wrecker', and he did the famous Polly Farmer handpass. So it was handed to Reith the Wrecker. On 19 August 1996, tens of thousands of Victorians went to Canberra to demonstrate — and Victorians are still demonstrating — against Reith the Wrecker and his industrial relations policies. It is fanciful to talk about Martin Kingham and Dean Mighell running the state. But what about all the lower paid workers who never get an opportunity?

On 6 May 1998, 80 000 people demonstrated in the street over the Maritime Union of Australia dispute and against the now opposition and Reith the Wrecker. Who was the Premier then? Jeff Kennett, the master of industrial relations. On 12 August 1999, another rally was held in the streets, with 70 000 people protesting out on the front steps. Who was the master of industrial relations again? Jeff Kennett. What a record. How many people can he turn out in the street at once? He went from strength to strength on that.

It was all too hard for the former Premier, so he handed it over to Reith the Wrecker. What did Reith the Wrecker deliver to us? This is what he delivered: goons and dogs on the wharves, and attacks on innocent people. Shame, absolute shame!

I heard the Leader of the National Party thump the desk in front of him. That is what is wrong with members opposite. They thump the desk but they do nothing. What did he achieve when he thumped the desk? Absolutely nothing.

Premier Bracks knows that the way to solve disputes is to sit down and talk to people. It is called negotiation and conciliation. The former government took away the right of the umpire, yet now in opposition says, 'There is no umpire, the government should intervene'. That is total hypocrisy. If the opposition has any credibility —

An Honourable Member — It has none.

Ms BEATTIE — I think there might be a shred of credibility left, because I am waiting for it to come out and support the claim by the Australian Council of Trade Unions (ACTU) for lower-paid workers instead of getting into the jungle of industrial relations.

I have a few more points to make. The honourable member for Malvern claimed that the integrated health centre at Sunbury was a Liberal proposal.

An Honourable Member — Was it?

Ms BEATTIE — It was once, but it was dropped after the 1996 election. The honourable member for Malvern knows that. He is saying it is the same proposal, and yet my predecessor, his former colleague, is running around town saying it is not the same project. They should have invited my predecessor to that little love-in at Ballarat to get their stories straight!

An Honourable Member — Who was the adviser?

Ms BEATTIE — I think the adviser was the honourable member for Malvern. I want to talk about some of the projects the opposition claims are being jeopardised by the government. Last week the building of a \$22 million shopping complex was started in Sunbury by Dalglen Nominees, a company which is not afraid to sit down and negotiate and which is forging ahead with what is good for the Sunbury community. I congratulate Dalglen Nominees and its managing director, Glen Ingram, for having enough confidence in the Bracks government, and me as the local member, to start this great project.

On the subject of privatisation, the opposition is totally blinkered about what has caused the industrial disputes. The cause is the lack of legislation, which makes every negotiation a union stoush. Two groups have to sit down in an environment of confrontation because the former government took away the umpire. That was a disgrace, because it did not take away the umpire just from Martin Kingham and Dean Mighell; it took away the umpire who judged disputes involving low-paid workers, people from non-English-speaking backgrounds and textile workers, for example, the women workers from Braybrook. Often only one woman is employed in a workplace, and women in that position now have no umpire to go to. It is a disgrace. The members of the opposition should hang their heads in shame.

I look forward to members of the opposition supporting the ACTU claim for lower-paid workers. I am sure they will do that if they are sincere.

An Honourable Member — They are not sincere.

Ms BEATTIE — Okay, they are not sincere. It seems that the only time the opposition brings a matter of importance to this Parliament is when it concerns industrial relations. Although the present system is flawed, the government has consistently worked as a

broker to bring the parties together to resolve their differences. The Premier has not just sat and thumped the table; he has worked behind the scenes with the parties seeking resolution to disputes, and that is exactly what has been achieved. The Docklands project is up and running; Federation Square is up and running; and in a couple of weeks the Grand Prix will take place. What a great occasion that will be! Those things have all been delivered under this government. The government remains committed to a cooperative model of industrial relations, not the confrontationist model honourable members opposite encourage.

The government remains committed to not taking sides in these arguments. It is fanciful to talk about Dean Mighell and Martin Kingham running the state. The government runs the state; it has its hands very firmly on the reins and it is delivering for Victorians. I congratulate those building companies that are now forging ahead with projects such as the Sunbury integrated health care centre and the Dalglen Nominees Sunbury shopping centre, which could not get up and running under the previous government but which will be delivered during my term.

Mr CLARK (Box Hill) — I shall focus my remarks on the electricity industry and the impact of the lack of government leadership on the Docklands project.

In the case of the electricity industry, the Premier has been more a Premier for showing excuses than a Premier for showing leadership! He has been changing his excuses the way other people change their socks! I have identified a list of 10 separate excuses that the Premier or his colleagues offered during the course of the electricity dispute. No doubt there are many more if one looks harder.

Excuse no. 1 is that it is all the fault of the federal industrial relations system. The fact is that the Latrobe Valley workers have been on federal awards for years, as has the construction industry. So there have been no changes. Furthermore, interstate power workers are also on federal awards, so why are the problems in Victoria and not in other states?

Excuse no. 2 is that the government lacks the powers to intervene in disputes. However, the powers are contained in the 1993 Electricity Industry Act which is based on legislation introduced by the Honourable Robert Fordham, a minister in a previous Labor government, and enacted in 1988. He introduced legislation that gave powers to the state government under the Electricity Industry Act. Those provisions were carried over into the current act and updated last year after Parliament debated the adjustments at length

following the Longford experience. Members opposite have no excuse for saying that they were not aware of the powers available to them under the Electricity Industry Act.

Excuse no. 3 is that it is all the fault of privatisation. One thing members can be sure about is that if the electricity industry in the Latrobe Valley had not been privatised it would not just have been 20 per cent of the Latrobe Valley tied up in industrial dispute; it would have been the entire Latrobe Valley. Many honourable members would remember the power restrictions of the 1970s and 1980s when the only power Victorians had was that given by grace and favour of the union movement in the Latrobe Valley. If I recall correctly there were restrictions limiting use to one electricity bulb in two, or perhaps two bulbs per household. Privatisation has benefited the situation rather than worsen it. Furthermore, as the Leader of the Opposition pointed out earlier, privatisation goes back to the sale of generators to Mission Energy initiated under the Kirner government. It is only now under the Bracks government that we are starting to see the consequences of increased union militancy in the Latrobe Valley.

Excuse no. 4 is the lack of generating capacity. It looks as if the Bracks government dropped a 1997 report off the back of a truck and Neil Mitchell, a presenter for radio station 3AW, picked it up. That report detailed a foreseen lack of generating capacity in the electricity industry. That is also a furphy because between 1997, when the Kennett government received that report and now, the interconnect with New South Wales has been substantially upgraded. Also, as a result of privatisation, the Latrobe Valley generating plants dramatically increased their availability factors thereby significantly increasing the available capacity in the electricity industry. Another government excuse bites the dust!

Excuse no. 5 is lack of information; the government said, 'Nobody told us'. I would have a substantial wager that piling up in various minister's in-trays would have been very detailed minutes and memorandums from the public service, Nemmco and other regulatory bodies involved, briefing the ministers day-by-day on what was going on.

An honourable member interjected.

Mr CLARK — As the honourable member says, the minister in another place knew. She did not even have responsibility for the Electricity Industry Act, but clearly she knew what was going on.

If the present open and accountable government wants to continue with that excuse, let it come into the house

and lay on the table the minutes to the Treasurer and other documentation, or put the file in the parliamentary library as previous Liberal ministers have done. The public can then see for itself exactly what advice was given to the government.

When the Longford incident took place early one afternoon it was possible for the former Premier and Treasurer to put gas restrictions in place, document the paperwork, send all the orders out and notify the community of the restrictions by late afternoon. The government had no forewarning of the Longford incident and those initiatives were taken on zero notice.

An honourable member interjected.

Mr CLARK — As the honourable member for Bennettswood said, the minister and the Department of Human Services also became involved to ensure the necessary arrangements were made to minimise the impact on the public. Why was it that when the Bracks government had more than three weeks notice about problems building up and shortages being a possibility, unlike the South Australian situation it took the government 24 hours to put power restrictions in place? There were public warnings. The Australian Broadcasting Corporation Internet news bulletin at 7.05 p.m. on Wednesday, 2 February, predicted power shortages due to the Yallourn dispute. How did the South Australian government react? First thing on Thursday morning the public was warned. The ABC Internet news bulletin at 7.04 on the morning of Thursday, 3 February, issued an urgent request by the South Australian government for the public to conserve electricity.

South Australia had power restrictions in force by midday — 12.05 p.m. on Thursday, 3 February. Again, the ABC Internet news bulletin under the heading 'Power restrictions to apply in SA' stated:

South Australia are to face power restrictions during the afternoon.

It was not until the following afternoon that the government imposed restrictions in Victoria. What can one conclude about that? What was the Acting Premier doing? Were other government ministers scared stiff and afraid to act until the Premier flew back home? They sat there like paralysed rabbits apparently unable to act without the say-so of the Premier. That excuse of lack of information falls over.

The same applies to excuse no. 6 — last-minute breakdowns. I recall the Premier saying on talkback radio that when they went home on Wednesday afternoon everything was fine. It was not the

government's fault that generating capacity fell over during the evening. If you are the Premier or a government minister you must respond to emerging situations. The government does not work only between nine and five. If incidents take place after hours a response is required after hours, as was done by the South Australian government.

Excuse no. 7 — Melbourne's variable weather: no-one would have imagined that the weather would be so variable making it necessary to reapply restrictions the next day. However, all Melburnians know about the city's variable weather and realise what a joke that excuse was.

Excuse no. 8 — blame it on the system; blame NEMMCO. The government should make public the NEMMCO information and the time it was given. NEMMCO is a bipartisan institution set up as a result of former Prime Minister Keating's national competition policy; it has no links with privatisation.

Excuse no. 9 — blame the power generators selling electricity to New South Wales. The one point that excuse raises is whether the Bracks government imposed excessive restrictions. You cannot keep electricity in the fridge. It was sent to New South Wales because the restrictions imposed by the Bracks government forced Victorian demand below generation capacity.

Excuse no. 10 — the government is endeavouring to blame the problems on a lack of obligation to supply. If a power-generating business is sold to a company that pays billions of dollars for that business it is reasonable to assume it will want to generate electricity and sell it. Union militancy stopped that. If a company is locked into an obligation to supply regardless of what the union does, what does that do to the dynamics of industrial relations in the Latrobe Valley?

I turn briefly to the Docklands situation. Studio City has fallen over and the Mirvac project has been postponed indefinitely.

Government members interjecting.

Mr CLARK — Honourable members opposite have raised a cacophony about that statement. However, the Studio City float has definitely fallen over, and one need only look at the press comments to see that industrial relations disputes were a component in that outcome. Not even the government can weasel out of the fact that union militancy caused the Mirvac project to be postponed indefinitely. Docklands is a great project. No doubt it will survive —

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

Mr LENDERS (Dandenong North) — In this packed and hushed chamber I hear the ghost of Alfred Deakin in the hallowed walls. He was a distinguished and prominent member of the Liberal Party. His ghost would be amazed, disappointed and probably anguished — —

Mr Holding — Shamed.

Mr LENDERS — Alfred Deakin, Ian McPhee, the saintly late Alan Missen, the late Roger Shipton, Don Chipp and all the other icons of the wets in the Liberal Party would be ashamed and distressed by what has happened to small-l liberalism.

The ghost of Alfred Deakin would have known about the Harvester case and the principles of industrial relations, which so many speakers from the government side have so eloquently stated today. Fundamentally, industrial relations requires the new style of leadership for which Victoria has been calling. As a true Victorian patriot who believes in the Westminster system and strong oppositions I am disappointed that honourable members opposite have not learnt that the campaign over the past year or more that saw the change of government was calling for a new style of leadership.

They have not learnt that aggression, abrasiveness, beating your opponent over the head and picking winners but abandoning cases you think you cannot win do not constitute the style of leadership that Victorians, including rural Victorians, called out for. The debate from the side opposite today has assumed Victoria stops at the municipal boundaries of Greater Melbourne.

The new style of leadership called for in Victoria — I notice the honourable member for Benambra is in the chamber and he might appreciate this more than others — is inclusive and proactive, talking to people and bringing them together to get an outcome for the state. The people of Victoria called for a new style on 18 September and they are getting it.

Members opposite have forgotten other key dates. The new style of leadership was endorsed on 16 October, the day Victorians realised they had not made a mistake on 18 September. They were still looking for a new style of leadership and affirmed the endorsement of the style of the Bracks government.

In case the electors of Victoria, particularly rural and regional Victoria, got it wrong on 18 September and got tricked on 16 October, on 11 December voters were

given another opportunity. For the first time in the history of the state in the electorate of Burwood the new style of leadership was again endorsed.

Perhaps the people of Victoria like the style of leadership that is being provided by Steve Bracks and his Labor government! Perhaps they see it as the style they want, and see decisiveness as taking responsibility for actions and not just being aggressive. Leadership is not about picking a winner, beating the loser over the head with a baseball bat and backing off if you do not think you can win.

Handpassing industrial relations to the commonwealth is an interesting example of leadership. There are a number of other interesting examples from the former government — a can-do government — that had all the issues it is talking of here and now, but the previous can-do government did nothing. The former government backed off on its Parliament project when it did not think it could win. It picked issues, looked aggressive and claimed to be decisive.

Primarily we are talking about leadership, and I have mentioned style of leadership and the bullyboy tactics of the previous government and its response to the issues of the Auditor-General, Workcover, local government, silencing the critics — there are hundreds of issues, but the main one is industrial relations and leadership generally.

It is fascinating to watch the dynamics on the other side of the chamber, and today I have been doing a leadership form guide. In the spirit of short-term employment contracts the leadership of the opposition will be coming up for renewal in less than six months. Government members will count down to that important date. I have been evaluating some of the characters opposite on the leadership issue: the first speaker, the Leader of the Opposition, gave an impressive and earnest performance but it was like the Elvis fan club — hoping the great man would come back. The great man has been sighted in many places — I am referring to the former member for Burwood. It is difficult for a modern Liberal Party to recognise that leadership in industrial issues requires more than a fan club. The former leader has taken a picture of his predecessor. I hope the parliamentary attendants are guarding the portrait of Sir Henry Bolte in the hallway.

Leadership in industrial relations is more than idolising a predecessor. Elvis was not bad but I do not idolise him. Leadership requires more than having a portrait of a predecessor on the wall, and the Leader of the Opposition in his contribution idolised his former

leader. In several months if pictures of the immediate past Premier disappear we will know where they have gone.

The Deputy Leader of the Opposition had some glib throwaway lines and we got a laugh, but there was no substance to her contribution. Following her in debate is like taking wheat from blind chooks.

When the Liberal Party takes on the Leader of the National Party in Benalla I look forward to seeing an example of his leadership. The late Sir Herbert Hyland, the member for Gippsland South for many years, would be rolling in his grave at the National Party's abandonment of leadership. Sir Herbert, another good country man, would describe the contribution of the Leader of the National Party as being as deep as a puddle in a drought.

Not much more can be said of the remaining speakers. The most dynamic speech came from the honourable member for Malvern. I do not wish to hinder his chances of leading the Liberal Party by endorsing him, but his was the most incisive contribution to the debate from the other side. It was a good leadership speech. Members opposite will make the decision — the government has no say.

The previous government has abdicated responsibility to the federal government, giving power to Penthouse Pete, sometimes known as the federal minister for workplace relations. He ought to explain his relationship with Hudson Conway in a penthouse on St Kilda Road, but that is a separate issue.

A wilderness has been created as a result of throwing away the umpire, gutting the system and taking sides, as the federal minister has done with the compliance of the previous state government. So the government has had to intervene, with limited powers.

Despite the criticism from members opposite, the most salient feature of the debate is that the people blasting the government for a 36-hour week are the same people who negotiated a 36-hour week for Federation Square. The same people who are telling us to stand up to trade unions negotiated a 20 per cent pay rise. If I were the unions I would be wanting the previous government back, because they did well out of it!

Finally, leadership requires a view of the whole state. The privatisation debacle of the previous government meant contracts that did not even require the companies to supply electricity to the state of Victoria were entered into by responsible ministers of the Crown.

We are talking about a new style of leadership, one that is inclusive, that brings people together and brings out the best in them. It does not take sides but tries to get results. It is not phased if the result is not produced for the day's 6 o'clock news, as the previous government seemed to be.

I ask the house to reject this motion on the matter of public importance. Leadership is far more than the narrow band that is being presented to us by the opposition. Leadership involves taking the state forward and having a vision. It requires more than dreaming of the idols of the past.

The motion should therefore be rejected.

Mr WILSON (Bennettswood) — The first summer of the new century will be remembered as the end of the shortest honeymoon period in living memory for a new government, state or federal, in Australia. It is stunning that less than four months after a change of government the *Australian Financial Review* would run a feature article under the banner 'Victoria: a state of chaos'. A part of that exposé is the comment that:

Unless Bracks does something soon, his minority government's time in office will probably be brief, but not before serious damage has been inflicted on the Victorian economy.

What an extraordinary observation by a respected journal only four months into a new administration!

I will speak today about industrial relations in the context of rights and responsibilities. Responsibilities is a word rarely mentioned by members opposite, but it is one the great Alfred Deakin would endorse. The honourable member for Dandenong North could bear that in mind considering his earlier contribution.

Every dispute since Labor came to office has been in an industry where larger companies or organisations are highly unionised. That includes the electricity industry dispute, the Ajax car components dispute and the dispute that led to elective surgery cancellations at Monash Medical Centre because catering staff locked themselves in kitchens. It applies also to the Ansett dispute during which staff disrupted flights on a recent Friday afternoon.

Trade unions have always said they have a mandate for both wildcat and planned industrial action, but that is a dubious claim. While driving around my electorate recently I heard a construction worker who had phoned in to a talkback radio program. He said he was sick and tired of the CFMEU — the union to which he belonged — continually demanding its members take strike action. He said all he wanted to do was earn a

decent wage for his family. That attitude is widespread among unionists.

Figures on union membership levels released in February by the Australian Bureau of Statistics are illuminating. In Victoria only 24.4 per cent of the work force belonged to a trade union in August 1999, a drop of 4.7 per cent since August 1997. The path has been heading steadily downhill. In August 1993, 37.8 per cent of Victorian workers were union members. The decline is due to the fact that employees are voting silently, saying, 'We do not believe trade unions represent good value for money or represent us'. The decline in membership has continued even though trade unions have launched their own version of home loans, superannuation funds and, in some cases, discount schemes. It has nothing to do with which party is in office at state or federal level. Indeed, when Paul Keating was Prime Minister the decline in union membership nationwide was dramatic.

If unions have less than a quarter of Victorian workers as members, they have no right to disrupt the lives of the 90 per cent of the community, including older and retired Victorians and schoolchildren, who are not union members. The unions' claim to a mandate for incessant strike action in key industries is rapidly disappearing.

Union coverage of the construction industry has declined dramatically, from 33.5 per cent of the work force to 25.7 per cent today. When Dean Mighell or Martin Kingham ask for massive pay increases or extra days off it must be remembered that they represent a declining proportion of the work force in their industries. In the electricity, gas and water industries the fall in union numbers has been even more dramatic. From representing 64.9 per cent of workers in those industries in 1997, unions represented only 51.1 per cent in August last year. In the health and community services sector the Health Services Union has been responsible for people being denied elective surgery at Monash Medical Centre, yet union members now comprise only 30.7 per cent of that work force, down a staggering 8 per cent in only six years.

In the education sector the proportion of union members has declined from 56.3 per cent in August 1993 to just 35.8 per cent in August 1999. Continual comments by the Australian Education Union's president, Mary Bluett, in support of the Victorian Labor government must be seen in this light. Fewer and fewer teachers and school support staff want to be in unions that cannot distinguish between political advocacy and constructive representation of the membership.

The Bracks Labor government is sensitive about comparisons with the former coalition government. One reason for that is the good industrial relations record of the former government, a record that could be called 'prosperity with peace'. In the year to June 1999 according to the Australian Bureau of Statistics, which measures only disputes involving industrial action over 10 days or more, working days lost in Victoria totalled 121 400. Compare that with the 145 400 working days lost in New South Wales under a Labor government during the same period.

Under the coalition government investment in Victoria proceeded in leaps and bounds because the perception of Victoria held both interstate and internationally was that the state was a good place to do business. The former Premier insisted on meeting with unions face to face, never leaving them in any doubt that Victorians would not tolerate wildcat industrial action or unrealistic wage or conditions claims. There was certainty in action and in government leadership, in complete contrast to the current situation. Indeed, the Bracks government knew of the threats by the Latrobe Valley unionists about disruption to power supplies as early as 12 January. The Deputy Premier, however, sidestepped questions at a press conference on what the government would do.

Nick Economou of Monash University stated in the *Herald Sun* of 15 February that:

The worst part came when John Thwaites was Acting Premier. You had Mr Thwaites saying we don't have any political power over the dispute. And that was a political disaster for the government.

At the same time as Premier Bracks was swanning around in Switzerland supposedly promoting Victoria, the financial investors in Zurich and elsewhere were presumably reading news summaries describing a wave of industrial disputation in Victoria.

Residents of Mount Waverley and Burwood East in my electorate suffered from electricity blackouts in the early part of February, and aged residents at the Salvation Army's Inala Village in Blackburn South were left in a state of confusion as to what restrictions actually applied in the independent living units in that village.

Older residents do not need extra stress caused by a government whose left hand does not know what its right hand is doing. For example, on 11 February the Minister for Finance said on 3AW that electricity restrictions would be imposed the following week. On the same day the Premier issued a media release stating that the government did not expect any further

restrictions the following week. Subsequently Victorians suffered a significant heat wave and the investment market got nervous about what the future held for Victoria.

A manager of a major retail store in Bennettswood told me that conducting business was more difficult because it seemed that since the Labor government took office in October 1999 there had been one industrial dispute after another.

The disputes in the building industry rank equally with those in the energy sector, and they are of great concern. Premier Mighell and Deputy Premier Kingham are not only unionists supposedly battling for a 36-hour week and an astronomical 24 per cent pay rise, they are also job destroyers. Large developers do not have to invest in Melbourne or Victoria, they can choose New South Wales or Queensland or, even worse, Singapore. It took until 16 February for the Premier to say that the building unions' demands were unacceptable. Of course, that comment amounted to nothing more than words. The unions know their mates in a Labor government can never be taken seriously, unlike the previous coalition government, which governed for the whole community. One cannot expect a union movement to take Steve Bracks seriously — he only became Premier because his predecessor, John Brumby, showed some leadership potential and attempted to rope in the militant unions. He lost, and Steve Bracks won the leadership. Today, Victorians are paying the price for the Bracks THC deal.

The invisible Minister for Industrial Relations, who wished the construction unions well in their quest for shorter working hours to the shame of the Bracks government, should resign. The invisible minister is an agent for the unions at a time when Victorians clearly need a person occupying that ministerial office who will stand up for the community. I look forward to the honourable member for Richmond playing a part in the rolling of the Minister for Industrial Relations and taking over that office. The opposition welcomes his contribution.

The Bracks Labor government has a responsibility to intervene in industrial disputes. It should use its supposed influence with the unions to tell them about the link between investment and jobs and to encourage its silent ministers such as the Minister for Major Projects and Tourism and the Minister for Industrial Relations to speak up or get out. The government has a right to pursue its policy objectives, and the unions have the right to seek better deals for their members, but both wings of the labour movement must understand they have a responsibility to look after the

interests of all Victorians. Those interests are best served by a vibrant and growing economy. To date the Bracks government has abrogated that responsibility.

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

Mr WYNNE (Richmond) — I thank the honourable member for Bennettswood for his contribution. The honourable member for Bennettswood and other opposition members have given extraordinary contributions.

I was struck last night when I thought about this matter of public importance by the ideological positions taken by people in this place and the way this sort of debate tends to get polarised. People contribute to these sorts of debates from particular ideological positions that are often drawn from their life experiences. It is fair to say that we all bring our own baggage to the debate.

In my maiden speech I canvassed the experiences of my father, who worked on the waterfront for 25 years and endured the worst deprivation and treatment by employers. The most shocking of his experiences involved the old call-up system, under which workers were called to the gate like cattle and sometimes they would get a day's work but at other times they would not. That happened in my lifetime. My father was the sole wage earner in my family, and he had to support a wife and nine children. It was worrying for my father as a waterfront worker to be unsure about whether or not he would get a day's work. Contributing to debates on industrial relations is a tempering experience for me when I reflect on the fact that in my lifetime those sorts of work practices provided no security of employment and poor working conditions for the people who worked in that industry. No wonder people come to these sorts of debates with a certain amount of resolve as a result of their experiences.

The ideological divide in industrial relations issues between the opposition and the government is worth exploring. I will refer to the views of Adam Smith, who many regard as being one of the most important thinkers in economic theory. He set some of the policy agenda during debate about the role of government in a market society. According to Smith, in a market society individuals increase both their own wealth and the wealth of the society as a whole by pursuing their self-interest. In Adam Smith's view of the world the state would be limited to three kinds of functions that the market could not fulfil: protecting society from violence and invasion; protecting each member of society from injustice and oppression through the administration of justice; and erecting and maintaining

public works and public institutions. Smith recognised that the state has an obligation to provide services such as roads, hospitals and education, but his essential premise was that the provision of those services was of direct benefit to the productive economy as opposed to the social good.

Smith laid the basis for the emergence as an ideology of classic liberalism, which permeates Liberal politics to this day, particularly in the opposition parties. Classic liberal belief rests on the following assumptions:

Freedom of the individual is assured;

individuals must be free of political constraint and interference;

governments should not regulate economic activity;

earnings should not be taxed —

that is classic liberalism —

individuals and groups should not receive unearned benefits.

The ideology of classic liberalism rejects any notion of intervention in the market by non-governmental institutions. Organised labour and unionism are viewed as anathema to the market process in general and to the contractual relationship between the buyers and sellers of labour in particular. That is important to understanding where the debate is coming from and what drives the opposition parties' stance on industrial relations.

I turn to a more contemporary matter — the history of the previous government. The Kennett government came to power in 1992 on a promise that not a single worker would be \$1 worse off under its regime. It took just three months for that promise to be broken and for that government's dishonesty and duplicity to be revealed. Victorian business and industry and the lives of hundreds of thousands of Victorians were thrown into chaos when all state awards were outlawed and employees were forced onto individual contracts with no negotiation and no chance to preserve existing entitlements.

Those worst affected were the most vulnerable and low paid, predominantly women. A cooperative and conciliatory approach to workplace relations is the last thing the federal coalition government wants, irrespective of the fact that it leads to increased productivity and therefore increased growth. The previous Victorian government, the Howard government and the state opposition parties would all rather see employers pitted against their work forces and one employee pitted against the next.

The opposition parties seem to be advocating a model of division and unrest. Those employers and employees who were able to vote with their feet and walked away from the failed state system, seeking the stability of the federal Labor government's system of fair and collective bargaining.

What an outstanding failure the previous government's industrial relations model was. It was so spectacularly unsuccessful that in 1996 the then Victorian government threw its hands in the air and handed the entire system back to the commonwealth government. After confining 700 000 Victorians to guinea pig status in a failed experiment, the previous government simply shunted them off to the commonwealth system. That is the coalition's way. Its agenda is to break promises, reduce the entitlements of and significantly disadvantage workers, rendering them worse off, undermine the powers of the independent industrial umpire, and establish a system that encourages protracted disputes and endless litigation.

The Labor government is now trying to clean up the mess. However, the federal workplace relations minister, Mr Peter Reith, has been cheering from the sidelines, seeking to stir up more trouble and discontent. He has been doing everything in his power to create and inflame industrial disputes while refusing to use his powers under his act to find a resolution.

A government that is about governing for the benefit of all the state and the entire community, as the current government is, must wield its influence not in a destructive or partisan way but in a constructive, honest and at times creative way. The government is prepared to fix the mess left by the previous administration. That means more than picking sides and cheering from the sidelines; it means helping the parties and the community to get a reasonable and fair outcome.

Rather than vilifying the union movement, as the opposition parties have been so willing to do, it is important to talk about the contributions that have been made as a result of partnerships between federal Labor governments and the Australian Council of Trade Unions. I refer to the accords, enterprise bargaining agreements and compulsory superannuation — all key benchmarks in setting decent conditions for workers in this state. The union movement has done a fantastic job in East Timor, where building and health workers have gone voluntarily to assist in rebuilding the infrastructure of that badly destroyed country. We do not hear the opposition parties talking about that. Instead, all we hear about is vilification and union bashing!

Mr WELLS (Wantirna) — It gives me great pleasure to join the debate following the honourable member for Richmond, whom I will sadly miss as a member of the Drugs and Crime Prevention Committee when he moves on to become a minister. He has made a significant contribution to the committee and I admire him for his outstanding work.

I am surprised that not one minister stood up to defend the Premier. The Premier spoke because he had to, but I would have expected the Deputy Premier to defend his leader to the hilt. I can understand that the Deputy Premier had problems defending him because he caused most of the problem. They all ran for cover — every single one of them!

The motion has been carefully worded: it refers to the 'lack of decisive leadership provided by the Premier', and nothing could be truer. Honourable members who visit schools and country areas hear people saying that the Premier does not have the backbone to get in and resolve industrial relations disputes because he is beholden to his union mates.

I despise irresponsible trade unions — I always have and I always will. The attitude of members on this side of the house is different from that of government members, who are all trade union or Labor Party hacks. Members on this side have worked in management and in the wider work force, where they have been up against the trade unions on a daily basis.

Having been a transport and operations manager during the Cain and Kirner governments, when I had to deal with the wharf unions and the Transport Workers Union, I can tell the house that they were ugly days. When I received telephone calls at 4 o'clock in the morning asking me to go down to see what was happening at the picket line — where the day shift was being locked out, punches were being thrown and blood was starting to flow — I knew I had a battle on my hands. It was an absolute disgrace. Where was the leadership in the Cain–Kirner days? There was none, because Halfpenny and his mob used to run the state.

I raise that issue because the same things are starting to happen now. I cannot remember how many times I was rung from the wharves and told, 'Kim, we are not working today because the temperature is in the mid-30s'. The fact that they worked in airconditioned forklifts was irrelevant. The company could wait for three days for the temperature to fall, and when on the fourth day it started to rain and we thought we could go down and clear the fresh fruit and vegetables off the wharf they would call another strike because it was too wet.

Premiers Cain and Kirner showed no leadership and took no decisive action, and we are starting to see it happen all over again. The reason then was that Halfpenny sat at the cabinet table — and there are a few new faces at the cabinet table this time around.

Investors in Victoria require a reliable supply of power, gas and water, a stable government and a reliable source of labour, and if they are not available they will stay away in droves. In the early to late 1980s they started to stay away. Unemployment rose and deficits blew out. The then Labor government was not in control of its finances — and the same thing is happening again. Already we have read in the *Age*, of all newspapers, the following statement under the headline 'Victorian business confidence falls under Bracks':

Victorian business confidence has fallen sharply since the election of the Bracks government, according to a survey by the state's main employer body.

What is the Premier doing about the situation? Nothing, because he is frightened.

I turn to some of the promises made by the Labor government to the voters of Victoria that led people to vote the government in. On 28 September 1999 during a 3AW interview Steve Bracks said:

The unions won't be running us.

What a broken promise. He was on the verge of coming into power and already he had broken a promise. He further stated:

We have developed a mature relationship with the union movement.

A mature relationship is where the government is not bullied or run by the union movement.

John Brumby, the man who will succeed Steve Bracks sooner rather than later, said:

We'll guarantee reliable supplies of gas, water and electricity.

Steve then decided it was time for an overseas trip so he headed off and left Captain Courageous, John Thwaites, in charge. His career has been somewhat hindered. Mr Thwaites has demonstrated that he is spineless, gutless and frightened to take on the trade union movement. He blamed it all on the federal scene and blamed Peter Reith for not interfering in a state matter.

I note with great interest that many Labor members have said it is a federal responsibility. The reason it is a federal responsibility is that the union movement

panicked and moved from state awards to federal awards many years ago. John Halfpenny panicked and the only persons covered by state awards were the police and a couple of people working in milk bars and 7 Elevens.

What did John Thwaites do? He went on radio and said:

In some cases if you have a 36-hour week proposal it may not cost employers any more at all. It may in fact be a way to spread the workload. So in fact you have more workers working less hours, and that may not be a bad thing at all.

Mr Thwaites further said:

My understanding is what a lot of the workers are saying, is that it would be reasonable to work less hours, maybe get a little bit less but spread the load, spread the benefit, if you like, of employment.

I wonder how that works, and I want to know where Captain Courageous lives, because it is certainly not in this society. If he is suggesting that the union movement will agree to working fewer hours and receiving less pay he is being totally unrealistic. The reality is that when a person works 2 or 4 hours less, to get the job done you have to pay additional overtime. The workers want a 24 per cent pay increase as well! I am not sure who is briefing the Deputy Premier, but it is certainly not someone in this state.

You cannot have a reduction in working hours per week and expect to reduce costs. I am sure the union leaders would have called the Deputy Premier up a couple of days after that statement and said, 'Hey, John, that is not the way we work. We don't work fewer hours and receive less pay. We work fewer hours and receive more pay'. That is what the situation will be under the new Kingham government.

Confidence in the government is falling because of the Studio City failure and Mirvac suspending its operations. It is ironic that the Premier said the project has not been stopped, because it has been stopped. The work has been suspended, and Mirvac will not enter into a contract until union deals are sorted out. The project would create many jobs for Victorians but the deal has been suspended. It is an embarrassing situation.

Honourable members interjecting.

Mr WELLS — There is no start date. You guys have been given the wrong information in your briefing at Trades Hall. Government members are not getting a true briefing at Trades Hall, and it is time the spineless backbench stood up to Trades Hall. It is time the Premier started to get some results. The opposition

wants the Mirvac project to go ahead, but government members do not have the political courage to stand up to this Premier, and the other premiers, Martin Kingham and Dean Mighell. They must stand up and be counted to ensure the employment situation in Victoria is improved.

To have to turn to Neil Pope to come and sort out industrial relations problems is a disgrace. The Cain–Kirner days are coming back. Bob Hawke is coming down to work on economic issues, and Evan Walker is sorting out planning issues. The government members are bereft of talent.

Mr NARDELLA (Melton) — The house has just seen a demonstration of how bereft of ideas on industrial relations issues opposition members are with their harping back to the past seven years of the former government and further back to the Cain–Kirner years. They have to go back in time to get any sense of where they are at today. Their only premise is that they hate unions, as the honourable member for Bennettswood said in his contribution. The honourable member said that because the trade union movement has been reduced in numbers it should have no rights or responsibilities to its membership. Every member on that side of the house believes that to be the case.

Let us look at the situation as it is today. The Premier took decisive leadership action throughout the disputes, which arose from the legislation of Peter the Wrecker Reith. Let us sheet the blame back to where the troubles really started. One can look to the federal legislation, the enterprise bargaining agreement system and the strike period sanctioned by the legislation, which honourable members on the other side of the house believe in. They support the Reith legislation. According to half the jokers on the other side of the house, Reith should be the next Prime Minister. They believe in his legislation, yet what they want to do is lay the blame for disputes arising under that legislation on the Bracks government.

During the former government's term in office it took away the state's ability to conciliate and arbitrate on such disputes. It is important to understand why the government had to bring in Neil Pope. I remind honourable members that it is because we no longer have judges in an arbitration and conciliation commission. We no longer have legislation to deal with industrial relations issues. We no longer have the ability to take any legal action because the previous coalition government took those powers away. It made a conscious decision and said, 'We believe in Reith. Reith is our saviour. Reith will look after Victoria'.

The only option for the government was to ask Neil Pope to negotiate and conciliate, which he has done under extremely difficult circumstances. We must remember what the Yallourn power dispute was about; it was about an overseas company. We must remember that Victoria used to own Yallourn and the electricity industry there, but that was sold off to a British company that has no responsibility to its workers, this Parliament or the good people of Victoria. Its responsibility is wholly and solely to its shareholders back in England, yet the company that runs Yallourn went out and said, 'Up you, we are going to lock you out and force you to lose your jobs. We will introduce contractors and reduce your wages and conditions'.

What else can one do in such circumstances other than take action to protect one's own job and the livelihood of one's family? The government of the day that passed the legislation — which, luckily, has been put into the dustbin of history — may as well have rolled over and said to the benefactor of the British company, 'Well of course you're right. You own the company and your rights and responsibilities are to your shareholders. Therefore, we'll do the right thing and lose our jobs'. That is what the people over there are on about.

The British company talked about Nemmco and the restrictions that were put in place. It should understand that Nemmco and the legislation were part of the privatisation process that the opposition supports. The unaccountability of that process was supported, and continues to be supported, by the opposition, which shows no responsibility towards the Victorian community or Victorian businesses.

The absolutely ludicrous situation has now arisen where a Victorian power station capable of generating 500 megawatts of power is not used because it was mothballed by the previous government because the load was not economically viable to run. The Newport power station could have taken the peak load — but no, the previous government shut it down because it was uncompetitive; it could not sell it off to any overseas buyer because it was too costly to run. Despite that, the opposition blames this government for being responsible for the industrial disputes, for Reith's laws, and for workers trying to protect their jobs and their families.

It is an absolute disgrace that members opposite are debating this motion today. It is not worthy of any ministers wasting their time on it; that is why backbenchers have taken the responsibility to run it through. The motion is so weak and appalling that one might think members of the opposition did not learn anything in the seven years they were in office.

This government has had to deal with and provide leadership in the disputes. It has had to follow the lead taken by the previous government when the artful dodger, Mr Kennett, gave the workers on Federation Square a 36-hour week and a 20 per cent pay rise. This government has to follow the lead because it has inherited what the opposition did during its term of office. Despite that, opposition members have the gall to blame this government for the troubles within Victoria, such as the disputes and enterprise bargain agreements (EBAs). It is a disgrace that the opposition does not want to learn from history. People cannot continue to be beaten about the head. That was demonstrated on 18 September last year; it was demonstrated at the Burwood by-election; and will continue to be demonstrated during this government's term of office.

The government is about a cooperative partnership system where parties sit down and talk between themselves to negotiate the best outcomes for Victoria. That is what Victoria needs — not the carping and whingeing from opposition members. They should get some policies; then they can come back in here and criticise the government.

The ACTING SPEAKER (Mr Seitz) — Order!
There are only seconds left on the clock.

Mr SMITH (Glen Waverley) — Mr Speaker — —

The ACTING SPEAKER (Mr Seitz) — Order!
The time for discussing matters of public importance has expired.

FIRST HOME OWNER GRANT BILL

Introduction and first reading

Mr BRACKS (Treasurer) introduced a bill to encourage and assist home ownership, and to offset the effect of the GST on home ownership, by establishing a scheme for the payment of grants to first home owners, and for other purposes.

Read first time.

FINANCIAL MANAGEMENT (FINANCIAL RESPONSIBILITY) BILL

Introduction and first reading

Mr BRACKS (Treasurer) introduced a bill to amend the Financial Management Act 1994 and the Audit Act 1994 to provide for the enhanced disclosure of financial and budget information by the Victorian government and the

review of estimated financial statements by the Auditor-General and for other purposes.

Read first time.

NATIONAL TAXATION REFORM (CONSEQUENTIAL PROVISIONS) BILL

Introduction and first reading

For Mr BRUMBY (Minister for Finance), Mr Bracks introduced a bill to record the state's intention to give effect to the Intergovernmental Agreement on the Reform of Commonwealth–State Financial Relations and to enable state entities to make GST equivalent payments, to discontinue financial institutions duty and stamp duty on certain share transfers and on bookmakers' statements, to alter government fees and charges to take GST into account, to amend various acts as a consequence of national taxation reform and for other purposes.

Read first time.

GAMBLING LEGISLATION (RESPONSIBLE GAMBLING) BILL

Introduction and first reading

Mr PANDAZOPOULOS (Minister for Gaming) introduced a bill to amend the Casino Control Act 1991 and the Gaming Machine Control Act 1991 and for other purposes.

Read first time.

MELBOURNE CITY LINK (AMENDMENT) BILL

Second reading

Debate resumed from 29 February; motion of Mr BATCHELOR (Minister for Transport).

Mr THOMPSON (Sandringham) — Honourable members will remember that one of the great acts of political lunacy of the former Labor government during the 1980s was to not complete the bridge over Warrigal Road. After a short period it became known as the South Eastern Car Park.

From time to time there were a number of conscientious objectors — that is, government ministers of the day who refused to travel along freeways as they had an anti-freeway philosophy. I wonder whether that philosophy continues today and is adopted by the honourable members for Dandenong, Dandenong North, Narracan, and Morwell as they

make their way to and from the city? I wonder whether government members today use the freeway or whether they maintain the sense of conscientious objection alluded to by the honourable member for Ripon in this chamber yesterday when he said he did not use City Link.

What does the City Link freeway represent? Essentially the 22-kilometre road represents the largest capital investment for any civic infrastructure project in the history of Australia.

Many members have spoken during this debate about the impact on pensioners and low-income earners. Yesterday I mentioned that if the government continues its present policy of suspending or cancelling important investment projects of benefit to Victorians it will create more pensioners and more low-income earners.

One of the chief goals underpinning the City Link infrastructure is to assist and facilitate the movement of freight and people around Melbourne. In the transport industry Melbourne is considered as the transport hub of Australia. City Link is a fast mover of goods to and from the airport and the port of Melbourne for distribution to overseas export markets and the south-east sector of Australia.

I remind honourable members that City Link is not the first tollway in Victoria. Going back to the early days of the development of the Port Philip colony — 1839 and the early 1840s — St Kilda Road was developed through the imposition of a toll. The extension of the Swanston Street bridge over the Yarra River into St Kilda Road was also developed through a toll paid by the road users.

One might pose the question, if this civic infrastructure were to be built and funded how would it best be done? Would it be through government borrowings where the government would take the risk of the consequent impact upon its credit rating, would it by way of a 3-cent-a-litre fuel levy on all Victorian road users so that people in country Victoria would be helping to pay for a road that would be used by other people, or would it be by some other method where the people who actually derived benefit from the road would pay for it? A fourth choice would be to do nothing, which would not advance Victoria in the longer term and would not provide the freedom of access to the port and the airport for the factories in Moorabbin and Dandenong areas, two of the largest manufacturing areas in the southern hemisphere.

It is notable that in 1839 or so the road from Melbourne to Williamstown was a distance of some 26 kilometres

over the Saltwater River, later re-named the Maribyrnong River. I can see the honourable member for Footscray. Perhaps if his forebears had had any say in it, we may still be travelling that 26 kilometres rather than taking advantage of the shorter route that required investment and some level of endeavour and entrepreneurial flare. In 1839 or so, rather than detouring via a ford along the upper reaches of the Maribyrnong River a more direct road was built over the Maribyrnong River to reduce the journey from 26 kilometres to 10 kilometres. Since those days many people have benefited from the shorter distance.

Mr Helper interjected.

Mr THOMPSON — I trust the honourable member for Ripon will not maintain his ban on using the City Link freeway as he may find it will enable him to look after the needs of his constituents better by getting to his electorate more swiftly!

The honourable member for Bendigo East commented that the City Link freeway was an impediment to tourism in Bendigo because people were obliged to pay tolls when travelling to that city. I can assure her that those people who live in the southern reaches of Melbourne can travel to Bendigo easily by exercising the choice to travel down Kingsway over the Westgate Bridge and around the Western Ring Road so that they do not have to pay 1 cent extra to get to Bendigo. Bendigo is a fine city to visit, and I have had occasion to visit it a couple of times in recent days.

I refer to some of the other benefits of that infrastructure project that the Labor Party did not support. In 1996 it opposed the building of the Bolte Bridge. In the lead-up to the state election of that year a number of Labor members based their campaigns on their opposition to City Link. When one heard the roar from Bernie Finn in Tullamarine when he defeated David White, who based his campaign on his opposition to the City Link tolls, one realised that the outcome of the election was a landmark in Victoria's political history. Between 1996 and 1999 Victorians were prepared to embrace a vision and changes that benefited them.

What are the benefits of City Link? The Royal Automobile Club of Victoria and other agencies say there will be a net saving to business of more than \$250 million per annum. There are also the efficiency gains that will result from the increased speed with which goods can be transported and people can make their way around the city of Melbourne instead of spending their time in queues. I am not saying that all queues will shorten as a consequence of the project, but

certainly the net savings and overall benefits taken over a 24-hour period will be considerable.

There has been a fall in the level of accidents. I remind the house of the former Labor government's act of lunacy in deciding not to proceed with building an overpass over Warrigal Road to allow traffic to run uninterrupted along the Monash Freeway, then known as the South Eastern Freeway. It is a tribute to the previous Kennett coalition government that on taking office one of its first acts was to complete that important link.

I again ask those conscientious objectors on the government benches whether they no longer use the Monash Freeway because they have a philosophical aversion to freeways or whether they prefer to stick to arterial roads to satisfy their support base. There are certainly fewer accidents at that junction today than there were for the decade or more when drivers were required to stop there.

There is less pollution as a consequence of the development of the freeway system because motorists experience less idling time. In certain areas in the Brunswick precinct noise levels have fallen. The introduction of noise attenuation barriers along the freeway has resulted in a drop in the average noise level of between 63 and 72 decibels at certain times.

That is not to ignore the employment benefits both at the commencement of the project and during its construction. It is estimated that 8000 Victorian workers were given real job opportunities to provide for their families. The honourable member for Kew mentioned that 2000 people will gain ongoing employment through the maintenance of the new road system. The project represents a \$2 billion investment in the Victorian economy that will underpin the enormous savings available to private enterprise over the next century as well as considerable savings in time for the users of the network.

I again remind the house that the project was not supported by government members when they were in opposition. It is something they have only reluctantly acceded to, and some of them choose to not use the network. However, the bill makes some sensible amendments that will optimise the efficiency and improve the utilisation of the freeway network. Transurban has always had the view that it would try to increase the use of the infrastructure to benefit all Victorians, using variable tolling levels according to demand at particular points in time.

Another aspect of the bill, which has been commented on by earlier speakers, relates principally to the administration of the record-keeping system and the more perfunctory measures relating to collecting fines for breaches of the tolling regulations that have placed increased obligations on the administrator of the system.

Historically Melbourne has benefited from visionary projects such as the magnificent St Kilda Road boulevard that was underpinned by tolling. If Victoria was governed with the vision that led to the non-completion of the South Eastern Freeway we would still be crossing the Yarra River by punt.

Mr MAXFIELD (Narracan) — The bill is another example of the Labor government honouring its promises: the promise to deliver a better outcome for Melbourne users and for rural and regional Victorians. A higher regard is now being paid to regional and rural Victoria. The focus is on ensuring that the toenail of the state — to quote the former Premier — is not forgotten.

A key point of the bill is the strengthening of the existing requirements to maintain proper tolling records. The bill will detail Transurban's obligations in this regard. It also introduces spot fines against Transurban for the misuse of private information — for example, giving information to a marketing firm, using it to monitor travel habits or credit where there are problems with payments, or selling the information to a company intent on maximising profit. These are matters that must be guarded against. Maintenance of proper records is critical.

The company's failure to keep accurate records could result in serious outcomes for motorists. A motorist may comply with requirements but could be accused of not having paid the toll. If information is not properly recorded it could be claimed that a motorist travelled but did not pay, resulting in a fine being incurred. A person could go away on holiday after travelling on City Link and because he or she is away for some time may not be aware of having incurred a fine. The motorist may be in serious trouble with the law on return as a result of failure to keep proper and accurate records.

This is an area requiring close attention and monitoring. The bill helps to address some of those issues in regard to the obligation on a private company to ensure that accurate records are kept. There is a risk to motorists, particularly country and rural motorists, who are more likely to use a day pass or to be inexperienced in the use of the system.

The Bracks government must be congratulated on a number of its commitments designed to protect City Link users. A better balance must be struck between the rights of the toll companies and those of road users. The correct balance between rights and obligations is important. If it is out of kilter, someone in a strong position can ignore argument or reason because of the right to act and enforce the law. During the seven years of the Kennett government there was arrogant use of power and an absence of considered responses. In a monopoly, powers are abused. Throughout Australia and the world major monopolies have grossly abused privacy to crush dissent.

The bill recognises the rights of the tolling company and the users. The provisions to improve access for country people through the introduction of lower tolls for rural and regional users and occasional users are important. The ability to differentiate between the tolls is crucial. The need to buy a day pass for the entire link concerns me, as most users do not travel around the entire link and will not travel through the whole system. Melburnians pay only for the bit used. The capacity to access a cheaper pass is a fundamental right and entitlement for rural and country users.

An honourable member interjected.

Mr MAXFIELD — I do not wish to respond to uninformed comments from the other side of the house.

It is not the government's role to collect fines. Transurban wants to see fines implemented to enforce its tolling mechanism. If the government did not implement the fines, motorists would not pay.

An honourable member interjected.

Mr MAXFIELD — Limiting tolling to specific parts of City Link and making available the wider use of options such as the Tulla pass are extremely important.

I turn to my use of the day pass. There is no tolling for people coming to the city from my electorate of Narracan. At this stage I am unlikely to have much use for the City Link project, but recently I visited Wangaratta and decided to try the system by travelling through Melbourne on my way home to Gippsland. I left Wangaratta at about 9.30 p.m., and while in the car I used my hands-free mobile phone to arrange a day pass. However, confusion reigned supreme. I was asked on which day I wished to travel through City Link. I replied that I was unsure how long the journey from Wangaratta would take but that I expected to arrive about midnight.

The people I spoke to could not handle my query because I was unsure about the day for which I wanted a day pass issued. I explained I could pass under one tolling gantry at 5 minutes to midnight and another gantry at, say, 1 minute past midnight. They were in a flap, but after umming and ahhing they realised that a grace period applied until 3.00 a.m. However, they made it clear that the period of grace was only temporary. I wondered what would happen to people travelling at midnight once the period of grace expired. Will they be required to purchase two day passes, or will they have to pay extra for a late day pass?

An honourable member interjected.

Mr MAXFIELD — As a hardworking member of Parliament I regularly tour around rural Victoria. Honourable members on this side do not hide away as the Kennett clones did when they were in government.

I wish to speak about the importance of tourism to Victoria. When I stood for election last year I made it clear that tourism was an important growth area that should be actively supported. In my electorate Labor announced a range of initiatives to support tourism. I wonder how tourists will be affected by City Link given that my constituents and I have difficulty obtaining information about the tolls.

Under the heading 'Visiting Victoria is enough to drive you crazy, broke', an article in the *Launceston Examiner* of 10 February states:

Hands up all those who know what an e-tag transponder is?

Hmm, not many, I see.

Okay, hands up everyone who has heard of something called City Link?

A few more. Now, that's better.

As for the rest of you, I just hope you realise your ignorance could cost you big bucks.

That is if you take your car on The Cat or ferry to Melbourne and travel around the city a bit.

Articles such as that appear in other states. We want to encourage people to visit Victoria and spend money in the state. Besides their staying in Melbourne, we want them to travel throughout the state. If they arrive by ferry they must travel through City Link to visit Victoria's beautiful countryside.

The article continues:

Former Premier Jeff Kennett oversaw an economic rationalist programme that also kicked out tram conductors in favour of Kelvinator-size ticket-issuing machines.

What a heartbreak scenario Melbourne presents to the world these days.

What a tragedy it is that that sort of information is being spread around other states. That is what the former Kennett government did to Victoria. No wonder its members are now sitting on the other side.

How will international visitors cope, particularly those with a limited or no understanding of English? The *Age* of 26 January has an article written by Michael Corless of Staines, England. Under the heading 'I'm not a cheat, but how do I pay the toll?' he writes:

I am disappointed in your use of the word 'cheats' in your report on toll-road penalties (the *Age*, 24/1). Drivers who use City Link are not cheats, but they are themselves cheated of a sensible system of payment.

Mr Corless is an international visitor who felt compelled to write a letter to the paper about his experience. It is as though we are saying to people, 'We do not want to make the system user friendly. We do not want to know you if you do not have an e-tag'. When a visitor hires a car with an e-tag he or she has usually gone to the next destination by the time the hire company receives the tolling information. The current system means that tourists must understand how a day pass works. Heaven forbid if they are travelling in rural Victoria and want a late day pass!

Mr Doyle interjected.

Mr MAXFIELD — The car companies have. It may come as a shock to the honourable member for Malvern that tourists hire cars. The cars are not driven by the hire car company employees; they are hired out to customers. It is all part of what is called tourism! Members of the former Kennett government apparently think that Victoria stops at the casino. They do not think there is such a thing as rural Victoria.

Why is the Australian Labor Party now holding more seats in rural Victoria than the Liberal and National parties combined? Because we know that rural Victorians exist, and we understand and recognise them. The comments from the other side of the house indicate that opposition members do not understand them. All they want to do is look after their little metropolitan mates, and they cannot go beyond that.

On the question of vehicle classifications for City Link, I remind the house that in rural electorates such as mine a lot of farmers and other rural people drive utes.

Mr Leigh — Are you for this bill or against it?

Mr MAXFIELD — I support the bill.

Opposition members interjecting.

The ACTING SPEAKER (Mr Seitz) — Order!
The honourable member for Berwick!

Mr MAXFIELD — I support the bill because it removes some of the hideous impediments perpetrated on the state by the former Kennett government. It is an improvement in that sense. We do not like the tolling system or the fact that we have to pay for the use of roads, but we are fixing up your mess.

In rural areas we have utes. There are Holden Rodeos, twin chassis units — all sorts. The City Link classification of vehicles does not work properly for such vehicles. For example, I might want to swap one transponder between my vehicles, especially if I do not come to Melbourne all that often. I might want to take it out of my Commodore and put it in my Rodeo ute — not an unusual thing to do. A lot of country people use a pair of vehicles like that, especially if they have a few acres or enjoy rural recreational pursuits such as camping. But can they use their transponders that way? Well, it appears that some can and others can't. The Werribee *Banner* of 16 February outlines the case of Mr Adrian Cox, who fought an 18-month battle with Transurban:

Mr Cox bought the e-tag for use in his family's two cars — a 1998 Commodore and a Holden Rodeo Crew Cab. He was told he could use both e-tags for both vehicles.

Sounds reasonable and logical to any reasoning person.

However, he was then informed that his Rodeo had to be reclassified by Transurban as 'light commercial'.

Light commercial! Would you believe it! Methinks we might be dealing with a 10-tonne truck, not a Holden Rodeo. The decision by Transurban remains the point of Mr Cox's protest — a protest that has, sadly, fallen on deaf ears.

The former Kennett government wanted weekend visitors from the country to pay \$14 for the visit. That is, before changes were implemented a country user coming to Melbourne for the weekend needed two day passes, so a visit to Melbourne by a country motorist cost \$14. The former government called that looking after country Victoria! No wonder I hold a seat the ALP has never held before! The former government wanted the people in my area to pay \$14 just to visit Melbourne for the weekend. What an appalling outrage! The former Kennett government knew about it and did not care.

I could also mention the cost of petrol to rural Victorians and what the former Kennett government

did about that. The situation with day passes has improved, so the weekend trip can now be done for \$7. The Bracks government is delivering again for rural Victorians.

A constant stream of people has been coming into my office complaining about City Link. Even members of the Liberal Party have come in complaining about it. A truck driver was caught unawares at Christmas time with the introduction of the tolling system. He could not get an e-tag quickly enough, so he had to drive his truck to Melbourne to collect one. When he got there he found he had to queue up, but he could not get his truck off the road in order to queue, so he had to bypass the tollway and stay off it until he could organise an e-tag. That took way too long.

Peter Borg, a constituent of mine, came to see me about a \$25 fine he was facing. He had had to go to Bendigo unexpectedly and had driven through City Link on the way. He thought to himself as he drove through the city that he would be able to buy a late day pass. He knew such things existed. They cost an extra dollar, but he thought, 'Well, I will have to put up with that'. Next day he went to his local post office and found he could not buy a late day pass there. When he asked where he could get one he was told he could drive the 100-kilometre trip back to Melbourne to get one. He did not own a credit card so he had no other option. Why should Peter Borg be required to own a credit card? He had no way of buying his late day pass.

That is the current system foisted upon us by the former Kennett government. It victimises country users, because the only place such a person can get a late day pass is in Melbourne. What did members opposite do about that when they were in government? Absolutely nothing. They tell us that late day passes will shortly be available at Shell petrol stations. What a great idea! There is no Shell petrol station in or near Warragul. That is the system being foisted upon us. It is of grave concern to me.

Why do I object on principle to tolls? They discriminate against low-income earners. The rich Liberal mates in their Rolls Royces find the money spent on City Link is just peanuts — small change floating around that they don't notice. Low-income earners, however — —

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

Sitting suspended 1.01 p.m. until 2.02 p.m.

Debate interrupted pursuant to sessional orders.

QUESTIONS WITHOUT NOTICE

Electricity: Yallourn dispute

Dr NAPHTHINE (Leader of the Opposition) — Given yesterday's extraordinary admission by the Minister for Energy and Resources that she was informed on Wednesday, 2 February, about imminent power shortages, I ask the Premier why, in contrast to the South Australian government, his government waited until the following day when power blackouts were sweeping Victoria before notifying the public of restrictions.

Mr BRACKS (Premier) — I thank the Leader of the Opposition for his question. It should be noted that the opposition when in government privatised electricity in Victoria.

Honourable members interjecting.

The SPEAKER — Order! I ask the house to come to order to enable the Premier to answer the question.

Mr BRACKS — The Liberal–National coalition left no effective buffer in the electricity system in Victoria, and it signed electricity contracts with privatised companies that did not oblige them to generate electricity in Victoria. That is the reality.

Opposition members interjecting.

The SPEAKER — Order! The honourable member for Mornington has been interjecting persistently and loudly. I ask him to cease interjecting.

Mr BRACKS — That is the legacy that must be noted by every Victorian. The first time the government was advised that load shedding would occur was on the morning of Thursday, 3 February.

Dr Napthine interjected.

Mr BRACKS — I inform the Leader of the Opposition, who is getting excited, that on the evening of 2 February the government learnt that a second generator at Hazelwood had failed for technical reasons, but that an outage was not anticipated because of a buffer that was in place in Victoria — the two smelters at Portland and Geelong provided a buffer that South Australia did not have.

Overnight the maximum temperature forecast in Victoria soared from 18 degrees to 27 degrees, and the temperature forecast for the next day went from 32 degrees to 38 degrees. Following the revised

forecast the Acting Premier informed Victorians that an outage was likely that day.

Gaming: machines

Mr MILDENHALL (Footscray) — I refer the Premier to the government's release of statistics showing electronic gaming machine losses for each region of Victoria, and I ask that he inform the house of the government's plan to civilise Victoria's gaming industry?

Mr BRACKS (Premier) — I thank the honourable member for Footscray for his question. I know he has been struggling with this issue.

Opposition members interjecting.

Mr BRACKS — I am not surprised that the opposition, particularly the Leader of the Opposition, does not take this matter seriously. This serious problem was inherited from the previous government, and this government is determined to fix it.

Labor went to the last election with a substantial policy on the gaming industry. The policy was based on years of listening to Victorians' concerns about how the gaming industry was regulated in Victoria. Victorians told the government that they liked to have a bet, but they were sick and tired of nothing being done about the proliferation of gaming machines in various communities — in some communities it had reached saturation point. Victorians told the Labor Party they were sick and tired of a government that promoted the gaming industry rather than regulating it.

Labor's gaming policy is a comprehensive response to the concerns of Victorians, who want a gaming industry but want it to be regulated and properly moderated so that Victoria has a balanced industry instead of one that is out of control. Labor wants to introduce the toughest gaming regulations in Australia.

Dr Napthine interjected.

The SPEAKER — Order! The Leader of the Opposition will cease interjecting.

Mr BRACKS — He is obsessed by the past. He is obsessed by his former leader.

The SPEAKER — Order! The Premier will address his remarks to the Chair.

Ms Asher interjected.

Mr BRACKS — He is on probation for the next 58 days. The six months will then be up and you will

pass the verdict on the Leader of the Opposition — 58 days!

Honourable members interjecting.

The SPEAKER — Order! I remind the opposition backbench that the chamber is not a football ground. That level of cheering will not be tolerated by the Chair.

Mr BRACKS — Labor's gaming policy is a comprehensive response to the concerns of Victorians who want a balanced gaming industry. Labor will introduce the toughest gaming legislation of any state. It will freeze the number of gaming machines in Victoria to 2500 at Crown Casino, and the existing cap will remain at 27 500. It will enable regional caps on gaming machines to be set for the first time. It will give councils a say in the placement of gaming machines in their areas — a say they have not had before.

Labor will also compel gaming and casino operators to give players meaningful information on the payout rates on machines. It will deliver bans in regional Victoria on any new 24-hour licences, it will create powers to impose limits on advertising and it will pursue a policy of truth in advertising for gaming in the future. It will also set up an independent panel to oversee research into gaming and strengthen the independence of the Victorian Casino and Gaming Authority as the regulator of gaming.

Those policy initiatives were attacked time and again by the former Premier, Mr Kennett. Victorians who raised concerns about gaming were told they were whingers, anti-Victorian or moralistic. Those comments came from the previous Premier, whom the opposition leader holds in such high esteem as honourable members heard this morning. When the churches raised concerns they were told they did not represent their constituencies; when judges raised concerns they were told they had overstepped their roles; when members of the Labor Party asked for moderation, they were vilified by the previous Premier. The era of Victorian gaming being out of control is now over.

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Benambra!

Mr BRACKS — Pursuant to its commitment to transparent and open government, today the government released for the first time exact details of the gaming revenue derived from communities over the past five or six years compared with that for 1992–93. The government has released the sort of information the previous government refused to release. Those figures

show that gaming and betting in areas such as Monash and Maribyrnong over that period have increased by something like four times.

The government will not sit by and accept that gaming is out of control, it will bring it back into balance. Unlike the previous government, the Labor government will stand up on behalf of the community and demand a civilised, proper and balanced gaming industry in Victoria. The government has shown leadership in Victoria — a leadership which the previous government did not show. It is now up to the opposition to support our reforms — —

Mr McArthur — On a point of order, Mr Speaker, I draw your attention to rulings given by Speakers Delzoppo and Plowman on the length of replies by ministers and to your announcement to the house yesterday about questions and the length of replies. I ask you to uphold the traditions of the house and draw the Premier's answer to a conclusion.

The SPEAKER — Order! I remind the house that yesterday I set out my expectations for the conduct of question time. I believe the Premier is not being succinct and I ask him to conclude his answer.

Mr BRACKS — As I said, it is now up to the opposition to show whether it will support the changes in the future. The government has brought responsible gaming initiatives into the state and the onus is now on the opposition. Will it support the previous Premier's policies or does it have policies of its own for the future?

Electricity: Yallourn dispute

Dr NAPHTHINE (Leader of the Opposition) — I refer the Premier to the admission yesterday by the Minister for Energy and Resources in the other place that a number of ministers were given early notice on Wednesday, 2 February about imminent electricity shortages and to his answer to my previous question and ask: will the Premier uphold his commitment to transparent and open government and immediately release all of that advice?

Mr BRACKS (Premier) — There is always — —

Honourable members interjecting.

Dr Naphthine interjected.

The SPEAKER — Order! The Leader of the Opposition has asked his question; he will cease interjecting to enable the Premier to answer it.

Mr BRACKS — The Leader of the Opposition has highlighted the inherent danger of not amending a question previously answered. As I said in answer to the previous question, the government received advice on Wednesday, 2 February that one power station had gone down. It also received advice that there was no likelihood of a shortage because of that. As I previously pointed out to the opposition leader, the information the government received changed. The next day the temperature was some 6 degrees higher than was forecast, so conditions had changed. The opposition leader should read carefully the words of the Minister for Energy and Resources and the response I have previously given. He has misled the house with his question.

Honourable members interjecting.

The SPEAKER — Order! I have continually asked the Leader of the Opposition to cease interjecting. I will not warn him again.

Mr BRACKS — The Leader of the Opposition should have the flexibility to change his question; it has been answered before. Clearly the changed conditions meant that the original advice the government received changed on 3 February, the day after. When the changed advice was received it was acted on by the Acting Premier, who announced that there would be power rationing that day.

Dr Napthine — On a point of order, Mr Speaker, with respect to providing succinct and relevant answers to the question, the question asked was whether the advice would be released today. The answer is yes or no. Will the Premier release the advice?

The SPEAKER — Order! In outlining my expectations yesterday to the house I specifically mentioned the issue of the repeating of questions. I do not uphold the point of order. I believe the Leader of the Opposition was merely repeating his question.

Honourable members interjecting.

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

Seal Rocks Sea Life Centre

Ms DAVIES (Gippsland West) — I refer the Minister for Environment and Conservation to Seal Rocks at The Nobbies on Phillip Island. Is the Seal Rocks centre fulfilling both its financial obligations and those designed to protect penguins as per the contract signed with the previous state government?

Ms GARBUTT (Minister for Environment and Conservation) — I thank the honourable member for her question. It is an issue of which she has a detailed knowledge as it played a large part in her coming to the Parliament; she was prepared to listen to her community while the previous government was not.

Contracts were signed by the previous government detailing arrangements, including fees and rents payable by the Seal Rocks Sea Life Centre. The previous government was approached by the management of Seal Rocks to vary the contracts but the issue was not resolved. The Seal Rocks management has now approached the current government to make some changes, and it is currently considering those changes.

I have received many complaints about the use of Ventnor Road after dark, as I am sure has the honourable member for Gippsland West. Seal Rocks management vehicles leave the centre after dark, which puts penguins at risk because they use the whole area when returning to their burrows. It is an important issue because Phillip Island and the penguins are major tourist attractions for the state.

An agreement has been in place governing the use of management vehicles on the road after dark but there have been disputes about the issue. I am investigating the complaints. I will make further inquiries on the issue and investigate any penguin deaths that have resulted from the situation.

CFA: firefighters dispute

Mr RYAN (Leader of the National Party) — I refer the Minister for Police and Emergency Services to his answer in the house yesterday when he stated that the chief fire officer of the Country Fire Authority, Mr Trevor Roach, was not involved in discussions to solve the current industrial dispute with the United Firefighters Union because his role is operational. Is the government considering forcing the authority to give the union a right of veto over CFA operations?

Mr HAERMEYER (Minister for Police and Emergency Services) — No.

Gaming: machines

Mr LANGDON (Ivanhoe) — I refer the Minister for Gaming to the government's commitment to a responsible gaming industry and ask what action he has taken to involve the community in the development of a new regime for gaming in Victoria.

Mr PANDAZOPOULOS (Minister for Gaming) — I thank the honourable member for raising the issue with me. He has been a strong advocate for a responsible gambling industry and for the government to take strong action to reform gambling in Victoria. I thank him for the work he has been doing on that matter, as have many honourable members on this side of the house.

Members opposite were not listening to the people, and that is why they are now in opposition. When we were in opposition we travelled around the state and listened and learnt about the policies we needed to take to the community. We are still listening in government — —

Honourable members interjecting.

The SPEAKER — Order! The minister will not debate the question. I ask him to come back to answering it.

Mr PANDAZOPOULOS — The focus of the question was on what the government is doing to involve the community, and part of that involves the government continuing to listen. A bill will be brought into Parliament to introduce initial reforms to the gaming industry that will change the framework of the industry. The next step is to continue listening and involving the community. It is important for the government to send a strong message to the community and the gaming industry saying that it is listening and there is more reform to come.

The bill deals with regulation issues, and consequently the government has launched a discussion paper that will be widely distributed. It is available on the Web, and community members can make submissions to the government about the types of regulations they would like to see the government introduce as part of the new legislation.

Earlier today the Premier listed a number of issues the bill will address, but the government still wants feedback from the community. It wants to set regional caps, and it wants input on the formulation of the caps.

The government said it wants truth in advertising, but what type of advertising should it limit? The government said it wants to have information provided for players, but what type of information? The government wants to involve the community in decision making.

An important government initiative was to release figures on the gaming industry, and Victoria is the first and only state in Australia to provide figures in four different formats: the net loss in each local government

area, so that the community can see how much is raised by venue operators in each local government area; the net loss on a per capita basis for each local government area; the number of machines per 10 000 people; and the percentage growth year by year since gaming machines were introduced in 1992–93.

Why is that important? The government is allowing the community to have access to information so that the consultation process can be worked through with the community and people can make submissions about setting caps or on the social and economic impact of new gaming venues in their areas. The government will continue to involve the community, the gaming industry and any concerned groups.

I will travel around Victoria to meet with community members to give them the opportunity to have input in a form other than a formal written submission. The government is prepared to spend time talking to communities. It is a shame the other side has not done much listening.

The real challenge will be whether opposition members will support the reforms. The reforms create a responsible gambling industry and reduce the harm caused by problem gambling. The government looks forward to the opposition's participation in the debate and to discussions with the community. I thank the honourable member for Ivanhoe and all the Labor team. I thank the Independents, who are just as concerned as government members about gambling in their areas. The other side is not interested in reform, but this government wants to see a change in the gambling industry.

Intergraph: royal commission

Mr DOYLE (Malvern) — Will the Minister for Health advise the house who directed the Metropolitan Ambulance Service to withdraw as a party from the royal commission into the Metropolitan Ambulance Service, despite the express concern of the royal commissioner, Mr Lasry, about the effect the directive will have on the proceedings and the outcome of the royal commission?

Mr THWAITES (Minister for Health) — I welcome the first question from the shadow minister in something like 200 questions.

Honourable members interjecting.

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

Mr THWAITES — This is the first time in four months that the shadow minister has asked a question. It is an odd topic for the shadow minister to ask a question about; I would have thought this is one of the first examples of the witness asking the question. The shadow minister was the parliamentary secretary responsible for many of the cover-ups.

Honourable members interjecting.

Mr McArthur — On a point of order, Mr Speaker, only yesterday your advice to the house was that ministers should not debate the issues and should not debate other members of the house but should stick to the topic and get the response over and done with succinctly.

The SPEAKER — Order! There is no point of order. The Minister for Health has barely had an opportunity to start debating the question. If he does proceed down that track I will call him to a halt. The Minister for Health, answering the question.

Mr THWAITES — The government is doing what it committed itself to do — that is, to have a royal commission. It was part of the charter and part of the agreement with the Independents. The government is trying to fix the scandal and the mess left by the previous government. The government stated that it would have an effective royal commission but one that was not excessively lengthy or expensive. Government policy across all agencies is not to have individual departments or agencies represented by separate lawyers. That policy is in place to save taxpayers' money.

I would have thought the opposition would have wanted to protect taxpayers' money in the ambulance service, given its reputation for having wasted millions of dollars on legal fees on Intergraph and the other scandals.

Honourable members interjecting.

Mr THWAITES — The person who had his fingers all over this, who was signing some of the documents and who was giving the instructions, is none other than the shadow minister himself.

Regional Infrastructure Development Fund

Mr HELPER (Ripon) — I refer the Minister for State and Regional Development to the Regional Infrastructure Development Fund, which was opposed by the opposition, and ask: will the minister detail to the house the progress of this fund which provides a

massive boost to infrastructure in regional and rural Victoria?

Mr BRUMBY (Minister for State and Regional Development) — I am delighted to inform the house that just last week I issued guidelines — —

Mr Ryan interjected.

Mr BRUMBY — I'll come to you. I issued guidelines for the government's \$170 million Regional Infrastructure Development Fund. The fund is great news for country Victoria and is proof positive of the Bracks government's commitment to rebuilding all of Victoria — including country Victoria and its regional centres.

The infrastructure development fund guidelines provide that funds are available for economic infrastructure, transport infrastructure, education, information technology, tourism infrastructure, and so on. I am delighted to say that the funds will be available from the new financial year on 1 July.

I want to contrast the commitment of the Bracks government to regional Victoria through the \$170 million fund with the policies of the former government, particularly the Agenda 21 program.

Through that program the previous Kennett government put something like \$933 million into capital works across Victoria. Guess how much went to regional or rural Victoria? Guess the percentage.

Mr Batchelor interjected.

Mr BRUMBY — Fifty per cent? No, lower.

Mr Thwaites interjected.

Mr BRUMBY — Forty per cent? No, lower.

Honourable members interjecting.

Mr BRUMBY — Thirty per cent? No, lower. Of the \$933 million in Agenda 21 funding the total commitment to country Victoria was \$17 million — that is, 2 per cent.

Mr Batchelor interjected.

Mr BRUMBY — As the minister says, statistically it is almost an aberration. Those numbers are important: the Bracks government, \$170 million; the former Kennett government, \$17 million — that is, one-tenth.

You would think the new opposition, the New Nationals, would learn from that. But two weeks ago I

received advice from the now Leader of the National Party, who wrote to me suggesting his own guidelines, which he said were closely modelled on those applicable to the Community Support Fund — —

Mr Maclellan interjected.

The SPEAKER — Order! I call on the honourable member for Pakenham to cease interjecting.

Mr BRUMBY — The point is that I was asked about the guidelines, and I was issued guidelines by the now Leader of the National Party, who said the guidelines should be based on the Community Support Fund. As honourable members will know, under the previous government the Community Support Fund was essentially a mechanism to siphon funds out of regional Victoria into metropolitan Melbourne. For example, Ballarat contributed \$9 million and got back just \$3 million.

Honourable members interjecting.

Mr Ryan — I raise a point of order, Mr Speaker, on the question of relevance. The points are twofold. The first is that obviously the minister is debating the question. Secondly, as he well knows, the material that he is reading out is not that which was provided to him in the sense that it came to him. The guidelines were modelled on the CSF, and not in the way that he is putting it — and he knows it.

The SPEAKER — Order! I do not uphold the point of order. However, I ask the minister to come back to answering the question and not to debate it, as he has tended to do on one or two occasions during his answer.

Mr BRUMBY — Mr Speaker, I thank you for your advice.

In developing the guidelines the government obviously looked at a whole range of possible options. The suggestion to use the guidelines applicable to the CSF was made by the Leader of the National Party, but the government rejected those because, under the previous government, the CSF operated as a siphon to take funds out of country Victoria and into Melbourne. For example, Bendigo paid in \$8 million and got back just \$2 million; Geelong paid in \$21 million and got back just \$1.6 million; and Wodonga put in \$2.5 million over five years and got just \$120 000 in return. Where did the difference go? The difference went straight to Melbourne.

The Bracks government is committed to rebuilding and renewing country Victoria. It has established the Regional Infrastructure Development Fund; it is

providing \$120 million for reducing black spots, a program the Premier launched yesterday with the Minister for Transport; it is providing \$85 million for the provincial city rail improvement program. The government is getting on with the job. You are living in the past with — —

The SPEAKER — Order! The minister will address his comments through the Chair.

Mr BRUMBY — The opposition is living with the same old policies that worked against country Victorians. This government is getting on with the job of rebuilding country Victoria.

Intergraph: royal commission

Mr DOYLE (Malvern) — Is the Minister for Health aware of independent legal advice sought by the Metropolitan Ambulance Service which confirms that the MAS should be represented legally as a party to the Metropolitan Ambulance Service royal commission? If so, will the minister advise the house why the government directed the MAS to ignore the advice?

Mr THWAITES (Minister for Health) — I am not aware of that advice. If the shadow minister has a copy and makes it available to me I will be happy to look at it.

Nursing homes: regulation

Ms LINDELL (Carrum) — I refer the Minister for Aged Care to Victoria's public sector nursing homes — —

Honourable members interjecting.

The SPEAKER — Order! The house will come to order to enable the honourable member for Carrum to ask her question.

Ms LINDELL — I refer the Minister for Aged Care to Victoria's public sector nursing homes and ask her to inform the house of the government's plans to redevelop nursing homes which the previous government planned to privatise?

Ms PIKE (Minister for Aged Care) — Public sector nursing homes are community assets — they belong to and add enormous value to local communities. Of the nearly 37 000 nursing home and hostel beds in Victoria some 20 per cent are within the state's public sector — that is about 197 facilities in all, most of which are in rural communities. Small rural nursing homes can be the lifeblood of country towns and even regional

centres. If a nursing home is taken out of a country town every family in the town will suffer.

Victoria's public sector homes are an extremely valuable asset, which is why the Bracks government is allocating \$47.5 million over three years to enable them to achieve required building standards. The government is pleased to make this investment because it is in the interests of local communities and will keep community nursing homes open and small country communities alive. That is also why the government has stopped the sell-off of nursing homes that began in 1994.

Last year the previous government was in the third stage of privatising public sector nursing homes and hostels. It had its sights set on privatising at least 3000 beds on top of the 485 beds that had already been privatised. Where were these homes going to be — Geelong, Ferntree Gully, Mount Eliza, Rosebud, Cheltenham, Red Cliffs near Mildura, Colac, Bendigo and even in the electorate of my colleague the honourable member for Caulfield. Where were these homes going — the private sector, even though there was no evaluation of the success or otherwise of stages 1 and 2, which had seen the lion's share of the deals going to the private nursing home operators.

The deals particularly went in favour of the well-known, Sydney-based Moran family that has built an international empire on nursing homes. Deals given away by the previous government to the Moran family gave them the coveted foothold that it needed to get into the Victorian nursing home industry, which, of course, raised the ire of locals even more.

The government is appalled that its predecessors would sell off more nursing homes, particularly without any evaluation of the impact on the standard of care, residents, or local communities. The government is concerned that the previous government spent hundreds and thousands of dollars on consultants — more than \$1.4 million on consultants — lawyers and accountants, but did not spend a single cent on evaluating whether stages 1 and 2 of the massive privatisation program was actually working for local communities. It was a grand scale experiment which would affect the lives of Victoria's frail, elderly people.

Mr McArthur — On a point of order, Mr Speaker, I draw your attention to points 4 and 5 of the announcement you made to the house yesterday. Point 4 states:

Questions should not be used as a vehicle for the discussion of issues. Ministers should therefore not attempt to debate issues when giving answers.

Point 5 states:

Should a minister wish to make a lengthy speech or statement the proper form is via a ministerial statement.

Sir, I suggest that the minister currently responding to a question was either asleep or absent from the house when you made that statement. Perhaps you could draw it to her attention now.

Mr Batchelor — On the point of order, Mr Speaker, yesterday in delivering your guidelines for the conduct of — —

Mr Leigh interjected.

Mr Batchelor — I beg your pardon; I did not write them. You said I wrote them. I did not write them. You are a sleazebag!

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Mordialloc! The honourable member for Doncaster is being disorderly. The Leader of the House should address his remarks through the Chair.

Mr Batchelor — The guidelines you issued yesterday, Mr Speaker, indicate that the purpose of question time is to ask questions to elicit information. If information is available surely it is appropriate that it be given when answering questions.

The SPEAKER — Order! I do not uphold the point of order. In issuing my expectations yesterday and adhering to them today I asked all ministers to provide information to the house. On this occasion the Minister for Aged Care was doing that and was being succinct — she had been speaking for only 3 minutes. I ask her to conclude her answer.

Ms PIKE — The work of the consultants is pertinent to the government's determination to discontinue the massive privatisation experiment. Public relations consultants employed by the previous government analysed the local situation in rural communities. The analysis states that there was:

... continuing scepticism about the outcome benefits of policy to shift from state provision of residential care services for older people ... Some local communities in the phase 3 redevelopment program have voiced opposition to the program and lack of hard data on the successes of stage 1 and 2 of the transfer projects.

How cynical of the previous government to proceed with privatising 3000 beds when even its own public relations experts were highlighting the lack of data! The previous government spent \$350 000 on top public

relations consultants to run its campaign to annihilate local community opposition.

Honourable members interjecting.

The SPEAKER — Order! the minister is now debating the question. I ask her to conclude her answer.

Ms PIKE — Instead of spending \$350 000 to put the spin on local communities and on staff, to pass people over like chattels to new owners, the government will invest in local communities. The \$1.4 million spent by the previous government on the privatisation process could have kept 10 small rural nursing homes alive.

The government is spending the \$47.5 million because it is committed to working through the challenges faced by state homes as a result of seven years of neglect and a lack of commonwealth funding. It will achieve better health and aged care services for the Victorian community and secure — —

Dr Napthine — I raise a point of order on a point of relevance. If I recollect the question precisely, it referred specifically to nursing home beds that the previous government intended to privatise. The minister is not confining her remarks to the issue; she is referring to a number of rural communities where nursing home beds were not to be privatised. Indeed, the previous government allocated over \$40 million for them. It is in last year's budget and this year's budget.

The SPEAKER — Order! There is no point of order. The Chair will not tolerate points of order being taken to enable members to debate an issue or provide information when a question is being answered.

Ms PIKE — The government's policies will restore security to nursing home residents across Victoria. But the government will do more than that: it will add confidence to local communities.

Mr McArthur — On a point of order, Mr Speaker, I seek your clarification on the issue of relevance. I have had a close look at the statement you made to the house yesterday. The opposition is as keen as you are to make question time more meaningful and informative for members and the general public.

In examining your statement I see there is no mention of relevance. I therefore conclude that the Chair will use as its guide the standing orders and the rules of precedent in deciding the relevance of responses to questions.

I seek your guidance as to how a member might raise a point of order relating to relevance while avoiding referring to or repeating the question that was asked. In order to establish a point of order on relevance, I put it to you, Sir, that members will at some stage have to remind the Chair of what a question contained.

If it will assist, members of the opposition parties are happy to make a copy of their questions available to the Chair once they have been asked. As I said, I seek your guidance as to how we should deal with the issue of relevance if we are not allowed to repeat or refer to questions in raising issues of relevance.

The SPEAKER — Order! The first point I make on the point of order is that my statement to the house yesterday is in addition to what is contained in the standing orders, the sessional orders and the precedents regarding question time.

The second point I make is that a member can raise a point of order to bring the Chair's attention to a question of relevance, which the Chair will rule on, without necessarily repeating the question.

MELBOURNE CITY LINK (AMENDMENT) BILL

Second reading

Debate resumed.

Mr SMITH (Glen Waverley) — So far, the opposition parties have found nothing in the bill to convince them that it is anything other than one of those bills that help to erode the confidence of the business sector, including the developers and the people who are likely to invest in Victoria. Although the bill takes on board a number of mainly nitpicking issues, there is some merit in it; but it tells a story about the government that the house has heard time and again.

The government was on a honeymoon for its first 100 days, but that came to an end when the power strike hit Victorians some weeks ago. The honeymoon is over, and it will not be a long marriage. After the next election the separation will be well and truly in place and the opposition parties will be back in office. That is the feeling of most Victorians, and it is a feeling shared by the members of the opposition parties. We are determined to get back into government because of what we have seen of the maladministration of the present government.

The bill says much about the government's double standards and hypocrisy, and I will talk about both

those aspects during my contribution. When it was in opposition the Labor Party condemned the idea of toll roads. Day after day the house listened to the condemnations of the honourable member for Thomastown. The Labor Party criticised Transurban as well as the construction work on the City Link project. Labor put on incredible stunts to get publicity for itself, in some cases encouraging people to put their lives at risk — and as we are well aware there was one fatality. The stunts, which were carried out on construction sites, were the actions of irresponsible individuals.

After the initial free-trial period, the western link is operational. The people who travel along the western section of City Link without e-tags or day passes are liable to incur \$100 fines. At this stage of the game, from what I gather from constituents who have contacted me, at the behest of the Minister for Transport cautionary letters are sent to drivers who deliberately disobey the law. The minister has encouraged people to break the law through his actions in opposition and through his words in government.

Although a \$100 fine is the maximum for an offence, some offences have attracted fines of up to only \$25. When I checked with Transurban's public relations department I was told that offenders who transgress more than four times in the first three months will be liable for the full \$100 fine. Given all the criticism, the hype and the stunts, we have not heard one word about where the money is going. The inference is that the \$100 fines will go to Transurban's profits, but what is the reality, Mr Speaker?

The reality is that some \$7 of that \$100 will make up the cost of travelling freely on City Link. The other \$4 to make it up to \$11 is for office procedures and costs. Only \$11 of that \$100 will go to Transurban. The remaining \$89 goes into government coffers. Actuarial studies show that the government will receive some \$20 million a year. What will it do with that money? Will it be used for scrapped projects such as the Scoresby freeway? Will it be used for road construction and maintenance?

One after the other government members continue to knock Transurban and City Link. They are in the habit of whingeing and moaning. Clever people that they are, they try to turn it back on the opposition by saying it is doing the whingeing. The opposition is ensuring that the government is vulnerable and it has made very sure of that in the past weeks.

There is no more vulnerable government than the Bracks government. I have had conversations with people in the media who have rung and asked how I

thought the government was travelling. When I ask them for their opinion they say they think the government is travelling badly but it is not yet time to turn on it.

The bill is a good example of where the government has gone wrong and why it is not governing in the interests of Victorians. People have lost trust in the government. In a marriage, the biggest factor is trust. Those of us who are experts on the subject know that when trust goes the marriage is gone. The trust of the Victorian people that enabled the government to be elected has gone.

Honourable members on the other side constantly say the Labor Party won government. The Labor Party did not win government; the Independent members won government. The Labor Party formed government with the support of the Independents and it is vulnerable, as is any minority government.

The bill shows the hypocrisy of the government. In talking with Transurban people it appears that the theoretical side of the tunnel problem has been solved. The minister is not publicising that news because it does not suit his political agenda. Transurban claims that the work will be completed by mid-year or shortly after. The work involves putting anchors down as far as 75 metres into the rock floor under the Yarra River. That is an incredible engineering feat. After the Snowy Mountains scheme the City Link project is probably the most exciting project in Australia. However, honourable members on the other side have done nothing but carp, whinge and condemn the project even though the government will reap the benefits, particularly in the finance area.

The government is still taking the softly, softly approach and is being cautious but it has not given any credit at all to the project. Most honourable members on the other side say, 'We do not want to pay the toll'. In this life, to have good projects you either put up taxes or choose privatisation where the users pay. That is one factor that made the former government decide to hand the project to the private sector.

No-one likes paying taxes. However, people will find that the bottlenecks when coming in from the eastern suburbs and the incredible time it takes to get onto the western link and the West Gate Bridge will be no more. Recently, I was returning from Ballarat. I reached the West Gate Bridge at about 5 o'clock. It took me about 1½ hours, and I thought I was going a clever way to get on to the south eastern freeway. It is impossible.

When the project opens people will be able to go straight through. I asked the people at Transurban if the project could be guaranteed, and the answer was yes. It is possibly fortunate that problems have occurred before people became used to travelling through so quickly. The City Link project will have people in awe, just like the Snowy Mountains scheme. The engineers who worked on that scheme were themselves awe-struck at the magnitude of what they did. That will happen with City Link when the final phase is completed later this year.

Why will the government not say where it will put the extra money it receives? Everyone has read that it received a surplus when it came to power. If the government is so anxious to knock the City Link project why does it not use the surplus and make itself a big hero and buy it back. That is not the way the Bracks government operates. The Eastern Freeway tunnel, costing some \$360 million, is the only major project announced. What about people in the western suburbs where the government's supporters live? They are asking when they will receive something. The government has announced nothing for the people of the western or northern suburbs.

Mr Honeywood interjected.

Mr SMITH — That's right. As the honourable member for Warrandyte says, protecting the seat of Mitcham drives this government. But that will not last. The government will, in time, be completely rubbished by the media. So far we are getting progress reports on the government only from sources such as the *Australian Financial Review*, and reports in the daily press are smallish. The media has not yet taken the government on. When it does, however, the Bracks government will see its support swing away in seats such as Tullamarine and Essendon, traditionally Liberal seats, because it has conned the people in those areas. The government has promised magic for them and is doing nothing because it lacks decisive leadership.

The Bracks government has been in power for about 133 days, and already it has had two major leaks. One of them, concerning the Attorney-General and the Minister for Transport speaking out against the Premier in cabinet, appeared in the papers recently. It is normal for ministers to speak out in cabinet, but not for the matter to leak out, particularly in the early period of a new government. Leaks from cabinet are an indication of trouble. Say what you like about Mr Kennett, in the seven years of decisive government leadership by him there were no leaks. Cabinet members fought it out within the cabinet room.

ABC news on Tuesday reported that on the way into a caucus meeting a number of ALP members said they were going to tell the Premier what they thought and were going to air their dissatisfaction. Dissatisfaction exists not only in the western and northern suburbs but within the Labor caucus.

This bill is an indication of people's dissatisfaction. Even though it only picks up a few minor points and is of minor consequence, I do not believe I have seen a bill discussed with more vehemence by so many people. The apologists for the Labor Party have had to come out with all the old rhetoric of the past in an effort to justify their government's performance.

True, no-one can argue about the financial accountability provisions, and there are some other useful, if minor, points. Perhaps the bill does make things a bit tougher. Nevertheless, it is sending out a bad message to other developers. If this is how the incoming government is trying to encourage new investment in Victoria, it should be told it is getting it all wrong.

Why is the government sending out all the wrong messages? Because, aside from one or two of them, members of the cabinet have no experience in dealing with people in the business sector. Business is the generator of wealth in the economy. More and more investment brings more and more jobs. The government's mistakes of the past few weeks are criminal.

The unions are dictating terms. You might think it is just the rogue unions, but it is not, it is the same unions that Jeff Kennett dealt with. I am not an apologist for Kennett, and I never have been, but you must give credit where credit is due. Jeffrey Kennett, in his role as minister responsible for industrial relations — or the nearest thing we had at the time — had the likes of Dean Mighell and Martin Kingham over in his office to sort out the problems. Members opposite say the Kennett administration set dreadful precedents. Not so. Kennett was able to talk with the likes of Mighell and Kingham because, as hard men, they knew how to respect real leadership. They recognised a successful team attempting to get Victoria working for everyone.

When the City Link project was finishing, people were already talking about new developments such as the Grollo tower and other projects such as Docklands. New projects that could provide more work, such as the extension of the Eastern Freeway, were being planned. If those projects went ahead the unions would be able to lure some of their former members back. I read recently that only about 30 per cent of workers are

members of unions, and most of them are in the big unions. I also heard a recent radio interview between Kingham and Steve Price. People rang in afterwards to say what a moron Kingham was. That may be so, but he was representing his people and trying to deal with a government that is without leadership. That is the point.

The government leaks already, after only 130-odd days, and in two areas. Where does that leave us in relation to Standard and Poor's? What about Moody's, and all those other people who make judgments about where the economy is going? They will be very low on confidence. They talk to the money people around the world and throughout Australia. They are able to say, 'Hey! Victoria is a good place to put your money. It has industrial harmony, a good, intelligent work force and people who have the skills to develop industry'. At the moment, however, bills like this show us that the government is only marking time.

I heard the Premier say the opposition was talking down Victoria. Good Lord! It is not about us talking it down, it is about us trying to get the message across to very thick people. Every time ministers are criticised they sit over there waving their arms and laughing. I do not know if they are laughing with embarrassment or because they do not know what they should be on about. No matter why they are laughing, the fact is that in the 133 days of this government Victoria has been rudderless.

In question time today opposition members could not get direct answers to their questions. I am not accusing government members of telling lies, but instead of direct answers we got gobbledegook. Government members are not prepared to tell people frankly about what is going on, yet they preach open, honest and transparent democracy!

I am sure government members have gone to some funny university that has provided them with all the words they preach, but action rather than words is what is required. The first action of the government should be to start showing some leadership, so that confidence can be returned to the people of Victoria. Parts of the bill are reasonable, however — —

The SPEAKER — Order! The honourable member for Glen Waverley's time has expired.

Mrs MADDIGAN (Essendon) — I welcome the opportunity of participating in the debate on the Melbourne City Link (Amendment) Bill. It is always a pleasure to follow the honourable member for Glen Waverley in debate, because he gives such entertaining speeches. I congratulate him on making three passing

references to the bill, which is significantly more than some of his colleagues have done.

I remind the house of what the bill is about, because honourable members may have forgotten. It concerns Melbourne City Link. It is an attempt by the government to make some of the provisions of the previous legislation less draconian. If the Kennett tollway were not causing such terrible heartache to residents in my electorate I would find some of the comments from the other side of the house humorous, but they show no understanding of the bill or how the Kennett tollway operates. It seems members of the opposition have not learnt a thing from the election, because they are not interested in how the tollway affects people. They are still not listening to the concerns of the people who are badly affected by the tollway. One wonders what one must do to make them understand.

Some of their comments have been bizarre. The contribution of the shadow Minister for Transport yesterday set a new benchmark for idiocy in this Parliament. His speech showed a disgraceful lack of knowledge of the bill. He has no idea what the provisions of the bill are about. He totally misunderstands the provisions, and many of the things he said were inaccurate. I began to wonder if he was reading the right bill. I was so concerned about the honourable member for Mordialloc that I checked with the staff of Melbourne City Link about whether he had received a briefing. They said he had, which amazed me even more, because he seems to have missed the point. He was either not listening or he could not understand. If he is going to present the case for opposition transport policies over the next three years, the Minister for Transport will have a relaxing time in the house.

Members opposite do not understand anything about the bill. They do not know why it is before the house or what it is about, so I will inform them. The shadow Minister for Transport seems to think the bill is a wonderful endorsement by this government of the policies of the Kennett government. That shows he does not know why the amendments have been introduced. The amendments are in line with Labor Party policy. The bill is not an extension of the provisions put in place by the previous government, but rather an attempt to fix some of the more draconian measures and mistakes in the previous legislation. Residents will be glad to see the introduction of the bill. The bill is not an endorsement of City Link, and I do not know how the shadow Minister for Transport, who totally misunderstands the contents of the bill and the principal legislation, could possibly make such a claim.

I refer to the three main provisions of the bill. The first concerns toll administration infringement notices. That provision allows on-the-spot fines against Transurban. The shadow Minister for Transport seems to think that the provision concerns on-the-spot fines for members of the public who travel on City Link, but he misses the point entirely. The provision does not, as he claimed, throw the PERIN system out the window and introduce a new system. The new system is an attempt to provide some safeguards for users of the tollway against the incredible rights that were granted to Transurban by the previous legislation.

The bill protects the privacy of individuals. Through the tolling system Transurban has access to a great deal of private information. The bill will ensure that that information is not used incorrectly, so protecting users of the tollway. The poor, old shadow Minister for Transport missed the point altogether, so I am not sure what part of the bill he was reading.

The second main provision concerns the record-keeping requirements for Transurban. Under the principal act Transurban records are held to be correct by law, so persons who deny claims by Transurban that they used the tollway have to prove they did not use it. In effect, Transurban had the right to say a person used a tollway and that person would have had to disprove the claim. The bill attempts to protect individuals by requiring Transurban to keep and maintain records and by conferring rights on inspectors. That is different from what the honourable member Mordialloc said yesterday.

The third main provision is an attempt by the government to address the appallingly bad way country Victorians were treated under the principal act. Rural Victoria is used to being treated badly by the previous government; it happened consistently. Under the legislation introduced by the previous government a person who lives in a regional area such as Bendigo and has travel to the city only occasionally would have to pay at least \$7 to use the tollway. Frequent users of the tollway who live in suburban areas have to pay only \$2.02. Many people from regional areas travel to the city only by necessity — for instance, if they need to see a specialist or receive a particular service that is available only in the city. Some of them may have appointments late in the afternoon and be unable to travel home until the next day, in which case they would have to pay for two day passes. It would cost them \$14 to use the tollway, but it would cost a suburban user only \$2.02.

I do not see how under any circumstances the previous government could have believed that was an equitable

system. Even though the Labor government has done something about it by negotiating with Transurban to reduce the toll to \$2.50, government members have not heard much support from the country members on the other side. All we have heard from them is their grudging support for the bill, accompanied by any statements they can dream up that seem relevant to the legislation. Their comments have shown that they do not understand the terrible effects City Link is having on people in the western suburbs.

I do not call people toll evaders, because that language is offensive. People should be free to drive down any road they like. However, a number of opposition members have claimed that the tollway is a great success and that City Link is providing wonderful results for the community. Their information is wrong.

I was a little surprised by the comments of the honourable member for Glen Waverley. He must be easily pleased! He is now happy and relaxed because he has found out from Transurban what is theoretically wrong with the Burnley Tunnel. It has not been fixed and cannot be used, so it is still not providing a service for the people of Victoria. We do not know how long the tunnel will take to fix or how much it will cost, but the honourable member is happy because Transurban has found out that there is something wrong with it. What an amazing man!

The honourable member for Sandringham told the house why he believed City Link is such a successful program and why all Victorians should be pleased about it. I can only assume he has not done much research on the bill, either. I will respond to some of the points he raised.

The honourable member said that the tollway has been a great success, especially the Tullamarine link, because there are now fewer accidents on it. I agree that that is true, but that is because people are not using it. The accidents on residential streets and Mount Alexander Road, Keilor Road and Pascoe Vale Road have increased substantially. The accident problem has not been solved; instead it has been moved a couple of streets away. He went on to say there is now less pollution, but that is also not true. City Link has not removed the pollution, it has just transferred it a couple of streets away.

The honourable member for Sandringham also said noise levels have been reduced because Transurban has to keep the levels at or below 63 decibels. The noise has lessened at some sites, but there are many sites along the road that had decibel levels significantly below 63 which now have levels above that. If the noise that

passed your door from the Tullamarine Freeway was once measured at 43 or 53 decibels but has now shot up to 63, you are worse off. To suggest that there is less noise than before is not true. It is a shame that people do not understand that instead of solving problems Transurban has simply relocated them into streets in the heartland of Essendon, Ascot Vale, Moreland and other areas.

Yesterday the honourable member for Shepparton said City Link will prove to be a success if it gets the trucks off the roads, but it has not. The residents of Essendon will tell you that during the day their streets are packed with trucks because that is the time when truck drivers know they can get through Essendon without having to pay the tollway and without being delayed too much.

Transurban has finally acknowledged — not willingly, perhaps — that the figures show that although there has been an increase in the use of City Link in peak morning times, traffic levels have dropped off for the rest of the day. It will come as no surprise to residents of Essendon or Pascoe Vale that City Link traffic has dropped off because during the off-peak times it relocates itself holus bolus in every residential street in Essendon!

I have heard from residents in Waverley Street who cannot drive out of their driveways because of the traffic. I have heard from people who are concerned about cars speeding up and down residential streets near schools and old peoples homes. The act has not solved any traffic problems; all it has done is relocate them to the residential streets of Essendon and surrounding districts. When we raised those problems in opposition we were howled down and told, 'You don't know what you are talking about. People will be keen to use the tollway. It will be such a wonderful route that they will be off your streets'. That was because members of the former government were thinking in terms of the income their mates earn. As one honourable member opposite said yesterday, if you are on an income of \$90 000 a year, \$40 a month might not be too much. However, many people who would like to drive on that route do not have the money to pay.

I was talking recently to some truck owner-drivers. Honourable members who know anything about that industry will understand that owner-drivers work in a competitive industry where profit margins are low. Most owner-drivers struggle to make any money at all. Even though not using City Link might slow them down, they cannot afford to fork out an extra \$40 or more once a month for the tolls, which they would have to pay because of their extremely high rate of use. I believe the honourable member for Tullamarine said

they could perhaps afford a little each day, which may not be so onerous. However, they could not afford to pay the extra money, especially when many alternative routes are available.

The Tullamarine tollway will not work: tollways work only when they are the only routes available. The Sydney Harbour Bridge is one of the best examples of that, because if you want to go across Sydney Harbour you have to cross the bridge. However, if you are coming into the city from the western or northern suburbs of Melbourne, there are many ways you can go — and unfortunately they all run through streets in my electorate and in the electorates of Coburg, Pascoe Vale and others.

That is why the act is failing. I would like Transurban to consider changing the tolling arrangements on the Tullamarine link. There are two problems with the link: firstly, motorists can use many other routes; and secondly, there is an in-built resistance to using that part of the Kennett tollway because it is not new. People who happily drove down the Tullamarine Freeway for 20 years are now saying, 'We paid for it then. Why do we have to pay for it now?'. Transurban says it is better because it is wider and has new surfacing. Is the government to understand that the opposition parties believe any road that is widened or resurfaced should therefore attract tolls? I do not believe that is their policy, and I would be amazed if it were. One of my residents said, quite fairly, 'If Transurban says it built the new bit, let it put the tolls on those two lanes and we will keep to the lanes that were there before'. Some residents see that as a fairer way to go.

The way to encourage people to use the tollway while overcoming some of the major traffic problems in the streets in my electorate is to consider reducing the tolls on the Tullamarine link. That could be done in many ways. A low off-peak toll would not only get some of those trucks back on the link but also generate more income for Transurban, which is not making an awful lot of money given all the trucks that are driving up Mount Alexander Road, Bulla Road and all the other roads around my area. The other thing Transurban could do is bring in a very cheap Tullamarine pass, because that is the section on the tollway most people use. The current toll for that section is \$1.01, which can increase by 4.5 per cent every year for the next 34 years. However, some of the other toll sections are significantly lower than that. Toll could be decreased on that section of the link, which would help get more traffic back onto it.

Many of my constituents use a short section of the tollway by coming on at Brunswick Road and coming

off at Moreland Road. Who would pay \$2 a day to drive about 4 kilometres? People would be silly if they did, and I certainly wouldn't! Those people need to be offered an incentive — in other words, a lower toll — to make it worth their while to go on that route.

It is not possible for the residents of Essendon to conduct their business normally because of the overflow traffic. However, people are entitled to use the roads. The set-up of the project is at fault, because it provides one road that motorists have to pay to use and many other roads that they do not have to pay for. I would not blame people for taking the cheaper option — I certainly do. The fundamental problem with the system has to be overcome so that the residents of Essendon and surrounding districts do not continue to suffer unfairly from the changes caused by the introduction of City Link.

I was disappointed to hear some of the opposition members who represent country areas saying City Link is wonderful because they can drive along it very quickly. If they stopped to work it out they would realise that they can drive down the Tullamarine tollway so quickly because no-one else is on it!

They have failed to understand the many problems the tollway is causing for residents in my area. It is difficult to move around the area speedily. The problems are not confined to just private drivers. The bus lines are having trouble keeping to their timetables. The Mount Alexander Road tram on route 59 is having trouble keeping to its timetable. The ongoing problems affect all forms of public transport. I assure the house that there is no one more cross than a person who is late for work in the city because there are so many cars clogging up Mount Alexander Road that the tram cannot keep to its timetable.

People who are very angry about the traffic situation have come into my office. They have suggested terrible things that could be done to drivers who are not using the tollway. The hostility has been created by the former government's poor legislation and its failure to think through how the tolls should be paid. I had to laugh at the honourable member for Mordialloc, who insisted that the Labor government was a great supporter of tolls and charging people for roads. He referred to shadow tolls as an example. Perhaps someone on the other side of the house might explain to him what shadow tolls are. The user does not pay; the government or some other body picks up the tab for that. Perhaps the honourable member for Mordialloc needs to sort that one out as well.

To suggest that the project has been successful in any way is nonsense. To suggest that it has been successful from an engineering point of view is wrong because it is not finished. City Link was supposed to be open months ago, and the western link was supposed to be open last April. It is difficult to understand how it can be suggested that the link is working financially. In fact there are indications that that is not so, because of the large number of vehicles not using the link. To suggest that it makes life better for people in the western suburbs is total rubbish, and to suggest that we should all be grateful to the Kennett government for imposing this terrible hardship on the people of Essendon and surrounding areas is absolutely outrageous.

It shows that members opposite do not understand the project. They really could not care less about how severely people's lives are being affected. Opposition members are blinded by the belief that they have to defend everything the Kennett government did. They have to pretend that the contracting-out and build, own, operate and transfer (BOOT) systems work. They have to pretend that it is a wonderful program so they do not have to admit what everybody else knows — that it is failing the people of Victoria.

If the theoretical problems with the Burnley Tunnel are ever solved and the tunnel is ever opened there might be some alleviation of the traffic on the streets in my area. I assure members opposite that I shall continue reminding my constituents for as long as I can of who they have to thank for this appalling traffic mess-up in their suburbs. I assure the house that, contrary to what the honourable member for Glen Waverley says, they are considerably more intelligent than the Liberal Party gives them credit for. They well know who brought this upon them. They well know who did these things.

Opposition members can sit there hoping they will win back the seats of Essendon and Tullamarine, but I assure them it is a forlorn hope. The people of Essendon and Tullamarine will remember for many years to come what the previous coalition government did to them, not only with City Link but also with many of the other projects that have made their lives so uncomfortable. They will not forget you in a hurry!

Mr DELAHUNTY (Wimmera) — I have listened to the honourable member for Essendon's contribution to the debate. The good thing about the honourable member is that she comes from a good part of Melbourne, but I disagree with some of the information she provided to the house. I agree that the bill covers the protection of information, which is obviously an important issue from a civil libertarian's point of view. Also, if the information is to be used in other circles it

must be approved by the government, and I support that.

I disagree with the honourable member for Essendon on the issue of equity. I am not sure what the honourable member means when she says the government should buy back City Link and have Victorians pay for it, even those who do not use it. Is the honourable member suggesting an increase in taxes or fuel levies to pay for it? Where is the equity in that?

The honourable member for Essendon referred to construction problems. It is true that there have been problems and the Burnley Tunnel is not yet completed. However, one must remember that if the project had been done by the government the full cost would have been passed on to the taxpayers of Victoria. At this stage it will not cost the government one cent.

The honourable member said there has been no decrease in the number of accidents, no reduction in pollution emissions and no less noise. She is missing the point. If cars and trucks have to stop and start more pollution and noise is generated. I have travelled on the link a few times and I believe it is a good system that will reduce accidents. Accidents not only cause hardship to families and the community, they cost the state large amounts of money.

The link is obviously quicker. Some weeks ago I took the opportunity on a Sunday to travel up through the old Mount Alexander Road, which I had travelled on many times before. I wanted to see how quickly I could travel. Even on a Sunday I found it difficult because of the number of red lights that held me up. I thought to myself, 'I must get back on City Link because it is much quicker'. Recently I heard an ABC staff member say the link was fantastic because the travel time between Southbank and the long-term car park at Tullamarine was only 15 minutes. They are some of the positives of the link.

The Wimmera area I represent is across on the South Australian border in a rural and remote part of Victoria. I am also a National Party member representing rural and regional Victoria. I remind the house of the history of the project. The former Labor government knew something had to be done about traffic conditions in Melbourne; they were gridlocked, and if something had not been done Melbourne traffic would have slowed down even more. The former Labor government went through the process of short-listing two companies to construct the City Link project. It got to that stage. The coalition government realised it would have to introduce tollways to pay for the road because it was a \$2 billion project and the state did not have the money.

The Liberal and National parties had the vision, commitment and leadership to deliver on the project. As a new member of Parliament I was fortunate enough to be invited to a City Link briefing on the project. It was informative and the staff were excellent. Members of other parties attended, including Labor members. One of the questions asked by a Labor member was, 'Why didn't the government build this road?'. The answer was that the government did not have the \$2 billion to build the road. The next question was, 'Why didn't the government borrow the money to build the road?'. We all know what the credit rating of Victoria was back in those days. The former Labor government continually borrowed more money and could not borrow any more for City Link.

The Labor member asked what would have happened if the government had borrowed the money. The reply was, 'Because of Victoria's credit rating at the time, if the government had borrowed another \$2 billion everyone's interest rates would have gone up'. Not only would the state government's interest rates have increased but everyone's interest rates on loans for houses, cars and other personal items would have increased. Not only would the government have been paying more through interest rates but every person in Victoria would have experienced an increase in interest rates.

At that stage Victoria was the laughing-stock of Australia. I can remember travelling to Canberra for work and being asked where I came from. When I replied the Wimmera in western Victoria the comment was, 'Victoria, the rust bucket state'. We did not have \$2 billion to build this road; we did not have a penny.

The questions to City Link continued. 'Why didn't the government construct the Tullamarine link?' The City Link staff were open and said the carriageway had to be widened and other improvements had to be made because the traffic was slowing down like the traffic on what was known as the South Eastern Car Park. It cost hundreds of millions of dollars to do that work, and the government did not have the money.

The Tullamarine link reduces vehicle gas emissions, which is important for the environment, and even more importantly travelling time is reduced. I travelled on the Tullamarine Freeway for many years when living in Essendon, and it is an important road link. Developments have taken place at Essendon Airport and enormous residential developments at the end of the freeway have brought dollars into the area, but it is vital that those communities are linked to the CBD for various activities.

The size of the airport and the number of industries and the like at Tullamarine have quadrupled. I do not know the exact figures, but enormous developments have been going on there. Tullamarine Freeway is an important link to not only Melbourne Airport but also to the Essendon Airport. Essendon is an important airport for rural and regional Victorians, particularly those residing in the Wimmera region. City Link will help them because the air ambulance flies into Essendon Airport. I hope it continues to do so for many years.

How would the development be paid for? Where would the \$2 billion come from? Would this Labor government do what its predecessors used to do — that is, take funds from other programs to pay for it so that other road programs would not be available in rural and regional Victoria?

In the past four years in the seat of Wimmera about \$125 million was spent on roads, hospitals, schools, and many other projects. Those projects would not have happened if the money had been used to pay for the City Link development. Another way of paying for City Link would be to increase taxes. Victoria was already one of the highest taxed states in Australia, and its taxes would have increased even more to pay for City Link.

Fuel charges could also be increased. Many Victorians were disappointed when a 3-cent-a-litre fuel levy was introduced by the former coalition government. But as honourable members know, 1 cent of every 3 cents collected from the levy has been spent in rural and regional Victoria. If the City Link project had not gone to the private sector, the money that has been allocated to country Victoria would probably have been spent on City Link.

Mr Lupton interjected.

Mr DELAHUNTY — There were many other taxes. Many developments have been paid for under the Better Roads program. That is great to see and we hope it continues. I look forward to seeing the black spot funding program come to rural Victoria, and not just the regional centres.

An interesting comment was made at the City Link briefing. One Labor member said, ‘We have the money now; we should buy back the City Link and the Tullamarine Freeway’. Wouldn’t that be lovely? The whole of Victoria would miss out just so the Tullamarine Freeway could be bought and paid for by Victorian taxpayers.

The City Link project is the largest urban development that has ever occurred in Australia. It could never have

been financed just by the government. Yesterday it was interesting to read in the *Age* and hear the Premier talk about the redevelopment of the Spencer Street railway station. That is to be congratulated. I heard the Premier say that the government would fix up Spencer Street to cater for fast links to the Melbourne Airport, that it was doing a feasibility study on the rail link, and that the link would be funded and operated by the private sector. What is the difference between that project and the City Link development project?

City Link is the largest urban road development in Australia. It had to be funded in the way it was — even the former Labor government agreed with that. City Link dramatically reduces traffic congestion, and no doubt that will improve. It joins the main roads of the Monash Freeway, the Burnley Tunnel, when it is fixed up, the Tullamarine Freeway and the West Gate Freeway.

The scanning system is important because it assists motorists by enabling them to not have to slow down or stop — therefore saving time, fuel and extra costs. In today’s environment honourable members all know the importance of time saving. City Link also reduces traffic volumes on other roads. The honourable member for Essendon referred to traffic moving down Mount Alexander Road, Bulla Road and others. After a while Blind Freddy would be able to work out that it would be more cost-effective to not go through that process but to get back onto the Tullamarine Freeway, or the City Link road, to reduce time and costs.

City Link also improves safety. I have seen figures that predict a reduction of at least 150 serious accidents per year. That is important, not only because of the costs associated with repairing cars but also because of the reduction in suffering of motorists and their families. Other benefits of City Link are a decrease in noise levels and, importantly, job creation, not only in the construction industry, where it has been said that 6000 or 8000 people would be employed over the project, but also on the operation side. It must not be forgotten that about 2000 people are employed by Transurban on the City Link project — they are also very important to the community.

The Melbourne City Link (Amendment) Bill provides for improved record keeping, which has to be commended. It also provides for improved products, such as day passes for specific sections, which should also be applauded. I remind honourable members that toll evasion fines do not go to Transurban, but to the government. When motorists who do not pay for using the toll road are fined, the government is the winner.

Improved products for the people of the Wimmera are welcomed, because access to day passes was a problem. I hope that access will be further improved. The method of payment is also a problem. I encourage Transurban to consider further improvements to those products. Purchasing points must be addressed. I suggest there should be other ways of purchasing passes; perhaps it could be done not only through post offices but other such places. Country people now pay for City Link only when they use it. I know there are concerns. I suppose that anyone who can get something for nothing will take it. However, the reality is that it is a \$2 billion project. In China, where I have been, in Sydney, and in many other such places there are toll roads because of the enormous cost of building road infrastructure, which sometimes extends beyond the government purse.

I was concerned — and still am — that the feeling on the other side of the house could be that there will be a return to the tired old practice of paying for Melbourne infrastructure through increased taxes and fuel levies. We in country Victoria want to see infrastructure developments in country Victoria. We do not want to see an increase in taxes or fuel levies. Country Victorians already pay about 10 cents a litre more for petrol. It is an enormous cost burden. We do not have the choice of travelling on public transport. Using our vehicles is the only way we can get around. The road network is the lifeblood of rural Victorians. We do not have other options.

City Link is a plus for rural industries, particularly those accessing the ports. That is important for rural industries because at the end of the day the cost burdens, whether it be through government taxes or other on-costs, are squeezing the margin and profitability for farmers. Improving access to the ports should reduce the cost of delivering their products to ports. I hope that will improve not only for rural industries but also for the farmers from whom they seek products.

The bill also improves flexibility for people in rural areas, which I applaud. I ask Transurban to consider ways of producing products that suit rural and regional Victorians. That is something they should be sourcing. If it is true that people are getting off City Link, should the operator amend the charges to encourage people to return, for example, at low-use times?

I congratulate the many people who have been involved with the City Link project. Firstly, I congratulate the construction team for building such a major urban construction project so speedily and cost effectively. I congratulate the people involved in designing the work

and the former government on their vision. I also congratulate the former government on its commitment to implementing the project. It would have taken a lot of courage and leadership to deliver on the project, because it is never easy to implement a toll road, and without it the project would never have happened. Six or seven years ago, when motorists were gridlocked and when the former South Eastern Arterial was known as the South Eastern Car Park, it would have been hard to imagine what it would be like now. There are still some problems, but I hope with the opening of Burnley Tunnel they will be improved.

I also congratulate the people who still work at City Link — the construction workers and the administrators. It must be remembered that those people are all doing their job in the best way they can. I hope the Transurban hierarchy will consider ways of improving the products and providing staff to sell the products so that rural Victorians, particularly in the Wimmera electorate, will have improved transport times, improved products for the use of the roads and, more importantly, lowered costs. Then businesses, industries, and motorists who use City Link can use it with pride.

Mr HARDMAN (Seymour) — I am pleased to speak on the Melbourne City Link (Amendment) Bill. The amendments are important because they will fix the anomalies that exist in the current legislation.

The amendments have been introduced by a decent and caring Bracks government. They are about fairness. They obviously make the system much fairer by providing safeguards and a range of different products for people to use so that City Link can be more accessible to all Victorians.

The amendments show the government is a caring government that has listened to what people have said about how to improve City Link and has got on with the job of introducing improvements to meet their needs.

As mentioned by previous speakers, the City Link project has had a chequered history. The anti-toll demonstrations, especially in the western areas of Melbourne such as Essendon and Tullamarine, show the strength of feeling people have about having to pay tolls to use City Link.

The state election results in western Victoria — Gisborne, Bendigo East, Tullamarine — reflect the very strong feelings of people in those areas. People protested at the polling booths and they are protesting now by avoiding the toll roads, with drastic effects. If

the Eastern Freeway were given away to a private firm, I wonder whether the same number of members would be sitting opposite today.

The legislation enables the registration of vehicles for tolling purposes to be limited to specified toll zones rather than all toll zones. It was most unfair that consumers had to pay for day passes that assumed they used the entire City Link tollway. The Tulla pass, which was negotiated by the Bracks government for all Victorians, is cheaper and removes many of the anomalies. It can be likened to the three-zone public transport tickets — that is, if a person uses only a small part of the network he pays a bit less and if he uses more he pays more. Transurban will be able to tailor more products to suit its consumers, which is good business practice, thus attracting more people to use City Link.

The Tulla pass again shows that the government is working for all people; it is getting the best for Victorians. The Bracks government went in to bat for Victorians and negotiated a better deal by enabling the City Link authority to provide cheaper products that will meet the needs of consumers. I am sure the use of City Link will increase dramatically because of that. It shows that the government looks beyond the bottom line.

The problem with some of the business practices and government decisions made in the past was that the almighty dollar, the profit at the end of the day, was all important. The former government forgot about the ongoing, long-term benefits available to companies as a result of customer loyalty if a good range of services was provided. The bill allows the company to meet the needs of the consumers, so it is a positive move.

During questions without notice, honourable members heard about the gambling legislation that will be introduced and the aged care legislation which the government must implement to make up for the inadequacies of the Liberal government in Canberra. This government is about making laws to make life a lot better.

The Tulla pass implements a promise the Labor Party took to the election — that is, a Labor government would help people by fixing the problems with City Link.

Everyone makes mistakes, but members of the former government are unable to admit their mistakes. The government is here to improve legislation. If the Bracks government was not in office would improvements to

the legislation be introduced? The previous government would not have made these changes.

Infringement notices are another important part of the City Link legislation. The explanatory memorandum states that one of the purposes of the act is:

to provide for infringement notices to be issued in respect of toll administration offences, as an alternative to prosecution by summons;

Transurban and the government will be able to impose on-the-spot fines of \$100 on individuals without going through expensive court processes or, if the matter proceeds to open court, a maximum fine of \$500 can be imposed. The company may be given \$2000 on-the-spot fines for minor infringements of the legislation. If the offence is serious the fine is up to \$10 000. That is good legislation because it means people are not caught up in the courts and time is not wasted.

The record-keeping part of the legislation spells out the obligations of the bodies that collect tolls in relation to the keeping of accurate records of tolling and of the registration and exemption of vehicles for tolling purposes. It protects the rights of consumers and the company, clarifies responsibilities and provides for a more efficient and cost-effective operation of the City Link.

Privacy needs to be protected and safeguarded. City Link customers are required to provide personal details such as credit card numbers, addresses, phone numbers and registration numbers. Personal information can be abused if it is not properly protected. People who telephone during dinner may have obtained information from other companies. City Link has access to information on the majority of adult consumers in Melbourne and Victoria. It is an important part of the legislation.

Seymour is a partially urban fringe and partially rural electorate that includes places like Yea, Molesworth, Heathcote, Avenel and Seymour — small rural communities. As a result of its proximity to Melbourne, its residents are low-income earners and many cannot afford to regularly pay tolls amounting to \$1500 or \$2000. The amounts may be less if only one part of the link is used on a regular basis, and many Seymour residents do that.

When I moved to Seymour a little more than eight years ago I regularly used the Tullamarine Freeway to travel to Melbourne. There is no difference in the time it takes to travel from Seymour to Melbourne along the freeway. The difference is that now I have to pay to use

it, which I find annoying. But if the current contracts are adhered to by future governments, that cannot be reversed for at least 34 years.

Many of the constituents of Seymour live along what is commonly known as the Hume corridor, which starts from Beveridge, just north of Kalkallo and Craigieburn, and extends through Wandong, Wallan, Kilmore, Broadford and Seymour. The number of people, especially those living in Broadford South, who regularly travel to Melbourne to work is amazing. The township of Wallan is almost a dormitory suburb. Every morning most of the residents travel to Melbourne to work, and every night they make the return trip. That is one example of the variety of the communities that live in my electorate.

Those people already have to travel a long way to get to Melbourne, so they will want to use the Tullamarine Freeway. Some of my constituents move to places like Wallan because there they can buy land and build a house for probably two-thirds of the price they could in some of Melbourne's northern suburbs such as Epping or Craigieburn. As a rule those people are in the lower-income bracket, so instead of forking out \$1500 per annum to travel along City Link they might decide to stick to other routes such as Sydney Road or St Georges Road so they can spend the money they save on sending their kids to camp this year or enjoying Christmas. It might be hard for members opposite to imagine people living on \$24 000 per annum or even \$15 000 per annum, but some people in my electorate have to. They cannot afford to fork out \$40 per month to travel on tolled roads. It is a problem for them, and it will force them off City Link.

The choice for my electors is to put up with the frustration of travelling on roads that are clogged, which makes it difficult to predict travelling times, or to pay to use a road that worked just as well before the tollway roadworks started as it does now that they are finished. When the roadworks were in progress the travelling time along the Tullamarine Freeway increased to such an extent that, along with many others, I used Sydney Road.

The government has already done a few things to improve the City Link. Many elderly people in our society are disadvantaged when it comes to using technology, so for them anxiety is also a factor. Often they are technologically illiterate because they are scared of or have not had the opportunity to familiarise themselves with new technology. Many elderly people do not have credit cards or Keycards to put into the holes in the wall because they do not believe in the credit card system and would rather deal face-to-face

with other people. That demonstrates an inherent problem with City Link, which we need to solve so we can move forward.

My wife and I have two e-tags on the one account. The little e-tags beep whenever they pass under a transponder, which I know because we have passed under the transponders a couple of times while driving on the Tullamarine Freeway. Recently, the e-tag on my wife's car did not beep when she passed under a responder. Plenty had been said on the radio about people copping fines for not having e-tags when using the City Link, but my wife became anxious wondering about whether she would be fined because she had heard nothing about her particular problem. After my wife phoned me I rang the Melbourne City Link Authority and explained what had happened. The customer service officer was understanding and explained that the e-tag system was not fully operational but that someone was working on the problem.

That problem demonstrated the importance of Transurban and the authority — and the same is true of many other major corporations — communicating with the general public. I would like to see legislation requiring them to tell people about the new and good things that are happening with City Link, such as when they will be able to use their e-tags, and so on. At the moment it has public relations people on the radio — spin doctors, if you like — beating up all the good things about City Link.

In January or February 3LO interviewed a person who provided statistics showing how wonderful City Link was, implying that anybody who said the link would not be good for the city was crazy. Later, a person who was travelling in a tram down Mount Alexander Road phoned the program to say, 'No, that is not right. My tram takes longer to get into town. I'm stuck in traffic and I'm late for work'. City Link has benefited some individuals but disadvantaged many, many others.

I agree with the honourable member for Essendon that legislation providing for off-peak tolls would be a good amendment to the act. They would allow more people to use City Link, which would be more profitable for Transurban. Off-peak use would ensure a better quality of life for people living near major arterial roads. It is time to put aside personal attitudes to tolls.

The bill will allow the company to tailor products to meet the needs of consumers. The amendments will make City Link cheaper for regional and occasional users. Improving motorists' access to day passes should be examined. Many people in my electorate do not

have access to post offices or Shell service stations, or they travel out of hours. Because of that they may find it easier to travel on roads other than City Link, which will add to the choking traffic conditions on those roads.

The bill protects the rights and privacy of consumers while ensuring that the company keeps its records in a proper and open manner. I commend the bill to the house.

Mr LUPTON (Knox) — I have listened with interest to the debate. It is apparent that despite the criticisms of City Link, no-one has suggested an alternative. Although Labor Party policy is opposed to the tolling aspect of City Link, and although honourable members opposite constantly criticise the project, it is apparent that the government is unable to suggest an alternative means by which City Link could have gone ahead.

Everyone accepts that Melbourne would be gridlocked if City Link had not been built. The honourable member for Wimmera mentioned that even during the Cain–Kirner years the Labor government was considering a City Link-type project. It had already shortlisted two firms and put out press releases about toll roads.

When it floated the project the former Kennett government did not have the necessary \$2 billion. The money could not have been borrowed because Victoria was broke and no-one would have lent the state a bad penny. Even if a loan could have been arranged, the interest rates would have been exorbitant.

I live at Boronia, and during peak period it takes me 1½ hours to travel 32 kilometres to the city; in the non-peak period it takes about 35 minutes. The honourable member for Seymour said he could travel from Seymour to Melbourne in the same time it took him some years ago. He appeared to be saying that traffic problems had not increased greatly. But although the road has been duplicated and then triplicated, he still takes the same time to travel to the city.

City Link will be a great advantage to my constituents, and it will be a bigger advantage to the people who live further south and have to travel through the Berwick–Cranbourne corridor. For example, from Dandenong they will save 30 minutes travelling time to Tullamarine airport by driving along the Monash Freeway and through the City Link. To save that time they must pay a toll — until someone comes up with an alternative. If they do not want to pay, they will have to leave City Link and travel on the side roads, which

means they will find themselves jammed in the traffic just like many people are now.

As I said, under former Premiers Cain and Kirner the Labor Party began travelling down the same path. The former Kennett government did the job and introduced the tolls, but it has been criticised throughout the debate for taking the initiative. Although the toll option was unpopular, it was the only way of funding the project. When the former Kennett government came to power in 1992 it inherited a debt of some \$32 billion, so there was no way the necessary money could have been borrowed.

The Labor Party does not have a good track record on road construction. I love to quote an example of what happened in my electorate during the Labor years. The High Street Road extension, which was constructed under the Cain–Kirner government, was to run from Stud Road to the Burwood Highway. However, it stopped some 30 metres short. It remained in that unfinished state for two years and was completed only because BP Australia wished to build a service station on Burwood Highway abutting the High Street Road extension. BP Australia funded the remaining 20 or 30 metres of roadway which the Labor Party did not finish because it ran out of money. I could have kicked a footy that far. That is how close it was.

An honourable member interjected.

Mr LUPTON — It would have been a place kick.

Under the former Labor government traffic lights were put in along the South Eastern Freeway, earning it the title ‘South Eastern Car Park’. The Kennett government had to remove those traffic lights so that the road could really become a freeway. Things like that show that the Labor Party had no vision in its construction of roads. It did not look to the future but applied bandaid solutions that achieved little at the time and satisfied no-one in the long term.

Traffic congestion in the eastern suburbs is, as I said, enormous. It takes an hour and a half to travel the 32 kilometres from Boronia to Melbourne. That is totally unacceptable. The former Labor government recognised the problem. In fact, had things been different in 1992, members on this side of the house would have been saying what a terrible problem it was and members sitting on government benches would have been saying everything was wonderful. In any case, the problem is there and until someone comes up with an alternative funding scheme it will remain. Perhaps the government should buy a solution from City Link.

The Scoresby freeway has been eradicated from the government's construction program, wiped off the map. That shows the Labor Party's true colours when it comes to roads. In 1990, as mayor of Knox, I had the good fortune to launch the Scoresby freeway project, and I really thought we were getting the project rolling. Now, in the year 2000, 10 years later, we are not only no further advanced, we have gone backwards.

An honourable member interjected.

Mr LUPTON — They certainly did not talk to anyone about it. The first stage of the Scoresby freeway was going to run from Ringwood to Dandenong, and the extension was to have gone all the way to Frankston. It is a necessity for the people of the eastern suburbs and would provide a great link — —

Ms Lindell interjected.

Mr LUPTON — The honourable member for Carrum is apparently not in favour of it. The people of Carrum will be pleased to hear that! I am going to get really fired up with the Attorney-General in a minute. That will really get up her nose.

The environmental impact study had been completed and things were starting to look good.

Ms Lindell — You did nothing for seven years.

Mr LUPTON — I said the thing got going in 1990. Can't you add up? That is 10 years ago. We were in power from 1992 — —

The ACTING SPEAKER (Mr Loney) — Order! We can do without the constant interjections. I ask the honourable member for Knox to direct his comments through the Chair.

Mr LUPTON — I am sorry, Mr Acting Speaker, I got enthused by the debate and a bit passionate.

That project would have been a big plus for the eastern suburbs all the way down to Carrum, but it was axed without discussion with the municipalities or with anyone else. It was simply cut from the budget.

Mr McArthur — Doesn't Dandenong have a Labor council?

Mr LUPTON — Yes it does, but never mind that, the whole lot has gone.

The government is not looking to the long term. Until someone can convince the people of Victoria and Australia that they do not need to use motor cars as much as they do — the car seems to be a fad we all

have — we will have more and more congestion on our roads and something will have to be done about it. The former government took the view that the Scoresby freeway was going to happen and that the Eastern Freeway would be extended from Springvale Road to Ringwood. Maroondah City Council, without informing the City of Knox, wanted the freeway to go from Springvale to Maroondah and then across to the Burwood Highway. That may or may not happen, but the fact of the matter is that the eastern suburbs of Melbourne are gridlocked with traffic congestion and the removal of the Scoresby freeway project will haunt the Labor government for years to come.

Melbourne has a problem with traffic and will have to take steps to fix it. If anyone can come up with another suggestion I will be happy to listen to it.

The honourable member for Narracan made a magnificent contribution to the debate! He spoke of overseas visitors having trouble understanding the toll and gave an example of a person coming from England. That is about the worst example he could have chosen, because someone coming from England to Australia is likely to speak the same language as we do and be able to work it out. Perhaps it is different where the honourable member for Narracan comes from.

In Canada, America, England and Europe there are tollways everywhere. Even if they are not English-speaking countries, they still have tolls. Why should we be any different? The honourable member for Narracan says the system cannot work because a bloke from England might come over here and be unable to understand things. That is double-dutch, even though the person in his example does not come from Holland. The honourable member has not thought the matter through. Overseas visitors adopt the principles that apply in the countries they visit. If I go to Europe I have to learn how to use their tolling system or else get into trouble.

The opposition does not oppose the bill. Indeed, some of its provisions are very good indeed. It tightens up the legislation in a responsible way and will make the system work more effectively. My intention is to take the opportunity to look at the whole matter in the clear light of day. City Link is here to stay. If anyone can come up with an alternative to City Link I will be happy to listen to it.

Personally, I do not like tolls.

Government members interjecting.

Mr LUPTON — But how else were we going to construct the roads? They had to be paid for on a

user-pays basis. The previous government could not have paid for them — no government could have, except perhaps yours, because we left a \$1.7 billion budget surplus for you. You could probably pay for it in cash. At the time, however, no government could have paid for City Link.

Until the government can come up with an alternative to tolling we are stuck with it. I believe the legislation is fair and reasonable. We should look at it with open eyes and say, 'All right; it is here, and it is here to stay. We have to fund it, so let's make the best of a good deal'.

Mr WYNNE (Richmond) — City Link is a project that carves across much of the inner city of Melbourne. It has significantly affected many communities, both during its construction and now as parts of the roadway come into full operation. I am aware of its effects on residents of electorates in the western suburbs that are represented by some of my colleagues, particularly the honourable members for Melbourne and Essendon.

The early evidence suggests that a significant number of people have avoided using City Link, and my understanding is that it is a nightmare to travel on Mount Alexander Road from Flemington Road to Puckle Street and beyond. It has become an issue in the lead-up to the forthcoming council elections. Access to amenities is important to the residents of the City of Moonee Valley.

I, along with other honourable members, have had a briefing with Transurban. The company is proud of City Link but is sensitive to community criticism of the potential impact of the project. It is incumbent upon all local members to represent the views of their communities, and although I enjoyed the opportunity of taking part in the review of City Link operations, particularly the impressive engineering feat of constructing the Domain Tunnel in my electorate, I believe many outstanding issues need to be addressed. I will canvass some of those issues today.

The former government bound Victoria to contracts that enable Transurban and its associated companies to collect tolls from the users of City Link and the Exhibition Street extension. I might say in passing that the Exhibition Street extension is a good initiative, because it eases traffic flow travelling south through the city. That was an important consideration in the decision to close Swanston Street to traffic. I was a councillor of the City of Melbourne for some years. In my final year I held the position of lord mayor, which is a great honour.

It is a great disappointment that the City of Melbourne has started to withdraw from its commitment to the pedestrianisation of Swanston Street. It was important to remove the sewer of traffic travelling south along Swanston Street, because all the major civic buildings, including the Melbourne Town Hall, the State Library and the shrine at the far end, are located along that street. Given the government's proposals for Federation Square that are designed to protect the historic integrity of the view to St Paul's Cathedral Swanston Street may become one of the major pedestrian boulevards of Melbourne.

The extension of Exhibition Street was critical to the pedestrianisation of Swanston Street. The extension is now open to carry the traffic travelling south, and it will be an important link for drivers travelling from the north to the south-eastern suburbs via the Domain Tunnel when it opens. After that transgression into a former life, I will now turn to the bill.

The government will honour the contracts that were negotiated and will enforce them under the law in the interests of motorists and the general public. The government's election platform included a number of commitments designed to protect City Link users, such as the imposition of fines for abuses by tolling companies. We will have wait with interest over the next few weeks until the toll bills are issued to see how the tolling technology is working.

The bill implements Labor's commitments. The amendments are intended to strike a more even balance between the rights of tolling companies and the rights of toll road users. The fundamental difference between the positions of City Link customers and most other customers is that record-keeping errors on the part of City Link operators could result in unwarranted prosecutions for toll evasion under the act. Under the act users of City Link must register their vehicles with Transurban for tolling purposes. Driving on City Link without being registered is treated as toll evasion, and Transurban has the power to report alleged evaders to the Police Traffic Camera Office, which can then issue an infringement notice penalty of up to \$100. The provisions are intended to protect Transurban against loss of revenue as a result of toll evasion. The view of the Minister for Transport and the government is that it is just as important for City Link users to be protected from billing errors and unwarranted allegations of toll evasion as it is for Transurban to be protected against loss of revenue.

That important balance, which has not been there in the past, must be struck. The 1995 act enabled Transurban to be prosecuted for failing to keep proper tolling

records, the maximum fine being \$10 000. The bill will strengthen the act by spelling out the record-keeping requirements. Specifically, Transurban must keep accurate records of tolling registrations and exemptions so we can determine with certainty whether or not an evasion has occurred.

The bill will also enable infringement notices to be issued against toll companies for three classes of toll administration offences: the unauthorised use or disclosure of private tolling information; the failure to keep accurate tolling records; and preventing the authorised inspection of relevant records.

The privacy provisions are important. Because of the constantly changing technology it is possible for material about people's movements to be made available, which raises the issue of privacy. It is important to institute checks and balances so that the consumers of City Link can feel confident that appropriate protections are in place.

The only enforcement option currently available is prosecution in open court, with a maximum fine of \$10 000. That option is retained and will be the appropriate choice in some circumstances. However, the bill will enable police officers and authorised enforcement officers to issue infringement notices carrying penalties of \$2000. Not every error will result in an infringement notice being issued. Enforcement action would be taken only at the discretion of a properly trained person; but where enforcement action is considered appropriate, infringement notices will provide a more efficient alternative to going through a prosecutorial process in the courts, which is long, involved and extremely expensive.

The bill contains two clauses of significance. The first is clause 5, which facilitates the introduction by Transurban of the Tulla pass and similar tolling products. I know from our country members that that important initiative, which has been negotiated and introduced by the government, will provide an accessible and financially sustainable facility for people travelling into Melbourne from rural and regional areas.

The clause amends several sections of the principal act by enabling Transurban to limit tolling registration to particular toll zones rather than the whole of City Link. It facilitates the sale of day passes for parts of City Link rather than the whole network, enabling cheaper day passes for customers using those sections. I know that my colleagues from rural and regional Victoria have been strongly advocating that change, and the government's initiative will no doubt be popular in those areas.

The initiative implements the policy commitment Labor made during the past state election to negotiate a better deal for regional and occasional users of City Link. It provides an excellent option to the many people from regional centres or metropolitan Melbourne who do not use City Link regularly. As I said, negotiations between Transurban and the government resulted in Transurban announcing the introduction of its Tulla pass, which is a day pass for the upgraded Tullamarine Freeway between Bell Street and Flemington Road.

Clause 10 sets out in more detail Transurban's obligations to keep tolling records. It ensures that Transurban's legal obligations correspond to the purposes for which the records will be used by the legal system. Accurate records are required not only to ensure that Transurban's customers are billed correctly but for use as evidence in legal proceedings related to tolling. If legal proceedings are taken, those records must be accurate because they will be tested in a legal jurisdiction. The latter point is important in ensuring that motorists are not subjected to unwarranted allegations of toll evasion. The only way to prove that a person is a toll evader will be by producing the records held by Transurban. If the records are not reliable, the system will lose the confidence of the public as well as the confidence of the courts.

As the minister stated in his second-reading speech, the fundamental difference between City Link customers and most other consumers is that record-keeping errors by City Link operators could result in unwarranted prosecution. The need for accurate tolling records — and for Transurban to be legally obliged on pain of prosecution to ensure their accuracy — was recognised when the original Melbourne City Link Bill was introduced in 1995.

Section 92 of the principal act requires Transurban to keep proper records on the payment and non-payment of tolls. However, the term 'proper records' is vague. It would be difficult to prove to the standard required by a court of law whether such a standard had been achieved in any particular case. It was intended that the record-keeping requirements would be spelled out at a later time by regulation. The original act provided for the making of regulations that prescribed the tolling system as developed and approved, how customers were to pay the tolling, and what records of payment and non-payment were to be kept for use in prosecutions for toll evasion.

The bill brings a sense of clarity to the fundamental issues of ensuring people's privacy and overcoming the potential for people to be wrongly accused of evading their obligations to pay tolls.

Because City Link has a significant impact on residents in the seat of Richmond, it is incumbent on me to again refer to the Burnley Tunnel. As honourable members will be well aware, I canvassed that issue in my inaugural speech, including the potential health impacts of the tunnel once it is opened.

Honourable members will also be aware that the opening of the Burnley Tunnel has been significantly delayed due to some significant structural problems. Nonetheless, honourable members should realise that the stack, which will be the ventilation point for all the Burnley Tunnel, is located within 40 to 50 metres, perhaps less, of a significant number of residential properties in south Burnley and is very close to a major primary school. It is not unreasonable that that community has rightly expressed its concerns about the potential health effects of the emissions from the vent stack.

As you will recall, Mr Acting Speaker, in my inaugural speech I made mention of a study published by the Department of Human Services entitled *The Victorian Burden of Disease Study — Mortality*. The study found that the life expectancy of the residents of the City of Yarra is lower than the state average — one year lower in the case of women and four years lower in the case of men.

In a related and unpublished study, females in the City of Yarra were found to have higher levels of cardiovascular disease, cancer of the lung, chronic bronchitis and emphysema; and males were found to have higher levels of infectious disease, notably HIV and hepatitis, alcohol and drug problems, heart disease, chronic bronchitis and emphysema. One would have to be worried about potential links.

The quote continues:

They are disturbing statistics that point to an alarming trend in the general standard of public health. Community health and welfare organisations are struggling to reverse that trend ...

Although the Burnley Tunnel is yet to open serious concerns have been raised by the Environment Protection Authority about the monitoring of the air pollution level surrounding the tunnel. The firm involved, Envirogen, is presently subject to a major review by the EPA. The director of the EPA, Dr Brian Robinson, as reported in the *Metro News*, described some of the readings taken by the company as 'scientifically fraudulent'. One can understand why the South Burnley and Richmond communities have significant concerns about the potential health impacts that will flow from the vent stack once the Burnley Tunnel opens.

The government is committed to improved air quality measures, and the minister is currently investigating the situation. After the tunnel opens and monitoring has been in place for a period of time, if Transurban breaches the measures remedial action will be taken. The potential remedial action suggested by Transurban is that diesel trucks will not be allowed to use the tunnel and will be channelled through the existing road network. That is not a satisfactory resolution. Clearly the Richmond community expects cleansing technologies to be put in place at some stage in the future, and I will work closely with the minister to ensure a suitable regime is implemented to alleviate potential health problems arising from the vent stack. The commitment is there that when the cleansing technology is available it will be put in place.

Mr MULDER (Polwarth) — During the last sessional period I was fortunate enough to be invited by the Toyota group to attend the launch of its testing plant at Anglesea. The Linfox group is also involved, and there has been a multimillion dollar investment by Toyota in Victoria. During the course of the day it was interesting to hear the comments made by the heads of Toyota. I will read some of them to the house:

Toyota has made a massive investment in Australia in this past decade.

Its state-of-the-art manufacturing plant just down the road at Altona is a model for medium-density world production.

It is well to remember, though, that Toyota made its decision to site its plant in Australia on the promise of ongoing infrastructure reform and benchmarking by government and by utility suppliers.

It is imperative that all those who partner Toyota in this venture —

referring to the state of Victoria —

remain constantly vigilant of the need to meet those commitments.

One can look at the situation with Toyota in Victoria and cast an eye across to Ford, GMH, Mitsubishi and other car manufacturers who are looking to the state to continue to develop road and freeway infrastructure.

One of the concerns I have about road infrastructure in my electorate, which links in with Geelong and then further on to Melbourne, is that the previous government made a commitment to upgrading the Melbourne–Geelong link, which is about to start. Prior to the election it gave a further commitment to an upgrade of the Geelong–Colac link at a cost of \$150 million. As a result of the election Victoria now has a Labor and Independent government.

I raised my concerns about the Geelong–Colac link with the Minister for Transport, whose reply states:

Dear Mr Mulder,

I refer to the matter you raised in the adjournment debate on 8 December 1999 in relation to the Geelong–Colac road.

Victoria's rural arterial road network strategy provides for the long-term duplication of the Princes Highway West between Geelong and Colac. A corridor strategy that outlines the proposed development of the Princes Highway West is nearing completion and will be released early in 2000.

The corridor strategy will identify and prioritise projects to progressively develop the route, including the duplication between Geelong and Colac. This will provide a basis for the development of future road programs in this area.

The government says it is committed to rural and regional Victoria, yet according to the minister's reply there will be a massive shortfall. The \$150 million upgrade to rural and regional Victorian roads leading into the food bowl of the Western District would have provided a link with Portland and the proposed technology centre that we have heard today is now in doubt. The reply from the minister is nothing more than a stalling tactic. There is no commitment to the Geelong–Colac upgrade as promised by the former government.

Prior to coming to Parliament I worked as a consultant, and with other business people throughout rural and regional Victoria I made the arduous trip from the country to Melbourne. It was not uncommon to have to come to Melbourne the night before a scheduled meeting because often one could not get into the city in time for a meeting in the morning. We could not guarantee our arrival because we were often stuck on the road, sitting looking at trucks, other business people and sometimes logging trucks from the Otways that had nowhere to go.

I have sat in the house today listening to the complainers and whingers on the other side moan about a tolling system that has created one of the most user-friendly cities in Australia. There is no doubt that Melbourne is now user friendly.

The feature of the bill that appeals most to me is the fact that my 80-year-old mother does not have to pay anything. She does not have a car and she does not have to pay, because it is a user-pays system.

In 1992 the Kennett government inherited what is currently known in business circles as a bankrupt business in which the previous owners of the business did not even stand and fight; they turned and walked away. One cannot build infrastructure on debt. One

hears much discussion about privatisation — it was a necessity. There was no other way out.

Mr Savage interjected.

Mr MULDER — That is what you said, Russell!

The ACTING SPEAKER (Mr Loney) — Order! The honourable member for Polwarth should take note that the standing orders require him to use the correct form of address to other honourable members.

Mr MULDER — Thank you, Mr Speaker.

At that point there was no way for Victoria to develop infrastructure other than to take the actions that any normal business practice would involve — that is, to shed assets to get back to a start situation and to work away again. That is exactly what Victoria was doing and is exactly what the new government will have to continue to do. If the government wants to attract investment it must have good road infrastructure and must run it out into rural and regional Victoria. It should not just stop it at Geelong, which it appears this government wants to do.

The work undertaken by the previous government was commendable. I ask the government to now look at the Geelong–Colac bypass upgrade, to include it in next year's budget, and to start that 10-year project. I commend the bill to the house.

Mr SAVAGE (Mildura) — There is no doubt that there is a need for an improvement to the traffic flow around Melbourne. Today there is significant congestion in the areas of the Domain and Burnley tunnels. Anybody who travels along Hoddle Street and who tries to get down Swan Street would reflect on the need for significant improvement.

It is debatable whether toll roads are desirable. However, we have them and so we must accept the reality of Transurban and City Link. Whether the costing of it is done on the basis of privatisation or self-funding may be an interesting debate, but is not really relevant here because we have Transurban and we have to live with it. It is important to get reasonable concessions for motorists who use the tollway, especially country motorists who are relatively infrequent users and who, in the first format for the link, were significantly disadvantaged.

One of the problems I have encountered with the process is that Transurban refused to advertise north of Bendigo, except in the major daily newspapers. I think Bendigo received some consideration with the advertising, but there was none for regional Victoria.

Consequently, I wrote to Transurban on two occasions in April last year, but it failed to respond to my correspondence. I criticised the concept, but I received the wrath of the former Premier, who said it was my job to educate the community in my area about the implications of City Link. At the time even the RACV was getting the information and the correct tolling arrangements wrong. We have come a long way since then. However, I am not sure that it was my job to promote a government-endorsed tollway in the way the former Premier said.

The advertising issue was certainly a real problem to the community that I represent. Another aspect we had to consider was the tolling structure, which was a significant disadvantage for country people. People have almost forgotten now that originally the price of a day pass was predicted to be \$7, and \$11.20 for people who were unfortunate enough to own a twin cab, a light commercial vehicle, which often would be of less gross mass weight than a Range Rover or a Landcruiser. That was, and continues to be, a significant source of discontent. A reflection on the commercial nature of a vehicle, and not whether a vehicle has an extra set of windows, should be the basis upon which there is an increased toll.

I raised the issue with one of the National Party members representing North Western Province. In June last year I wrote a detailed letter to him, in which I asked him for support to see whether we could garner some reasonable outcomes on the \$25 minimum that motorists have to use on the e-tag — another discriminatory concept to country people. Motorists who do not use the tollway sufficiently in 12 months have \$25 maximum deducted from their e-tags. The \$50 that motorists lodge with Transurban should be seen as sufficient recompense for their having electronic devices that they may use infrequently or frequently. Hundreds of thousands of people have e-tags. The \$50 collected from all of them would amount to a significant sum of money, which I understand the company could place on the short-term money market. That should offset any great disadvantage.

I also wrote to the Honourable Barry Bishop on the light commercial vehicle issue. He justified the day pass charges, the \$25 minimum annual toll payment, and the light commercial vehicle assessment or category. That is a clear reflection on how much the coalition — especially the National Party — has lost its way. It failed to see that it was an issue that country people should have been represented on and its endorsing of whatever Transurban said is a disgrace.

Mr Leigh interjected.

Mr SAVAGE — Look, the issue is not — —

Mr Leigh interjected.

Mr SAVAGE — If you had been in the chamber you would have heard an analysis that would have reflected how wrong you are about the assessment you just made.

The issue is really about fairness and putting tolls into perspective, which I am pleased to say this government has done. Had we not supported this government we would have been facing the imposts initiated by the former government in the form of a blank cheque to Transurban. There was no restriction whatsoever — blank cheques were given out. It was a case of, 'You build the toll road and we will let you charge whatever tolls you like'. Obviously not much restriction was placed upon that regime.

Mr Leigh interjected.

Mr SAVAGE — When a reasonable case is put forward, why not listen to it and adjudicate it?

Mr Leigh interjected.

The ACTING SPEAKER (Mr Loney) — Order! I ask the honourable member for Mordialloc to desist from interjecting.

Mr SAVAGE — I am proud to have been party to achieving much better outcomes for Victorians when it comes to paying lower tolls.

Mr Leigh interjected.

The ACTING SPEAKER (Mr Loney) — Order! I have already asked the honourable member for Mordialloc to cease interjecting.

Mr SAVAGE — Thank you, Mr Acting Speaker. I also mention that having to pay \$2.50 as against \$7 for a Tulla day pass and \$3.50 for unlimited travel on the western link when the Domain Tunnel and Monash Freeway sections of the City Link open are a great step forward.

I was interested to read in one of the daily newspapers about the issue of accountability by Transurban. An unfortunate motorist had received an infringement notice for failing to have an e-tag and for some reason the matter had been passed on to the police for inquiry. The recipient of the infringement notice had already spoken to Transurban, rectified the problem and paid

the fee. However, the police had not been told and so wasted a journey to knock on somebody's door.

That is what I am talking about — accountability. It is appropriate that the bill before the house brings accountability into it, making it possible for the government of the day, from a basis of simplistic application, to ensure that Victorians are much better looked after.

One must acknowledge that the Transurban concept has significantly improved the traffic flow around Melbourne. One arguable aspect is whether it is morally correct to suddenly impose a toll on the taxpayer-funded Tullamarine Freeway or whether the toll should have started at the Bolte Bridge, which was totally funded by Transurban. That may have been more appropriate. It is unjust to block country people from travelling to Melbourne on a road they have already paid for, which is why there has been significant objection and resistance to the concept.

I give my full support to the bill, which will make Transurban accountable and provide the people of Victoria with a better deal. I commend the bill to the house.

Mr RICHARDSON (Forest Hill) — I assure the honourable member for Mitcham that I shall not take long. When the Liberal–National coalition government assumed office in 1992 it inherited not just a bankrupt state but an inadequate infrastructure system that had been ideologically vandalised because the preceding Labor government had an ideological objection to the idea of freeways. I recall that a former Labor Premier was so obsessed with his dislike of freeways that his driver had to go to extraordinary lengths to avoid travelling on the Tullamarine Freeway when taking that particular leader to Melbourne Airport.

The great vision by the coalition government included the huge network of freeways which we now call City Link. That was one of the many visionary projects created during the last seven years of the previous government. The only way the City Link project could have been built was to have it privately constructed and owned and then handed over to the government in 34 years. The only way it can be paid for is by imposing tolls.

I listened incredulously to some of the silly remarks made by members of the government who, it seems, have a similarly obsessive, ideological anti-freeway view and completely neglect the real reason tollways have been created in this state. The honourable member for Mildura remarked about tolls being placed on the

Tullamarine Freeway. Before he leaves the chamber I will advise him that a toll is necessary because the road had to be widened and that had to be paid for. That is the cost imposed on the existing road. I have no ideological objection to tolls.

The present government has double-crossed the people of Victoria. It is now dithering about the extension of the Eastern Freeway from Springvale Road in Donvale to Ringwood, and is providing all sorts of excuses, the most common being that it needs to set up yet another panel of inquiry. More panels are being set up by the government than there are wooden panels in this building! There are panels everywhere. The landscape is covered by government-appointed panels. The whole objective in appointing a panel is that it shall do nothing. That is probably the only way this government will succeed — if it does absolutely nothing then it will not make mistakes. When it starts to do something it will muck it up. It is probably good thinking on the part of the government to establish panels and do nothing.

Ultimately a decision has to be made about the extension of the Eastern Freeway. I put it clearly on the record that the pristine bushland which would be destroyed by an above-ground extension is one of my favourite places. My little West Highland terrier, whose name is Hamish Angus Macbeth McDog, and I often ramble along the banks of the Mullum Mullum Creek.

An honourable member interjected.

Mr RICHARDSON — Don't try to exchange gags with me; I am better at it!

As the honourable member for Mitcham would acknowledge, it is extraordinary bushland and must be preserved at any cost. Koalas are in the gum trees, platypi are in the creek and the powerful owl, though rare and rarely seen, is occasionally heard — I have heard it. You would not believe the possums!

The record should clearly show my support for the long-tunnel option, and I do not care what it costs. The government was left \$1.7 billion and has plenty of money. The money has been allocated for a short tunnel and only another couple of hundred million, which the government can easily afford, is needed to extend it.

The government has doublecrossed the people of Victoria and its own constituency by abandoning the Scoresby freeway. It must be built to provide a link between the industrial areas around Frankston and the roads that lead onto the Western Ring Road taking goods produced in those industrial areas to the markets of Australia and the world.

Springvale Road, Blackburn Road and Middleborough Road now go into gridlock at peak times — they are impassable. For that reason the freeway must be built. The failure to build the freeway is holding up important industrial developments in Cranbourne, Frankston and surrounding districts. The number of jobs created by the freeway will be vast and the economic benefits of the freeway development are obvious. Equally obvious is that the only way to build the Scoresby freeway is by obtaining private investment, and that means tolls. I do not have a problem with that, and the people who would use the freeway would not have a problem with it either. The cost of a toll to take a truckload of merchandise along such a freeway would be minuscule compared to the economic benefits.

They are two clear declarations from me on behalf of my constituents and the industries benefiting from the extension of the Eastern Freeway and the creation of the Scoresby freeway. The government is fiddling while the economy sinks around it. If it does not act soon, it will be just another mess for the next Liberal–National Party government to clean up.

Mr ROBINSON (Mitcham) — That was an extraordinary contribution. I had to refresh my memory, because for a moment I thought the house might have been considering a bill entitled the Scoresby and Associated Freeways Bill, given that much of the debate had been about anything other than City Link. Nonetheless, the government welcomes the latter-day conversion of the honourable member for Forest Hill to the conservation cause and notes his abiding interest in platypuses, West Highland terriers, powerful owls and other assorted fauna in the Mullum Mullum corridor.

The question before the house is simple: does it support a sensible effort to establish a system of checks on and increased accountability for a private road operator that will be responsible for the movement of millions of vehicles over the next 34 years? It is an exceedingly simple question that will be answered unanimously in the affirmative. But to listen to the debate, which has stretched into a second day, one could be mistaken for thinking that members opposite will not support the bill. There has been a great deal of chest beating and references to history, some of which have been heavily revised, but none of that changes the essential question.

The opposition parties are befuddled.

An honourable member interjected.

Mr ROBINSON — ‘Befuddled’ was the word that came to mind when I read through the contribution of the shadow minister, which reflected a lack of depth

and application. His history in this place is one of making 2 or 3-minute contributions. When required as a shadow minister to assess the bill and the legislation that it amends, he has been found to be well out of his depth. He barely mentioned the bill in his contribution, which stretched to the best part of an hour.

Recently I conversed with the Minister for Transport who, I understand, every day toasts his good fortune in having as his opposite number the honourable member for Mordialloc. In our conversation I commented that it must be a bit like playing a trout, adding that he must look forward to the exchanges. The minister suggested that it was not so much like playing a trout as landing a European carp. He said the endearing characteristic of European carp is that it never looks better than when it is stuffed above a fireplace. I leave it to the house to reflect on that because the shadow minister’s contribution was severely lacking.

I noted with interest the contribution of the honourable member for Shepparton. Members of the National Party have made some constructive contributions, unlike their Liberal colleagues. However, I take issue with him over his claim that City Link represents the most magnificent engineering feat in Victoria’s history. I thought that the honourable member for Shepparton’s re-election on the back of Australian Labor Party preferences at the last state election was probably the most magnificent engineering feat seen in Victoria for some time. It certainly leaves some of the engineering issues in the City Link project well behind.

The minority National Party member for Shepparton was right to point out that City Link will deliver some benefits to Victorians, particularly country residents, insofar as it expedites the movement of goods across the state. But it was a bit rich for him and other honourable members to suggest at this point that the project is an out-and-out success. The bill has been necessitated by the shortcomings in the project. It stands to reason that if the project were working brilliantly, if it had been delivered on time and if it were functioning as intended according to the original time lines, the need to reform the legislation that governs its operation would not be as pressing as it is. In the next few minutes I will point to a number of the project’s shortcomings that the government has asked to be reviewed.

It is always risky for developers to encourage investment on the basis of purely rational behaviour when, for example, that relies on the decisions motorists take each day about which route they will choose in getting from point A to point B across a city the size of Melbourne. Honourable members are

familiar with the grand promises the City Link proponents made about the precise impact the new tollway would have on traffic patterns around Melbourne. We were told that there would be an X per cent increase along certain routes and a Y per cent decline along others and that traffic volumes could be predicted fairly precisely.

That is always risky because drivers will consider any number of criteria when presented with the option of using a tollway or a public road. The calculations Transurban used in building the project reflect the Achilles heels of rational economics, which is that, being what they are, humans often make decisions that economists might conclude are irrational.

That is one of the wonderful things in this world. Difficulties exist with those calculations, and at times the need to reflect on and consider their accuracy will arise.

The second issue deserving consideration — to this point in the debate I do not know if it has been apparent — is the method of financing the project involving a device called a stapled security. Although they have not proved to be the most successful vehicle for attracting investment, stapled securities have come into vogue with infrastructure projects around the country and possibly internationally. However, honourable members should note that one of the reasons the market would not invest to the requisite degree in the Studio City project was because the form of investment offered was a stapled security. As a form of investment it does not have a great track record.

I will not explain to the house why that is so because I do not pretend to know enough about it. However, that aspect of the City Link project has not been an outstanding success. Honourable members opposite should bear that in mind before they stand up and state that the project is a complete success.

The third aspect that deserves consideration is the technical difficulty in getting the project to meet the original completion dates. Those difficulties involved the tolling system. People were repeatedly told of computer interface difficulties and technical engineering problems associated with the tunnel. Honourable members agree that when attempting a project of this scale technical problems are bound to arise. Again, members opposite should bear the shortcomings in mind before declaring the project an outstanding success.

The fourth concern, and one that the bill directly addresses, is the considerable difficulties and

disagreements about the availability of day passes and the lack of a facility for drivers to pay with coins, as has been the tradition with toll roads across Australia. With the consent of the former state government, payment by coins was deliberately excluded from the project at an early stage. That created and sustains equity problems for commuters.

The bill is designed to address some of the concerns that have arisen. Those concerns could be categorised as the fifth problem with the bill — the use of information. In this post-information age all honourable members would share concern about the way private agencies collect data and what happens to that data in the future.

The considerable shortcomings that exist with the City Link project should be recognised. To establish that point one need not go back to 1981 or 1991 or, as one member suggested last night, to the first toll roads in Victoria. One should talk only about Melbourne City Link as it was designed and approved by the former government.

I shall comment on one further aspect of the debate, which has ranged broadly across any number of freeway projects. I am amazed that the honourable member for Wantirna and, to a lesser extent, the honourable member for Knox, maintain an obsession that the Scoresby freeway project was somehow funded. Given the contribution of the honourable member for Knox I believe the project should be named the Gunna Freeway. To quote the honourable member it was 'gunna connect Ringwood to Dandenong' and it was 'gunna be terrific'. It was gunna do all those things when the former government found the mysterious money tree which had been planted somewhere and which was going to yield the necessary dollars to fund the project.

Mr Holding interjected.

Mr ROBINSON — As the honourable member for Springvale suggests, it could well be buried away somewhere with the portrait of Sir Henry Bolte. We simply do not know.

The honourable member for Wantirna made the extraordinary claim that the project was fully funded. That would come as a surprise to everyone. In last year's budget the former Premier and the Treasurer announced funding for four major metropolitan road projects based on the Better Roads levy fund which would have fully taxed that fund for the next five or six years.

In the funding allocated for the Eastern Freeway the former government misled the house by claiming that the whole project could be built for \$255 million whereas it was probably closer to \$300 million. Given that the former government could not properly fund those projects in train, how do the honourable members for Knox and Wantirna expect anyone to believe the fatuous claim that the Scoresby freeway project was fully funded? It was not.

Let us invite the honourable member for Wantirna, in furtherance of his contribution, to state precisely to the house where those funds were buried. He was very excited that the federal government's participation had been sought, and I know a gee-whiz helicopter ride took the federal transport minister over the corridor. No doubt the minister, who is a National Party member, was greatly impressed with the scenery. However that jaunt, along with everything else the former government said and did about the Scoresby freeway project over its seven years in office, has not resulted in one cent of state or federal money being allocated. It defies credibility for any member of this house to claim, as the honourable member for Wantirna has done, that the project was fully funded. It was not funded at all.

The debate is an opportunity for the house to endorse a sensible, enhanced system of checks and balances on the toll operator, who will be operating an extremely large project for a lengthy period. The provisions will result in a secure payment procedure for the hundreds of thousands, if not millions, of Victorian road users.

It is a reasonable bill that deserves the overwhelming support of the house and somewhat less breast beating by members opposite.

Ms BURKE (Pahran) — I will make a small contribution to the end of the debate — I think there are only a few of us left.

The City Link project, as so many have said, is an entirely private project, managed and built by Transurban Obayashi Joint Venture. TOJV will manage it for 34 years, after which time it will be returned to the people.

In the early stages of the project I was involved as the mayor of Pahran. Along with the mayors of surrounding municipalities and the City of Melbourne I worked on a committee to set up a ring-road around Melbourne. That is to say, the project began at the grass-roots level. Mrs Kirner was the Premier at the time.

The idea of the project was to remove the incredible traffic bottleneck, caused in particular by trucks, in our

residential streets. In Toorak Road, for example, in the municipality of which I was the mayor, traffic on residential streets increased by 25 per cent in a short period after the opening of the freeway extension that ended at traffic lights on Toorak Road. It became quite evident that the whole pattern of traffic in city-edge municipalities had changed and that a new road project was required to retrieve the quality of life of residents in those areas.

Anyone who has used Toorak Road at 4 o'clock in the morning will know about the huge trucks that come down the hill and will remember the sound of their brakes at the bottom. It is not a pleasant experience. Residents in that area certainly do not pay low rates, either.

All of us got together on the project, and it was to be bipartisan. There has been some debate about whether the project should have been private. However, had it not been for the involvement of the private sector the project would not have been possible at all; so, when the coalition achieved government there was not a lot of choice about which way the project could go.

In the future City Link will have an enormous influence on Victoria's road freight industry. A fleet of 110 000 trucks moves 250 million tonnes of freight around the state each year. City Link will make a great difference to all of the businesses making those deliveries. That is significant for export as well as for the good functioning of the Victorian economy — and all of that is only one side of the whole matter. City Link, when it finally removes the excess traffic from residential streets, will have an enormous effect on the quality of our lives. I will return to that aspect later on.

The bill is in three main parts. The first provides for a change in zoning to allow for a \$2.50 Tulla pass. That is an important advance that will give more choices to the users of the road. The second spells out how records are to be kept by Transurban and ensures that appropriate records will be kept. The third part of the bill provides for the introduction of an infringement notice using the PERIN system to serve as an alternative to the \$10 000 fine. That big fine would be quite difficult to bear — although it would probably, at times, be appropriate. The PERIN system offers much more choice and allows for continual refinement.

Since I first joined the house as a government member there have been numerous City Link bills. All of them have been interesting and have stimulated vigorous debate. City Link has many facets, some of which are not often spoken about. For example, City Link provides two new gateways to Melbourne.

It is a pity that projects of this magnitude are often debated before they are completed. City Link is still not complete and has had many hiccups, like all major projects of its type and complexity. It is, nevertheless, an infrastructure project that will help to give form to the new millennium and will provide easier access of many kinds. We are only beginning to use the e-tag system. That technology will be greatly extended.

The main challenge for the government in the future concerns the very purpose for which City Link was built — namely, to improve the quality of life of communities and municipalities surrounding the centre of Melbourne, which was being degraded by the massive overuse of residential streets by trucks and other heavy vehicles.

The challenge for the government will be to maintain the quality of life of the people who live on those residential streets. Except for my electorate the surrounding municipalities fall within Labor seats. It is quite a challenge to ensure that the quality of life of those residents is maintained. The infrastructure and the technology is almost complete, and many people now have e-tags. The technology has taken a while to get up and running, but it is well on its way. Members representing electorates affected by City Link, such as my electorate, will be watching with interest to see how the government meets the challenge of keeping traffic on City Link and out of the residential streets.

The progress of this proactive project has been watched around the world. Some 25 000 visitors, including visitors from overseas, come to Victoria each year to look at the infrastructure. When the opposition was in government many visitors from around the world were interested to see how the cost of infrastructure was being tackled. The cost of infrastructure is a problem not only in Melbourne but worldwide, and we need to ensure that the people who use the infrastructure pay for it and that the people who do not use it are not taxed.

A government member interjected.

Ms BURKE — People will be able to use Toorak Road. It is up to the government to ensure that people are not prevented from shopping on Toorak Road by trucks travelling along it.

The project has given a tremendous boost to Melbourne. Some 4000 people have been employed on it, and I was delighted to see the involvement of more than 28 women engineers. The project has provided enormous opportunities for people, and it has strengthened business confidence in the Victorian

economy. The fact that a company was prepared to invest \$2 billion in such an infrastructure program was a clear indication of its trust in the Victorian economy.

I look forward to the passage of the bill. I will be interested to see the government's future efforts to alleviate the problems faced by residents of my electorate and the electorates of members opposite and ensure that the quality of their lives is maintained.

Mr HOLDING (Springvale) — It is with great pleasure that I contribute to the debate on the Melbourne City Link (Amendment) Bill.

Listening to the contributions of some of the honourable members, particularly opposition members, one would have thought that the bill was introduced by the opposition when in government. The bill's genesis was not part of the program of the previous government, although the circumstances that gave rise to the need for the bill were inherited from the previous government. The bill had its genesis in the commitment given by this government to Victorians at the last election to fix the mess surrounding the administrative arrangements for City Link.

The bill implements several commitments given by Labor before the election. One of those commitments is addressed by the provisions concerning infringement notices issued for toll administration offences as an alternative to prosecution by summons. The provisions relate to three areas of administration of the City Link project. The first is the unauthorised use or disclosure by Transurban of the personal information of City Link users. That is an important measure, because if the personal information of the users of City Link is not protected their civil rights will be violated and they will be at risk of being harassed by private organisations such as polling and marketing agencies who might seek to use the information or on-sell it to other groups or companies.

The infringement notice regime includes infringement notices being issued for a failure of Transurban to keep accurate tolling records. Honourable members have canvassed these issues extensively, so I will not comment on them at length. Suffice it to say that the government does not believe it is unreasonable to require Transurban to keep accurate records given that the company will receive the support of the state via the penalty system, which will include the use of the PERIN court system to enforce toll evasion conditions and the use of police cameras. The administrative arrangements that have been extended to assist City Link should also include placing obligations on Transurban. If Transurban is to have the benefit of

those administrative arrangements the government will require it to keep accurate tolling records.

The bill will prevent Transurban from denying access to authorised persons seeking to inspect its records. That is an important ancillary provision. If the provision imposing a penalty for failure to keep accurate tolling records is to have any effect the police and other inspectors need to have access to Transurban's records.

During the debate honourable members on both sides of the house have canvassed extensively the appropriateness or otherwise of the private financing of infrastructure and the more general question of privatisation. This state needs to have a debate about what is the appropriate balance between the public and private sectors for the financing of infrastructure in the transport area, not only for road infrastructure but also for rail and other public transport infrastructure.

What is the appropriate balance between the private financing of transport projects and the obligations the state has to pick up the ball and run with them? I hope at some stage in the next few years the Public Accounts and Estimates Committee of which I am a member has the opportunity of canvassing some of those issues and considering the deep and profound intellectual issues the private financing of transport infrastructure involves. However, I will take this opportunity to make a few brief comments on the impact of private financing of public train and tram infrastructure in Victoria.

Honourable members would be aware that there has been much community debate in recent months about the fact that, as a consequence of the privatisation of the state's public transport system, Victoria will be spending over \$1 billion on upgrading its train and tram rolling stock. The contracts for those arrangements were first the subject of significant community debate in June and July last year. At the time the then Premier, Jeff Kennett, undertook to the Victorian people that much of the work for the construction of the rolling stock would be sourced in Victoria and that not only would Victorian and Australian firms have the opportunity to bid for the work but that 40 to 60 per cent of the work, depending on the exact value placed on each part of the contract, would be sourced in Victoria.

That commitment was a consequence of undertakings made by the National Express group through their principal contractors, Adtranz and Clyde Engineering. It has now become clear that the previous government failed to include the local content offers by Clyde

Engineering and Adtranz in the final contract documents. Accepting that the figure would be about 50 per cent local content, that means that about half a billion dollars worth of local content that would have been manufactured in Victoria and Australia will now drift overseas to Germany and France if the Siemens people finally sign the contracts.

When this fact came to light in October last year I accused the former government of being criminally negligent in failing to include the local content offers made by the National Express group through Clyde Engineering and Adtranz. I said that the previous government was criminally negligent in leaving that out of the final contracts. Imagine my surprise when I discovered that I was wrong! I am willing to stand up in this chamber and admit to being wrong and to correct the record. It was not criminal negligence by the former government because the shadow Minister for Transport, the honourable member for Mordialloc, came forward and said in the *Age* three weeks ago that the government deliberately left the local content specifications out of the contracts when they were ready to be signed.

He is on the record in the *Age* as saying that the former Minister for Transport, the honourable member for Mornington, deliberately left the local content provisions out because the former government wanted to get more money for the franchises when they were sold to the private sector! Then he had the audacity to say in the same article that those contracts, worth more than \$1 billion in rolling stock investment, are done on a nod and a handshake. According to the shadow Minister for Transport, the honourable member for Mordialloc, those contracts for over \$1 billion of investment are done on a nod and a handshake! That is the party that says it has the responsible economic managers and the people who can run the state, the people who have links with the private sector and who can get the economy going and get Victoria moving!

It makes that claim, yet at least 50 per cent of more than \$1 billion worth of rolling stock work that was to be done in Victoria, based on the offer by Adtranz and Clyde Engineering through the National Express group, will now be sourced from Germany and France if the current negotiations continue the way they are going, and Victoria will lose those great jobs planned by the former government.

At the same time as the former Premier was marching through Dandenong and Dandenong North before the last election, saying, 'Vote for the Liberal Party and we will make you a second city to Melbourne', sitting in the Department of Infrastructure, ticking away like a

time bomb, were those contracts, the local content offers in which were totally ignored by the coalition government. They were left out of the final contracts not through the criminal negligence of the former government, which I had accused it of, but as a deliberate, premeditated policy step aimed at ratcheting up the price by not requiring those firms to build the rolling stock in Victoria.

All that investment and revenue and all those jobs and work opportunities will now drift offshore and be lost to the Victorian people. All the expertise and the skills developed by the firms based in Dandenong, Dandenong North, in my electorate of Springvale and in regional Victoria — and some of them, ironically, in the electorate of the honourable member for Mordialloc in Braeside — will be wasted. The expertise and skill the rolling stock industry has created in Victoria will be gone forever.

What will that mean? It will mean that companies that are exporting rolling stock to Pennsylvania, India, Hong Kong, Singapore and the rest of the world will not be given the opportunity to construct the rolling stock here in Victoria.

That goes to the heart of the bill before us.

The ACTING SPEAKER (Ms Davies) — Order! I have been listening carefully to the honourable member and have noted that he is straying a fair distance from the bill. I ask him to come back and specifically address the bill for the remainder of his contribution.

Mr HOLDING — I accept that I was painting on a broad canvas, Madam Acting Speaker. I am very concerned about how Victoria will finance its private road and rolling stock infrastructure if it goes down the path my remarks anticipated.

I was interested when looking through *Hansard*, which always makes fascinating reading, to read a contribution made by the honourable member for Mordialloc on the Melbourne City Link (Amendment) Bill on 18 June 1996. What did the honourable member for Mordialloc, now the shadow Minister for Transport, then have to say about the Melbourne City Link project and the political environment surrounding it? *Hansard* reports:

Instead, Labor members are now sitting back in the same spots they occupied —

meaning the benches now occupied by honourable members of the coalition —

and the party has only about the same number of members as it had prior to the election. In fact, members such as the honourable member for Tullamarine —

referring to the former honourable member, the distinguished gentleman Mr Bernie Finn —

who Labor spent a great deal of time trying to get at over the City Link project, actually increased their winning margins.

This is the boast from the honourable member for Mordialloc!

All the honourable member for Tullamarine can say —

in other words all Mr Bernie Finn can say —

is, 'Get on with the project. My margin will go up again'.

That is all the former honourable member for Tullamarine could say according to the now shadow Minister for Transport.

The ACTING SPEAKER (Ms Davies) — Order! I remind the honourable member to return to the bill, as I suggested to him some little time ago.

Mr HOLDING — I am referring to the extensive debate on the legislation. We will never know what the former honourable member for Tullamarine would have said about the project because I understand he has been gagged, along with all the other candidates for the Liberal Party presidency, as they campaign around the state.

While speaking on the Melbourne City Link project on 11 October 1995 the honourable member for Mordialloc said the project showed the difference between the government and the opposition. He said the Labor government would have done a secret deal to guarantee the project.

What were the revelations made after the election? What did we find out? We found out through documents and reports that Transurban was involved in secret payments and contracts that were not disclosed before the election but were revealed to Victorian taxpayers only after the election. That information was not released to the Victorian people, yet the honourable member for Mordialloc, who is now shadow Minister for Transport, roams around Parliament saying that the Labor Party would have done secret deals if it had been in government.

The bill will guarantee privacy, not the privacy of the company or the privacy of the Victorian government, not the privacy to do secret deals, but the privacy of the people who count, Victorian taxpayers, and more particularly Victorian motorists and City Link users.

The legislation guarantees their privacy and ensures that Transurban deals sensitively and appropriately with private information obtained through management of the City Link project. The bill ensures that the information is not unfairly released, sold or passed on to other agencies or other private companies to use in a way that infringes on the privacy of individuals who are required or who choose to use City Link.

It was interesting to hear the remarks made by opposition members in their contributions. The honourable member for Prahran made much of the question of the quality of life issues for people in communities in inner Melbourne. She spoke about the problems they previously faced because of trucks using local roads and the inconvenience and difficulties that caused. The honourable member made no mention of the deterioration in the quality of life of people living near the great smoke stacks that are part of the project and the consequent problems they will cause for local residents.

The honourable member did not refer to the constituents of the electorate of Richmond and the reduction in their quality of life and residential amenity as a consequence of the former government having failed to adequately regulate the environment in which Transurban will operate.

What else have we learnt about City Link? We keep hearing about what a great project it is, about the great architecture, about what a great engineering feat it is and the massive private investment in infrastructure. We have not heard about the billing errors, including people being billed for trips on City Link they have never taken. There have been problems with the e-tags, either the inability to get one or their improper activation. Bills for thousands of dollars were incurred before the tollway opened.

Taxidrivers have secretly and dishonestly claimed for payment of City Link tolls from people using their taxis on parts of the link for which tolls currently do not apply. We have heard from the taxi directorate that in some instances a genuine driver error occurred, which is fair enough — these things happen. However, there has been no explanation of the other instances that were most likely a consequence of the dishonesty of one or two drivers — bad apples in an industry otherwise made up of honest people.

These issues go to the question of the confusion that exists in Victoria because of the constant problems with the billing arrangements. The honourable member for Essendon referred to the problems on Mount Alexander Road and Bell Street because of people leaving City

Link or not going on to it in the first place to avoid the tolls. That is their right. Because of the congestion on those roads tram and bus timetables have been thrown out of kilter. Motorists using the roads find them to be congested.

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

Mr MILDENHALL (Footscray) — It is a pleasure to make a modest contribution on the bill, which does two things: it provides for on-the-spot fines for a range of offences rather than prosecution by summons and it amends the act to allow for the introduction of the Tulla pass and a number of other products to make using the system easier and more flexible.

The three offences for which on-the-spot fines can now be levied are the misuse of private information, failing to keep proper records and preventing an inspector from carrying out an inspection of the records. The first issue is quite interesting. Back in 1995 when the first details of the tolling system were made public, as opposition spokesperson on local affairs the potential use and misuse of the information collected via the technology became apparent to me. Despite the Kennett government's claim that the technology was a world first, the transponders had been used for other purposes and the potential for collecting a range of personal information had been remarked on with some concern by civil rights and privacy commentators on an international scale.

It is of some comfort that the Melbourne City Link Act provides for privacy protection. Despite the fact that the former Kennett government pooh-poohed the possibility of any potential misuse of the information, it responded to the concerns by inserting provisions in the original act.

The failure to keep proper records is also an important issue. Under section 89(4) of the principal act the records kept by Transurban can be produced as evidence in civil proceedings relating to tolling — for example, proceedings for the recovery of unpaid tolls — and in prosecutions of alleged toll evaders. If information can be used for that purpose, it is absolutely vital that the accuracy and integrity of the records should be guaranteed.

The third offence is obvious — preventing an inspector from carrying out an inspection should be dealt with on the spot. The idea of introducing an ability to impose on-the-spot fines as an alternative to prosecution by issuing summonses is a streamlining, useful and — to use common parlance — sudden death option to let the

tolling operators know that the government means business. The provisions may seem obvious now, but as all honourable members know, the project is now essentially private. The entities that collect the information, keep the records and are inspected are capable of selling, on-passing or changing the configuration or appearance of the records in the 34 years before the project comes back into public hands. In 25 years' time the entity that operates the tolling and keeps the records may bear little or no resemblance to the current Transurban operation.

The advantage of having on-the-spot fines is that actions can be taken in a speedy fashion for offences that do not require the engagement of legal representation or lengthy court time. There is instant action on and resolution of an issue — provided an action is not contested by the body against whom it is taken. Some might say that because the on-the-spot fine of, in most cases, around \$2000 is 20 per cent of the maximum fine available, the agency or transgressor may be getting off lightly. However, I would have thought the drama of being identified, apprehended and then fined on the spot would have a significant deterrent effect.

Honourable members representing non-metropolitan Melbourne have suggested that the Tulla pass provides a convenient and cheaper alternative by which to visit the city. There is not much more I can say about that, other than if the previous government had looked at the project from the community's perspective, from the users' point of view, perhaps the sorts of products now emerging might have emerged then.

It is interesting how in this debate the balance has changed on the treatment of Transurban and City Link. The previous government's view was that the project be facilitated and delivered as close to on time as possible, and that any obstacles and difficulties that arose along the way be removed. The difference between that attitude and the attitude of this government is that this government looks at the situation from the point of view of the customer, the member of the community who might want to use the link. The bill will knock off some of the sharper edges of the project, within the context of the constraints and obligations the previous government entered Victoria into — a fairly minor exercise in civilising the project.

I join with many honourable members in marvelling at the engineering significance of City Link. It has transformed the Victorian landscape and horizon, certainly in the area I come from. The western skyline will never look the same as a result of the Bolte Bridge and the overpasses that take the Bolte Bridge

extensions over Footscray and Dynon roads and connect with the Tullamarine Freeway at the yellow poles — interesting features of some architectural significance, which are not quite award winning in my view and the view of many in the community, but which I acknowledge have created their mark.

An honourable member interjected.

Mr MILDENHALL — Yes. At least we can be assured that, while they obviously have some artistic and architectural merit, the former Premier will not be able to easily run off with them.

Mr Doyle — That is the most accurate thing you have said today.

Mr MILDENHALL — In my mind I keep seeing a picture of a bloke whose legs are going very fast. I think it is a Tandberg cartoon of a portrait developing legs and running off!

The community is obviously concerned about the Burnley Tunnel and the failure of the scheme to be finally completed and open. That is creating enormous difficulties in my area. The scheme was originally conceived by the former Cain–Kirner government and continued by the previous Kennett government. The former Labor government was looking at linking a southern bypass to a western bypass of the city. One could be forgiven for describing both as not operating correctly or creating as many problems as they solve.

At the western end of town pre-existing bottlenecks that emerged at the end of the Tullamarine Freeway have been moved and dumped a few kilometres further down the track into Dynon and Footscray roads. For Vicroads and others that might represent some sort of advance in the arterial system; but those of us who live in the inner western suburbs and are used to accessing the city via Footscray or Dynon roads in a fairly speedy fashion have found that the duration of our journeys — particularly in peak time — has doubled. What were convenient 15 or 20-minute car journeys have become 45-minute journeys. It remains to be seen whether the opening of the Southern Bypass will solve the bottleneck that has moved a couple of kilometres.

I am absolutely amazed that City Link has still been out there publicly saying that, despite the spokes-of-a-wheel type effect of peak hour traffic being dumped into the city via the western link — and soon via the southern link — it can purport to guarantee that traffic will still move at 60 kilometres an hour. I am not sure that hundreds of thousands of vehicles all descending into one area can all keep moving. It defies

my commonsense and the laws of physics. However, I will keep an open mind until it occurs.

It has been a disappointment that the Burnley Tunnel has not been opened, but I guess I anticipated it. I was surprised that the corporation was so optimistic about its being able to solve the technical difficulties there.

As the government officer looking after the project, I recall the difficulties with the State Swimming Centre when the pool deck and tanks were sinking into the Coode Island silt and I recall the difficulties the then Cain government had in constructing the National Tennis Centre. When attempts were made to drive 100-foot long concrete pylons into the bedrock they slipped sideways into the Coode Island silt and got lost; the same silt through which the Burnley Tunnel was constructed. It was no surprise to people who watched the history of extreme technical difficulties during major constructions in that area to hear that the seals are unstable and that the project has encountered construction difficulties.

The then government successfully launched a civil action and was awarded \$11 million in damages from the engineering consultants responsible for the State Swimming Centre. I wonder whether it will emerge that faulty calculations were made by those responsible for the detailed work on the Burnley Tunnel.

Those of us in the western suburbs were extremely optimistic that the opening of the western link would solve one of the very nasty and difficult arterial traffic problems in Melbourne's inner-western suburbs. I refer to the extraordinary use of collector roads — I do not call them arterial roads — by heavy trucks bound for the docks and the Westgate Freeway. Every day thousands of trucks use Francis Street, Yarraville, as a shortcut to the City Link route over the Westgate Bridge and along the Bolte Bridge, exiting on Footscray Road.

Unlike the rest of the inner-western suburbs where, if you stand and watch the traffic on the collector and arterial roads, every tenth vehicle will be a truck and you will think, 'That's a bit loud', during peak hours in Francis Street, Yarraville, you will see nine trucks for every car. That causes extraordinary problems for the residents of the weatherboard houses built within 15 to 20 feet of the road pavement. The noise and emission levels clearly breach the accepted standards to which Vicroads and other government agencies subscribe. More hard work must be done to resolve that issue.

I regret that at least \$250 million of public money was squandered by the Kennett government on decorations,

finishes and fittings for a so-called private infrastructure project. That money could easily have solved some of the nasty network issues that still blight the inner suburbs of Melbourne. Five per cent of the money that was wasted in decorations and artistic and architectural flourishes could have resolved the most difficult of issues.

The bill is relatively minor, but adds a positive dimension to the City Link legislation. It has gained the support of dozens of members in the house. It is a pleasure for me to add my voice to its approval.

Mr SEITZ (Keilor) — I congratulate the Minister for Transport on successfully negotiating with Transurban, taking action on City Link and presenting the bill to the house. It has given the people of the north and north-west hope that government can make a positive difference if it listens to the constituents and the general public.

As a result of the actions of the previous government, such as signing contracts and bulldozing projects through without consultation, motorists are reluctant to use City Link, particularly the Tullamarine section. The proposed Tulla pass and other matters being negotiated by the minister will encourage the community to use City Link.

Residents in the western suburbs believe the Tullamarine Freeway has already been paid for and now access to the city has to be paid for a second time. Why should we have to pay a second time? That is the question constituents raise with me constantly. The bill goes some way towards alleviating that problem.

Had the previous government listened to the people and consulted with the community, the area would have been improved. One of the biggest problems is that local residents have to pay to use the freeway, but the bottleneck is bigger than ever before. The traffic is jammed getting off from Taylors Lakes or the St Albans on-ramp. Constant traffic jams at peak hour block the junction of the Tullamarine and Calder freeways.

The failure to listen to local experience or to shire engineers who predicted the bottleneck, because of a mad rush to get the road built, explains why people are not using it: they are not sure they can be in the city within half an hour. The bottleneck takes anything up to an hour to get through so there is no guarantee of an improvement in travel time for my constituents, yet they have to pay for the privilege of using the freeway. Ballarat Road is a safer and more predictable route to the city. Despite the publicity and fanfare of the

previous government, City Link has not improved travel for the average commuter in my electorate or in the adjoining electorates of Melton and Tullamarine. The traffic jams are horrendous.

Historically, accidents have always occurred where the Calder and the Tullamarine freeways meet. Records prove that accidents and bottlenecks occur constantly at the intersection of the Calder Highway and the Tullamarine Freeway. Not only have we finished up with something worse but we have to pay for it, even though, as some of my constituents say, 'We've paid for it before'.

My constituents are concerned about Transurban's complicated system of collecting fines. People are afraid of the possibility of account numbers being passed on to other sources and worried about registering of e-tags.

The population of the electorate I represent has a high proportion of migrants and refugees from non-English-speaking backgrounds who have a natural fear of authority. Transurban seems to be another authority that by legislation has been given greater power than the government or the police, who enforce the power of the authority. That practice is reminiscent of what happens in some of the countries from which some of my constituents have escaped after experiencing elements of dictatorships where the police were paid by gangsters to enforce the powers of the Big Brother authorities.

I congratulate the Minister for Transport on the steps he has taken to address some of the existing problems. The operators of City Link will also incur on-the-spot fines, so that they will not be able to simply drag issues out in courts, set precedents and win cases so that they cannot be charged, fined or have anything else happen to them. We all know how the system works. Statute law is always being tested in the courts, where success often depends on how big a corporation is, how many precedents it can find and how many cases it can win and so stop any bureaucratic system of extracting fines or implementing them in compliance with the law or the spirit of the legislation passed by members of this place.

Although the bill might seem to be only a small piece of legislation to some honourable members, my constituents have looked forward to its introduction. It gives them hope and confidence in the Labor government. The Minister for Transport is welcomed and respected by the people of my electorate because of the action he has taken on that particular issue for their sake. Previously, they were the only ones who could be

fined or finish up in a magistrates court, because the little people can often find themselves in trouble. The bill will change things for both parties; the law will be fairer and more equitable for everyone. That aspect of the bill is very important.

I have mentioned some problems with the City Link construction, which I hope will be addressed one way or the other in the future. It may mean that one day some compromise will have to be made on the Essendon Airport. I hope an extra toll will not be introduced for the ratepayers and residents in the north-west who will be using it.

The companies involved with the Burnley Tunnel project are suing each other because there are problems with the tunnel. The litigation is about who is at fault and what problems have been caused. This morning I was told that a taxi driver overheard some English consultants talking in the back of his taxi saying that they should close the tunnel and start all over again instead of trying to repair or maintain what is there. Even if, as has been suggested, it were anchored down and resealed, what will Victorian taxpayers get? How long will that job be guaranteed? After the contract expires, what will Victorians inherit? Will it have to be rebuilt again with taxpayers' funds? It seems that the tunnel is not being constructed to last forever and a day but that it is being designed to last only for the period of the contract so that the company can collect the revenue and when it is handed into public ownership the whole scheme will collapse.

I have asked some of the contractors involved in the steel and concrete construction work how long it will last and whether it will last beyond the contract period. Who will have to meet the high expense of maintenance? Will it fall on future taxpayers? Once the people become used to the tunnel it must be kept open so that the service continues to be provided.

My observations and pleas are made on behalf of my constituents. The Tulla pass will make it simpler for them. However, the changes should go a long way further. The whole system has been set up as a big bureaucracy when one considers the computer system, registering, collecting the money and the e-tags themselves. I have travelled in other countries where people pay in cash. They stop at a tollgate and put their coins in. As a tourist I found it easy and simple, although I did not speak the local language. You know when you have to hand over money, no matter which country you are in, because the signs are quite clear. Even if you do not know the value of the currency, you just hold out your hand with the coins in it. I found it easy to pay tolls on the basis of paying on the spot,

whether it be in France, Switzerland or America. America has many toll roads leading into its cities and its systems are quite simple.

I am sure, given all the computerisation, that with possible power failures and the need for backups and everything else, accounts and threatening letters will be sent to people asking them to pay up, leading to embarrassing situations. As the law stood, the possibility existed of information being leaked to credit companies or others or sold to other organisations to use names, addresses and accounts as contacts or leads for what can be sold or flogged to you by mail — all that stuff people get in their letterboxes. I hope that the new legislation will result in that information being secure and safe and that people will not experience what I have described.

Paying cash on the spot or buying a weekly or monthly ticket for travel on the tollway would have been simpler than the complicated system that has been established and requires regimented checking. The bank could say 'Well, we took it out by mistake'. Transurban might argue that it did not debit an account. There will be considerable confusion in the maze that people will have to go through.

The cost to my constituents, particularly students who attend university on the other side of town, will be a further \$30 or \$40. It is already difficult for parents to pay university fees, and that extra amount will be an added burden. The former government gave no thought to those issues.

The bill goes some way towards alleviating the problems. However, I hope the operator of City Link will take note of the government's position and will not be overzealous in demanding payment if people are behind in credit payments or their bank accounts are overdrawn and their cheques have been dishonoured, thus making them liable to further bank charges. All of those extra costs should be considered. I commend the bill to the house and wish it a speedy passage.

Debate adjourned on motion of Mr LENDERS (Dandenong North).

Debate adjourned until later this day.

Sitting suspended 6.30 p.m. until 8.03 p.m.

DOMESTIC BUILDING CONTRACTS (AMENDMENT) BILL

Second reading

Debate resumed from 2 December 1999; motion of Mr HAERMEYER (Minister for Police and Emergency Services).

Dr DEAN (Berwick) — It is a great pleasure to again respond to an amendment to legislation drafted and introduced by Jan Wade, the previous Attorney-General, and the previous government. It is nice to be able to stand in this place and agree to amendments put forward by the government, particularly when the legislation has been drafted so appropriately by the previous government.

The interesting part of the legislation being introduced by the Attorney-General is that approximately 85 to 90 per cent of it was created by the previous government. That is important to recognise, as I am sure honourable members opposite do. It is good legislation and should be commended.

The bill amends, quite appropriately, the Domestic Building Contracts Act. That 1995 act was also, of course, brought in by the previous government, and was revolutionary in its time. It undertook an enormous task — to regulate the domestic building industry. At the time attempting to bring some sanity to that enormous and difficult market was a big task in anybody's language. It had been studiously avoided by governments on both sides of the political fence, and it was not until Jan Wade and the previous government bit the bullet that attempts were made to overcome some of the major problems occurring in the building of homes.

Attention needs to be drawn to the fact that the 1995 act relates only to domestic buildings. It is difficult to define a domestic building as distinct from a building used for another purpose. The act does that, however, in a very simple yet sophisticated way. It defines the construction of a domestic building as the construction of a home. So long as it is a residence and a home it comes under the act, and a home is defined as any residential premises but not a caravan, a rooming house or any other place of that kind.

One of the things I like about the act, and also about the amending legislation, is its simplicity. When legislation is being created that will affect ordinary men and women who are simply building their own homes, rather than commercial people, specialists or lawyers, it is important that it be simple and easy to understand.

Although I have not been through the process myself, I know that embarking on the building of your own home is one of the most frightening tasks anyone ever attempts. Lawyers, doctors and other professionals, for example, find it an important experience, because suddenly they are in the hands of other experts and enter an area about which they know nothing. It is a great opportunity for them to recognise what clients go through when they approach professionals who know all about an area about which they know nothing. It brings you back to earth — a bit like getting into politics.

People in those circumstances need to be protected. Just as we have had the Legal Practice Act and other legislation to protect people who put themselves at the mercy of experts, so we need legislation in the domestic building area to protect the average customer who, you can almost be assured, has no experience in building a home.

Mr Robinson interjected.

Dr DEAN — The honourable member for Mitcham probably has a whole folio of homes he has built to support him in his old age.

Mr Robinson — Only one.

Dr DEAN — He may well have a lot of experience in building homes, but the average person does not, so it is important to have legislation that will help him or her. One of the good things about this statute is that it does just that.

The act was introduced to deal with a difficult area. Before the act came into force the ordinary man or woman in the street was being taken for a ride again and again by that small group of unscrupulous builders who were able to hit them for all sorts of extra expenses, including variations and other technical costs, that had not been anticipated before building began.

People who are unfamiliar with legislation are able to understand what an act does by reading the headings, which are drafted to be informative. In the old days headings were not drafted to provide information, but they are now written in the form of questions and short statements. For example, in the Domestic Building Contracts Act under the major heading 'General warranties' the heading of section 8 states, 'Implied warranties concerning all domestic building work'. The average person who knows nothing about the law is able to read the statute and understand that certain warranties will always be included in a contract.

The heading of section 9 of the act states, 'Warranties to run with the building'. That is a simple statement that means that certain warranties will apply to the building regardless of the terms of the contract. The heading of section 11 states, 'Limit on amount of deposit'. The statement is simple, straightforward and easy for anyone to understand. The heading of section 25 states, 'Builder must give copy of contract to building owner' — another simple heading that makes it absolutely clear to Joe Bloggs that he is entitled to obtain a copy of the building contract. The heading of section 26 states, 'Builder must supply copies of all relevant reports etc.' — another simple heading that makes it easy and straightforward for the reader to understand.

Another heading that makes information easy to find states, 'Effect of payments and non-payments to builders'. The heading, 'Fixtures and fittings are included in contract price' informs the person looking at the act of exactly what they need to know, as do other headings in the act such as, 'General contents etc. of a contract', 'Builder must make allowance for delays in time estimates', and 'Cooling-off period after signing a contract'.

The important point I wish to make about the act should be emphasised again and again — that is, every member of the house has a duty to ensure that when the intention of legislation is to protect people in the street it should be drafted so that they are able to look at the headings and know what their rights are.

Some of the most interesting provisions are those dealing with cost-plus contracts, cost-escalation clauses and prime-cost items. The average customer might say, 'This is complex. What does it mean?', but if — —

Mr Robinson interjected.

Dr DEAN — The honourable member for Mitcham has mentioned dodgy builders — the one thing the act was intended to provide protection against. If the honourable member for Mitcham knows about dodgy builders because of his extensive building experience he will be able to share that knowledge with the house. The principal act introduced by the previous government goes a long way towards protecting people against those dodgy builders.

The provisions dealing with cost-plus contracts were intended to overcome the problem of builders saying to people wanting to build a house, 'We will leave this uncalculated because it is too difficult to calculate. Don't worry, we will calculate it when the work is

under way. She'll be right'. 'She'll be right' is the important jerry-built phrase.

Jan Wade and the previous government drafted a clause that — —

Mr Haermeyer interjected.

Dr DEAN — This is Jan Wade's bill. It does not matter what you say about the bill, she introduced it.

The act prevents cost-plus terms from being included in contracts. It provides that if a particular item cannot be calculated the builder must make an estimate, and the estimate must be within limits. That provision prevents dodgy builders from creating heartache for people who find themselves paying twice as much as they originally intended for their homes.

Cost-escalation clauses were also used by Mr Dodgy Builder, whom the honourable member for Mitcham says he knows about. Builders used to say, 'Look, prices are probably going to go up, so we won't fix them because they may escalate in the future'.

Cost-escalation clauses are now restricted. The act is enormously helpful because the builder now has to determine his or her price.

The prime-costs trick involved the dodgy builder saying, 'There are certain items that are so exotic that I will either have to import them from overseas or make them myself'. They were called prime-cost items. The builder claimed that prime-cost items could not be priced until later, so they were merely listed in a prime-cost schedule. It is no longer possible to include prime-cost items in contracts.

Why is the amendment needed? The amendment was being drafted under the previous government — —

Mr Haermeyer interjected.

Dr DEAN — As the former parliamentary secretary I know that the drafting department was working on it.

Mr Haermeyer interjected.

Dr DEAN — Ask the Attorney-General because he should know and be able to inform the house.

The DEPUTY SPEAKER — Order! The honourable member for Berwick will address his remarks to the Chair.

Dr DEAN — The amendment was at the drafting stage prior to the last election. Given what I have said about escalation clauses, prime-cost items and cost-plus

clauses, you should be able to see why the amendment was necessary.

On the introduction of the goods and services tax (GST), which will come into effect in July, a situation could have arisen whereby a builder who entered into a contract before July could rightfully say that because he performed his contractual obligations past July he will now have to pay GST on a number of items and that extra cost should be taken into account.

The difficulty was that the new legislation protected consumers by deeming those open-ended clauses that could make allowance for the GST to be illegal. To remedy that problem on 8 November 1999 the Director of Fair Trading issued a memorandum stating that variation and escalation clauses with respect to GST would be enforceable. For a while everything was rosy. However, as time went by the Director of Fair Trading was advised that escalation and variation clauses taking the GST into account were technically cost-plus clauses under the act and, as such, were illegal. Regulations were then put in place to provide that any clause that specifically took the GST into account would not be regarded as a cost-plus clause.

That was fine, except that prior to 30 November, and certainly from 8 November onwards, people had been happily going through the process of filling out those clauses on the direction of the department director. As regulations cannot be retrospective, something had to be done. It was clear to the previous government, as it was to the current government, that legislation had to be introduced to regularise the position.

Having said how simple the legislation is, I suggest that if honourable members were to read the amendment and try to work out what it says, they would have no hope whatsoever. Every time I look at it I have to work it out again and I am still not sure I have it right. In simple terms the bill states that contracts entered into prior to 8 November which were goods and services (GST) oriented are all right; those entered into between 8 November and 30 November — encouraged by the director himself — would not be cost-plus contracts; and the regulations took care of the rest.

Rather than going through the terminology, which I defy anyone to understand, I will put it in those simple terms and say that the government is again protecting the consumer, because at least under the bill there will be no capacity for builders to work any shonky practices. Only a small percentage of builders might attempt to do so, but for those who try to work shonky practices with the GST the position is now clear-cut.

The clause defines exactly what they can and cannot do and the position is locked down.

If any disputes arise under the act parties can go to the domestic building tribunal, another creation of the Kennett government. The creation of the domestic building tribunal to deal with disputes that people building homes may have with their builders was a master stroke by the former government. The tribunal is involved in a lot of arbitration and conciliation; it is run on informal grounds and can be accessed quickly and cheaply. Prior to the creation of that tribunal all disputes that persons building homes may have had with their builders went through the courts.

I recall that back in my days at the bar when a brief arrived that had 'building dispute' written on it, you thought to yourself, 'Maybe that house extension of mine that I couldn't afford is not so far away!', because any solicitor, barrister or client who has ever been involved in a building case through the courts knows that they are traumatic, long-lasting and incredibly stressful processes. Basically, if people get into adversary situations with their builders, virtually every nail and every piece of roof requires an expert to say whether it was put in properly; then the other side calls corresponding experts, and it drags on. I recall that one case I had in the County Court that was listed for four days lasted four weeks! We had three or four different views, and in the end out of sheer frustration we settled the matter.

One of the great changes was to create the domestic building tribunal, which is now part of the Victorian Civil and Administrative Tribunal. The tribunal procedure has been made simple and ensures that the judge who runs the list, an expert in the area, effectively bangs heads together to ensure that disputes do not get out of hand. Many issues are sorted out before anyone even walks into the tribunal, and the level of cases that settle and never reach the tribunal is extraordinarily high.

The domestic building tribunal has been one of the former government's success stories, and it was a long time coming. Should the proposed section cause any difficulties or trouble for people building homes — and they have my sympathy; all my friends who have built homes have told me it was one of the most traumatic experiences of their lives — at least they now have a mechanism for getting them sorted out quickly.

The bill amends one of the success stories of the previous government's regulation of the domestic building market. It puts paid to the notion constantly put by the former government's opponents that we

were only interested in big commercial construction, because the bill is entirely consumer oriented and directed towards protecting the home owner.

This amendment, which was created under the joint auspices of the previous and current governments, is another indication that we can work together. When it comes to matters like this, if we put the needs of the clients, the customers and the constituents first, both sides of the table will end up agreeing with one another. I commend the bill to the house.

Mr ROBINSON (Mitcham) — The honourable member for Berwick gave a very honest appraisal of the difficulties he faced in eliciting for the house and anyone beyond the substance of the technical definitions of the bill. I wholeheartedly agree with him. If the honourable member for Berwick, with no time limit, could not explain the technical detail of the bill, there is not much chance for me. However, I will give it a try.

The federal Parliament has a tendency to nickname legislation. Peter Reith in particular has become an expert at that. If we were to apply the same tactic to the bill before the house, it would read 'Domestic Building Contracts (Fixing the Goods and Services Tax Mess — Instalment No. 1) Bill, because that is what the bill is all about.

I noted with interest that in the contribution of the honourable member for Berwick, which lasted about 24 minutes, he did not refer to that little expression 'GST' or 'goods and services tax' once — well, perhaps once. I did come in a couple of minutes late.

Dr Dean — You weren't listening!

Mr ROBINSON — No, that is true, I was not listening as closely as I should have been, and I apologise to the honourable member for Berwick. However, it is an extraordinary feature of the bill that although it is relatively small — it is only a few pages stapled together — it mentions GST 16 times! The honourable member for Berwick barely noted the relevance of the bill to the GST, yet ultimately that is what the bill is designed to fix.

Very few things go closer to the heart of most Australians than the ability to build one's own home. We have long prided ourselves on our high levels of home ownership compared to the rest of the world. Between 70 and 80 per cent of Australians are home owners, and in many respects that is the envy of the rest of the world. It is worth comparing the incidence of people building their own homes through the course of their lives compared to the number of jobs they might

have. We are increasingly told that people will have six or seven jobs in an average working life, but the number of times they will build a home probably remains at an average of one.

Very few people would go through their lives undertaking the building of a domestic dwelling on more than one occasion. In many ways domestic building contracts are at the heart of the great Australian dream. That is all the more the case in the growth corridors around Melbourne and other capital cities. It is perhaps significant and worth noting that the honourable member for Berwick, who represents such a growth corridor, would be well apprised of the difficulties associated with domestic building contracts but also the great challenge that the imposition of the goods and services tax (GST) places on not only builders but also people signing domestic building contracts.

The building disputes are legion. It is probably a sad reflection on the domestic building industry that few people could name builders of good repute but all of us are familiar with builders of ill repute. It is a sad reflection on the industry to the extent that the only builders that come to prominence are dodgy builders, of whom there is no shortage. During my political life I have probably come across my fair share of dodgy builders. Re-stumpers have more than their fair share, as do people who practise itinerant roof repairing. Unlike the honourable member for Berwick, I must operate on a time limit in this debate, so I will not regale the house with my exploits in that area! I will leave that for another day. Suffice it to say that at some time in the discharge of our duties all of us are confronted with circumstances in which decent, hardworking, tax-paying Victorians end up in disputes with builders who could be described succinctly as dodgy. That is regrettable.

A renowned Supreme Court case highlights the vagaries of the domestic building industry. I apologise to the house in advance because I cannot remember the precise details of the case. Perhaps the honourable member for Berwick or anyone who has recently done legal training could assist me. It was a Supreme Court case in the late 1950s or early 1960s that went to the heart of the distinction between fixtures and chattels. Having done a modicum of legal study in the mid-1980s I have a vague recollection of the case, but I cannot remember the precise details. Effectively it involved a young married couple who were looking to have their dream home built on an allotment in Sunshine.

The builder went out promptly to construct the dwelling, the only trouble being that he put it on the wrong block, and that did not come to light until the building was almost completed. A very protracted and nasty dispute ensued over who precisely should be entitled to ownership of the house on the wrong property. I would not suggest that was the direct result of dodginess on the part of the home builder, but the case serves to highlight the vagaries of the industry and the need for people paying large sums of money for home building contracts to be vigilant because there seems to be a higher than average rate of dissatisfaction.

The building industry has come to terms with the GST and it has had to do so in very quick time — we are rapidly coming to the implementation date. It is now only four months away, and many people across the country are totally confused as to what its impact will be. That is regrettable. I doubt that any one builder or any one economic commentator could accurately forecast the precise impact of the GST on building contracts.

Several attempts have been made to estimate the general implications of the introduction of the GST on the inflation rate, for example, and the necessary compensation that ought to be paid as a result of that, but those figures are general and were provided some time ago. As we get closer to the implementation date the federal government seems extraordinarily reluctant to revise those figures. However, there seems to be a broad perception in the community, and certainly on this side of the house, that the federal government would have underestimated severely the impact of the GST.

As the honourable member for Berwick said, the Domestic Building Contracts Act made illegal the inclusion of cost escalation and price variation clauses in domestic building contracts. It did so for very good reason: too many people had fallen victim to unscrupulous tactics by domestic builders over a substantial period. No-one disputes the right of Parliament to implement that act and the reasons behind its implementation in 1995.

I guess it is a case of a few dodgy builders destroying the reputation of the good builders in the industry. We would like to think — and I am sure we are right in doing so — that most builders are honest and reputable.

Mr Lenders interjected.

Mr ROBINSON — As the honourable member for Dandenong North suggests, builders in his electorate

are scrupulously clean. Their scrupulousness is only marginally ahead, if at all, of the domestic builders in the Mitcham electorate.

Naturally enough, the advent of the GST has seen builders insert cost escalation provisions or GST price-rise provisions into their contracts. One can understand why builders need to do that: firstly, they are the people who will bear the cost before that cost is passed on to the people paying for the job; and secondly, they will tend to err on the side of caution when they lack sufficient information from the federal government as to the precise consequences of GST implementation. No-one can blame decent and scrupulous builders for being cautious and inserting such clauses into building contracts. But that practice has created a technical illegality: clauses have been inserted which, according to the 1995 act, are not permitted.

The bill seeks to come to terms with the challenging situation that now exists. More than anything else the bill is necessary because of the appalling mismanagement by the federal government of the implementation of the GST. What has not been spoken about in this debate often enough — but I suspect it will be from now on — is the fact that the federal government has had more than eight years to get this right.

The Australian community has before it today the son or daughter of Fightback, which was unveiled in November 1991. By my arithmetic, that was eight years ago last November, yet here we are, four months away from the GST implementation date, and the federal government has not yet got it right. It has had eight years to get it right — half of that term in government and half behind the scenes — and yet it still cannot competently explain the impact of the GST on the price of a can of Coke. If it cannot get it right on a can of Coke, how on earth can it possibly get it right on a domestic building contract?

Mrs Shardey interjected.

Mr ROBINSON — One hopes the federal government will not look to the honourable member for Caulfield to go riding to the rescue to explain to the Australian community how this works. I do not think anyone on the opposition benches could explain succinctly and comprehensively what the impact of the GST will be on domestic building contracts. No-one knows. No-one will provide an explanation.

Some time after the 1993 federal election Peter Reith made the extraordinary admission that one of the

reasons the then federal opposition failed to secure a likely victory was that only two people understood the Fightback package.

I suggest that in the seven years since Fightback one would still be lucky to find two people who could explain how the GST works. The mess the federal government creates is left to state parliaments like ours to sort out.

The bill has been drafted to avoid splitting hairs about whether GST clauses in contracts are cost escalation or price variation clauses, and it does that for good reason — the technical legal argument over that distinction is extraordinarily complex. Even the honourable member for Doncaster, with all his legal prowess, would balk at trying to explain to anyone, even a paying client, what the technical distinction is. The bill treats the clauses as one and the same thing.

Building contracts are now permitted to contain a GST price variation clause. As all honourable members will agree when the bill is put to the vote, that is a good thing where it is used appropriately, and I am sure it will be used appropriately in the majority of cases. Where it is not used appropriately, and that will happen not only across the state but across the country and will run into hundreds if not thousands of cases, it will prove very difficult to establish wrongdoing on the part of either party to the many different contracts involved.

The clauses have been inserted in contracts from approximately 8 November and the gazettal of approval was in late November. The bill provides that where GST variation clauses had been inserted prior to 8 November those clauses will be exempt from disallowance under the 1995 principle, but parties may still accrue a right to challenge the insertion of the clause if they feel its operation is inequitable. That is worth noting.

The bill deserves support. The pity of it is that more than eight years after the conservatives in Canberra set their minds to implementing a goods and services tax they have not been able to provide the Australian community with confidence that the new tax regime will be fairly implemented. Certainly they have not been able to provide the Victorian Parliament with any form of reassurance that the new regime will be implemented in a way that is equitable to people engaged in domestic building contracts, whether they be builders or purchasers. That is an extraordinarily regrettable feature of the debate that is occurring not only in this house but throughout the entire Australian community.

It is worth noting that there appears to be a proportionate relationship between the rate at which prices will rise under the GST, both in the domestic building field and others, and the likelihood that the federal government's chances of re-election will diminish. As prices go up the chances of re-election for the government go down, and certainly that provides the house with a definitive explanation of why the honourable member for Berwick was extraordinarily reluctant to refer to the real substance of the bill, which is not the 1995 act or the misguided intentions of the former Attorney-General or anything the previous government did or planned to do, it is the three letters that will hang around the necks of the conservatives like an albatross for months and years ahead — GST.

The bill deserves support but it should not be taken in any shape or form to suggest that the house endorses the way the GST has been introduced or the lacklustre efforts of the federal government to explain to the house, the Victorian community and Australians generally the impact of this iniquitous tax system. That point ought not to be lost on honourable members opposite.

Mr JASPER (Murray Valley) — I have listened with great interest to the contributions of the honourable members for Berwick and Mitcham. I am disappointed with some of the comments made by the honourable member for Mitcham, particularly his attack on the federal government and the introduction of the goods and services tax. There is no doubt in my mind that if there were a change of government at the next federal election and the Labor Party came to power it would not change the GST legislation.

I acknowledge the comment of the honourable member for Mitcham that there are complications with the introduction of the GST throughout Australia and it will have effects through the federal government to the state governments, local government and all Australians. However, in listening to the debate about the introduction of the GST I was surprised and disappointed that the federal Labor Party in opposition did not assist the coalition in attempting to bring in the best legislation possible to cover the introduction of a GST. It was left to the Democrats to argue and negotiate with the coalition to enable the legislation to proceed through the Senate. The Labor Party missed out badly and was sidelined when it came to the final analysis of the implementation of the GST.

Despite recognising the problems associated with the introduction of the GST, the honourable member for Mitcham could have given some credit to the fact that the legislation, which he believed went back to 1991, in

fact went back further to when the Labor Party was in government at a federal level. Perhaps he should look at that more realistically.

There is no doubt that there has been a long history of state governments seeking to more effectively regulate the domestic building industry in Victoria. In the late 1970s and early 1980s legislation was put forward by the Liberal government. It was refined by the Labor government between 1982 and 1992 to ensure there was protection for people who were home builders, whether they were involved in the building of a domestic home in its entirety or in part.

Throughout the 1980s I was the National Party spokesman on the legislation and I spoke to people from the Housing Industry Association, the Master Builders Association and consumer groups to try to ensure that there was appropriate protection for people in the domestic building industry. I agree with the honourable members for Berwick and Mitcham that protection is needed to ensure that when consumers enter into building contracts they can be certain they will get what they paid for and that the work will be satisfactorily carried out.

It also means that the builders need to be protected. That balance was created through the establishment of the Housing Guarantee Fund, operating through the 1980s and into the 1990s. The Domestic Building Contracts Act 1995, introduced by the coalition government, sought to provide further protection for people involved in the building industry, whether they were building contractors or consumers getting work done in the form of a new house or repairs and maintenance of an existing house.

The 1995 legislation covers all contracts with an estimated price of more than \$5000. Any contract under that amount is not protected. Whether for work on an existing or new home, contracts covered by the Housing Guarantee Fund are guaranteed for seven years. That arrangement has worked extremely well throughout the industry.

The Domestic Building Contracts (Amendment) Bill provides for cost-plus contracts to be entered into where contracts that extend beyond 1 July 2000 are affected by the introduction of the GST. I always have difficulty in accepting such retrospective legislation. The bill provides legislative protection related to regulations that were approved by the government and came into operation on 30 November 1999. It is worth putting that in the context of what the legislation does and how it protects the various people involved in the building industry.

As the honourable member for Mitcham indicated, although the bill is a small piece of legislation, it is certainly complex. I will precis and put into context what the legislation provides. The policy position is that the GST should be paid for by the end purchaser. The bill protects builders and purchasers by allowing them to establish an appropriate contract where the contract extends beyond 1 July 2000. The cost-plus contract will be protected and a GST component can be included in that contract.

For contracts entered into before 1 July 2000 the bill ensures that the GST component on domestic building work done after the GST applies is passed from the building contractor to the end purchaser. Pursuant to section 15 of the Domestic Building Contracts Act 1995, which concerns cost escalations, and section 33, which concerns price variations, additional clauses can be added to existing building contracts. The Director of Fair Trading gazetted an approved clause to that effect. The legislation also recognises the approved GST-recovery clauses gazetted on 8 November 1999. A side effect of that gazettal is that the nature of some existing contracts was changed to cost-plus contracts. As pointed out by previous speakers, that is the difficulty that arises where the completion of a building contract goes beyond 1 July 2000.

The bill amends the 1995 act to make allowable GST-recovery clauses covering firstly the period from 8 November, which is when the gazettal took place, and secondly the black-hole period between gazetting on 8 November and the introduction of the regulations on 30 November 1999, which caused difficulties for the building industry.

The clauses approved by the Director of Fair Trading will seek to provide some protection to the builder and consumer in contracts entered into between 8 and 30 November. Contracts entered into prior to 8 November 1999, with their cost-plus clauses as protected under the existing 1995 act, and the black-hole period from 8 November to 30 November should be covered by the director-approved clauses. The regulations that came into force on 30 November 1999 cover the unintended consequences of the GST-recovery clauses introduced earlier and affecting building contracts not completed until after 1 July 2000.

The bill provides retrospective approval for what has been undertaken by the government through regulation to ensure protection for not only the builder — the builder is protected from increases in costs arising after 1 July 2000 as a result of the GST and affecting the viability of the original contract — but also for the consumer. It ensures that the consumer pays an

appropriate amount for additional GST-related costs that arise after 1 July 2000 and costs to that date.

It is worth pointing out that Victoria has the strongest consumer legislation in Australia for the protection of people engaged in domestic housing contracts. Both the consumer and the builder get appropriate results. Many honourable members will remember the extreme difficulties in the building industry through the 1980s in ensuring appropriate protection for consumers. It was difficult to ensure that contracts entered into would be legally binding and that the builder would provide to the consumer what was covered by the contract. The bill goes one step further, ensuring the 1995 legislation continues to be effective but introducing amendments that will be implemented from 1 July 2000 regarding the introduction of the GST.

It is worth putting on record also that there has been some discussion in the media and in parliaments of the increases in costs that will be applicable with the introduction of the GST, which we all know is set at 10 per cent. There will be a balancing effect in the building and other industries; a contract price will not increase by the full 10 per cent.

It is estimated by the Australian Competition and Consumer Commission that the size of the increase under the GST will be some 3 to 4 per cent for building contracts entered into after 1 July 2000 and those that carry over into that period. People in the building industry have indicated to me that they believe the cost escalation will be more like 7 to 8 per cent. People talk about the introduction of the GST with an air of doom and gloom. I have my concerns about the effect of its introduction on small business and industries across Australia, but I do not believe there will be an overall increase of 10 per cent. That certainly will not be the effect of the GST. As I said, there is talk of a 10 per cent increase in building costs but, as is indicated by representatives of both the building industry and the Australian Competition and Consumer Commission, the increase will not be of that degree.

The legislation is important. It was developed by the previous government and would have been introduced to Parliament in the last session had the election not intervened. I am disappointed that the honourable member for Mitcham did not give due credit to the fact that the legislation was produced prior to the change of government and has been approved by the new government. There should be a recognition that both sides of the house support the bill and recognise that although small, it is complex in what it provides for — which is, the protection of all people within the industry.

In my closing comments I indicate that in his second-reading speech the minister is reported as saying:

... the introduction of the GST on domestic building contracts [is] aimed at:

protecting consumers ...

protecting domestic builders.

Effectively the legislation should provide for the smooth introduction of the GST but it will also ensure that appropriate protections are provided to consumers and domestic building contractors alike to produce the best outcomes for those parties. It will ensure that builders not only continue to produce the highest standards of products and building throughout Victoria but also produce results that will enhance the industry and Victoria into the future.

I have some sympathy for the departmental officers who examined the legislation before it was brought in to produce satisfactory results by providing protection to all people in the industry. Although I am not happy with the retrospective provisions, I understand the reason for bringing the legislation before the Parliament. It will put into effect regulations that were introduced from 30 November 1999.

Mr SEITZ (Keilor) — This is one of many bills I foresee being introduced into Parliament to provide some justice as we go through the processes and introduction of the goods and services tax (GST). The Domestic Building Contracts (Amendment) Bill is only the first of many bills that will be introduced to provide clarification. I can see Parliament having to deal with other amending bills in the future.

There is no clear understanding by the industry and society as a whole about the GST and its implementation. There will be test cases and some people will suffer great losses, which will force public opinion that further amending legislation should be introduced in this state to protect Victorian citizens against the GST, a tax which has been passed by federal Parliament and which will be implemented on 1 July.

Few people have an understanding or even an inkling of what the GST is all about and how it will be implemented. It is a sad day when we are so close to the implementation of the GST yet less than 2 per cent of the population have a knowledge or an inkling of what it is all about. Many people need practical hands-on experience, whether they be small business operators or those employed by companies in the construction industry or other large companies.

An accounting firm in my electorate has been running seminars and thought it had up-to-date information on the GST. However, on a weekly basis it receives bulletins with changes to be outlined at the seminars it runs to show real estate agents what processes, documents and forms are required in their offices. The same situation applies to local shopkeepers. People with takeaway food shops are still confused. That is why I suggest that this amendment is just one of many that will be introduced into this Parliament for debate.

I turn to the Domestic Building Contracts (Amendment) Bill. Before there was legislation on building contracts the building industry was run by cowboys and over the years a number of people were hurt. Parliament was forced to introduce appropriate legislation to provide for proper controls and contracts within the building industry and to protect consumers, whether they be consumers building new houses — which is what one naturally assumes — or consumers carrying out the many maintenance jobs that are carried out in the home, which also fall within the building industry.

Today particularly vulnerable people such as the elderly are still being ripped off by people offering to do roof restorations, half finishing jobs, and so on. The honourable member for Mitcham mentioned house restumping; the same sorts of problems occur there. People doorknocking will say to a vulnerable person, 'Your house is sinking. The job has to be done. Pay cash'. Unfortunately, all those sorts of situations will continue to occur.

I am sure that with the change of climate in the building industry some people will try to exploit the situation to cash in on it one way or another. They may say, 'There is a GST; pay cash and we will not have to charge the GST and you will get the job cheaper'. Many shams such as that will go on. The commonwealth government needs to undertake a large community education process on the GST, what it all means and its implementation, because to date no-one is clear on the actual charges and costs that will be incurred.

Some insurance companies have already been charging a GST component for insurance premiums covering periods beyond July 2000 — for instance, for two or three months. A number of people have been reported in the newspapers as saying, and several people on talkback radio programs have said, that they have already been charged for the GST up-front. Insurance companies are legally allowed to do it, but they are taking it out of the pockets of ordinary consumers and holding the money in their hands and earning interest on it, in some cases for up to nine months. Such

anomalies have occurred and, I dare say, will continue, even when the tax is implemented. Then both sides will get caught up and there will be disputes. One party will have to pay it, and the other party will be claiming the GST so it can offset it and pay it to the government.

The main aim of the bill is to amend the Domestic Building Contracts Act 1995 and to make provision for the effect of the goods and services tax clauses on certain domestic building contracts that were entered into before 30 November 1999, under which work will be or may be performed after the introduction of the GST on 1 July 2000.

Disputes will arise with some of the contracts for houses being built because questions will be asked, such as: 'Why wasn't the job finished beforehand so that I didn't have to pay GST?' and, 'For what reason was the job dragged out?'. All of those issues will come into it. It does not matter what statute or law the government puts up, society has to know about and come to grips with the GST — and we are not far away from its introduction.

I am certain that other honourable members have had representations from people who have signed contracts with builders for the construction of houses which have dragged out to about nine months. So a large number of people will be affected by the GST, particularly those in my electorate, which is a growth area. New development is going on there with many new houses being built. Basically three families each week move into new houses.

It will be easy for a builder to say, 'Well, I wasn't able to finish the job before 1 July; therefore, I have to charge you GST for this and that'. But was the builder able to buy and receive the goods before he had to pay GST on them? Did he have the material in his storage area because it was ordered and paid for beforehand? There are many shades of grey with the GST.

People will ask questions. All we know is that we as parliamentarians are trying to do the best we can to clarify the situation and thereby limit much of the potential for litigation. The worst thing that can happen when one is building a dream home is to get caught in a dispute with a builder. Neither side can move; the bank will not release the final payments; you cannot get occupancy; the landlord you are renting from is trying to get you out — all of those complications that exist in society can occur.

As I see it, the federal government still has much to do with the GST. It has many obligations to meet, including providing education for not just professionals

such as accountants and those who do the tax returns for various companies, but for the small builder or concreter who really does not understand the whole process. Nobody wants to take time off to show those people what they have to do and how it will work. It could be a painter painting a room in a house or someone fixing up a bathroom. I dare say some of the unions will assist the more qualified tradespeople such as plumbers, electricians and people in the carpentry industry; but there are many other tradespeople in the building industry today who are not organised and who do not have access to information and advice about the GST.

Self-employed contractors who are not working are not earning money, so they cannot afford to have two or three days off a week to pay for registration and attend seminars on something that is not of their making but comes from the federal government. That is the first point. The second point is that the tradesperson is losing income because no weekly wages are coming in. Subcontractors in the building industry do not have offices or clerical backup. In most cases when a client rings up either the subcontractor answers on a mobile phone or the partner says to wait until John or whoever he is comes home at 6.00 p.m. and can give a quote or come and see the job. Very rarely is the partner in the home actually acting as the secretary for the business and doing the registration work.

The person who is working out there building the fence is also the person who collects the money, makes the payments or charges costs up to accounts in the hardware stores and then comes back to the customer to get the cash. At times the tradesperson even has to chase the people for whom he or she has done the work. Consumers are not always honest about paying up. They often try to get out of paying the full amount by finding a fault, picking at it so they can argue for a discount on the price originally quoted.

A number of issues in the domestic building industry are of great concern to me, particularly in my electorate where new buildings are going up all the time. The larger companies have secretaries and proper contracts. They have everything legalised, with people signing and initialling every amendment and variation to the clauses in the contracts. All the extras will be dotted and the customer will have to sign off before the builder can collect the money. In smaller operations, however, the genuine hardworking people who are out there putting up fences, doing small concreting or painting jobs or fixing up kitchen cupboards and flywire doors have no such assistance. The perception is that the GST has to do with the building of new homes only, but that

is not so. The GST applies to the whole domestic building and maintenance industries.

Honourable members who were here before the last election will remember that Parliament had to pass special legislation for the domestic maintenance and repair industry because some of the people working in that area operate to the limit of the law and as far as they can extend it to extract money from people. Also, sometimes with poor individuals the subcontractor gives up because he questions whether it is worth going to court as a witness to get \$300 when he loses a day's work by attending. He ends up saying to the lawyer, 'I will just write the appearance off as a loss'.

The federal government's GST will create more headaches and problems for tradespeople in the building industry. However, I have not heard of any attempt by the commonwealth government to take the responsibility to provide free educational seminars for those people so that it is fair not only for the consumers but for those who provide the goods and services and will be forced to charge and recover their costs because if they do not pay up at the other end they will be chased and named as tax evaders. The introduction of the GST makes for more difficulties than were at first perceived. I hope that at this late stage the federal government will carry out a community education process, particularly, as I said, in the building industry where it is required.

The building industry is a vexed one that in many cases does not require people to be registered. Those who contract for limited amounts of work are not required to register and therefore cannot be taken to a tribunal or hearing and made to return funds or goods or to perform services for work not properly carried out. Even with registered builders and a housing guarantee fund the client who finds defects in a house or is not happy with the construction has difficulty getting justice.

I appreciate the clauses that deal with arguments about variation of contracts. They simplify things so people do not have to rush into court and then lose \$5000 to lawyers in an argument over a matter of \$500. The GST components can be charged fairly without litigation being advised by their lawyers — inevitably when people sign a contract for construction they consult a lawyer because they need information about transferring land, getting a loan and such matters. I hope this legislation will at least alleviate the need for lawyers, who are always trying to develop a new industry for themselves by setting up test cases and who see the interpretation of the GST as a growth industry.

The tax department itself is way behind in registering companies; it is not able to keep up with registration and training and showing people what is required. Therefore, although charities and other organisations have to register before 1 July, most community groups are not familiar with what forms they have to obtain and do not know whether to get them from the newsagent or the post office, so the federal government is obliged to carry out a great deal more work. I am pleased to see that the Victorian government is doing its bit with the proposed legislation and that both sides of the house are in agreement.

The legislation is necessary for the protection of builders, industry workers and the customers who are asking for the goods and services to be provided. I commend the bill to the house.

Mr SPRY (Bellarine) — I am pleased to support the bill and to follow the honourable member for Keilor. The bill is what I would describe as just-in-time legislation. It amends the Domestic Building Contracts Act 1995. The comment has already been made by a previous speaker but is worth repeating: that the original bill was brought in by the coalition government because it was concerned about the participants in the industry and the rights of the builders and, perhaps more especially, the rights of the clients, the customers of the building contracts.

I do not think anyone would argue with the concept that most of us are very trusting when it comes to our side of a particular contract. Despite what the honourable member for Keilor said when he branded builders generally as cowboys, it is fair enough to say that most builders are reputable. They have a high sense of what is right and wrong — I am talking about the builders with whom I have come into contact, and I have done so with many. In fact, at one stage in my many-faceted career I was registered as a building contractor.

On behalf of all my former colleagues in the building industry, I take exception to the reference by the honourable member for Keilor to builders generally as cowboys. In fairness to him, I do not believe he meant to be so all-encompassing. I am sure even he would recognise that most building contractors — indeed, most contractors — have a sense of what is right and wrong. They realise that most of their work, particularly if they are small-volume builders, depends on word of mouth and that they can ill afford to upset potential customers and get a reputation for being cowboys. The honourable member was a little off the mark in that direction, although in fairness to him I will not dwell on that subject.

My experience in this industry goes beyond being a registered builder. I hasten to add that I did not involve myself in any building contracts and went on to other callings, but I have two sons-in-law who are intimately connected with the building industry.

I have just given the poor old member for Keilor a bit of a bucketing. I should perhaps commend him on his basic understanding of what the industry is all about, particularly in relation to subcontractors. Some of his comments were based on good, gutsy commonsense. He certainly demonstrated a feeling for some of the problems that confront not so much builders as subcontractors.

One of my sons-in-law is a qualified roofing plumber — I think that is the correct terminology. I am well aware of the difficulties he faces from time to time in extracting payment from principal contractors. Many of his contracts are not domestic building contracts but commercial building contracts, so, like the honourable member for Keilor, I have some depth of feeling for the difficulties confronting some subcontractors.

In fairness to my other son-in-law, I should mention that he is a carpenter in southern New South Wales. He has a very highly developed sense of what is right and wrong. His reputation travels before him and he never has any trouble getting work anywhere. If he ever decides to turn his hand to becoming a fully qualified builder I am sure the stream of work will flow very well indeed. He has a highly developed sense of integrity. I hope he will become a prosperous builder in future but, of course, that is up to him and his family.

As I mentioned earlier, most of us are very trusting people. I notice the honourable member for Werribee is opening her mouth in absolute amazement. I can assure her that, like anybody else, members of the opposition are trusting people. She must be possessed of a certain sense of mistrust to react in that way, but the fact is that most of us are trusting.

In developing the original legislation the then Attorney-General, the Honourable Jan Wade, expressed concern for consumers in particular and drafted the legislation to ensure that they were adequately protected. Most honourable members would agree that home ownership is the biggest single investment any of us will make in a lifetime. Unlike many others in this chamber, I have not had the joy or the challenge of building a house or of having one built for me. Those members who have would realise the sense of achievement one gets from building a house — actually changing the landscape from a bare, vacant lot and creating something of permanence which is extremely

valuable and which perhaps even represents their major investment.

Unfortunately, some people can also recall the nightmare it can be to go through the building process. Anyone who has been a member of Parliament, particularly prior to the introduction of the Domestic Building Contracts Act in 1995, would be aware of some of the pitfalls into which consumers can fall. Previous speakers have touched on the sorts of problems that can occur, such as escalating costs because contracts were not clearly understood by both parties and because not enough effort had been put into studying the fine print. Due to the efforts of the caring former coalition government in introducing the principal act in 1995, very few of us would have encountered too many problems since then. I note that the honourable member for Werribee seems to be agreeing with me wholeheartedly, which makes a bit of a change for her.

Mr Trezise interjected.

Mr SPRY — Again, the honourable member for Geelong mentions dodgy real estate agents — I think that was the word. He certainly called into question the integrity of real estate agents. Let me assure him and other honourable members opposite that the reputations of building contractors, subcontractors and real estate agents determine their flow of work and whether they will be employed in future. Despite what the honourable member for Geelong says, nowadays most if not all real estate agents have a highly developed sense of integrity and of what is right and wrong. I assure honourable members that without that they would not last very long in business.

The legislation introduced by the former government contains a series of warranties on which consumers and builders can depend. There is always a consumer or two out there in the big wide world prepared to take on a builder, and the legislation was designed not simply to protect the consumer but also to bring a degree of comfort to builders. It is necessary to recognise that side of the act as well. It covers such controversial issues as deposits, maximum deposits and ensures an exchange of contracts so that both parties can be absolutely certain of what they are letting themselves in for. The builder must provide reports on ground conditions and any other conditions that might affect the building in future. It is made clear that fixtures and fittings are to be included in the contract price, and it details the provisions for cooling-off periods and so on.

When all is said and done, it is fairly simple legislation. It does not go into any unnecessary detail but it clearly

spells out the rights and obligations of both parties to any building contract. It pays particular attention to definitions, which, hitherto, were a little unclear, particularly with regard to costs. It outlaws the concept of cost-plus contracts and, as mentioned earlier, it outlaws the concept of prime costs. Those figures must be demonstrated and built into the contract. Most people would understand that.

The 1995 legislation could fairly be described as landmark legislation and it was generally accepted by all parties in the building industry. The credit for that legislation must go to the coalition government, particularly the former Attorney-General, the Honourable Jan Wade. The initiative was appropriate and was appreciated.

The amendment was also drafted by the former coalition, so it has the opposition's full support. The legislation was necessary because of the implications of the impending introduction of the goods and services tax, and the realisation that continuing contracts would be affected by additional costs. Under the definitions endorsed in the Domestic Building Contracts Act 1995, the provisions which pertain to the GST could have been interpreted as a cost escalation and therefore illegal. When I referred to the bill as just-in-time legislation, I meant that it has to be passed by both houses of Parliament and signed off by the Governor before the introduction of the GST on 1 July.

With those few brief remarks, backed up by some little experience in the industry, however modest, I fully endorse the concept of the legislation and commend it to the house.

Mr LENDERS (Dandenong North) — I have listened with some interest to the contributions to the debate from the five members who have spoken today and to the minister representing the Minister for Consumer Affairs in another place who made his second-reading speech late last year. The bill follows a pattern of many bills that have been introduced into the chamber. It has bipartisan support. As the honourable member for Mitcham mentioned — —

Mr Perton interjected.

The ACTING SPEAKER (Mr Kilgour) — Order! The honourable member for Doncaster is not helping the debate. I ask him to cease interjecting across the table.

Mr LENDERS — There would not have been a hint of a suggestion of my being partisan on the bill, but I guess I could rise to the challenge.

As the honourable for Mitcham mentioned, the bill contains 16 references to the goods and services tax. It is a GST fix-it bill. Coming from an agricultural background, I can say that GST to the building industry is probably not that dissimilar to what the boll weevil was to the cotton industry — that is, it is a bothersome and destructive thing that will make everybody in an industry change their lives and wellbeing.

Parliament is obliged to enact the bill to fix a problem the GST has presented, and one the Kennett government recognised needed addressing. It is an indication of the problem our society generally will have to deal with as time goes on. The GST is a job destroyer that will require enormous remedial action from every state legislature, and pretty well from every community, business association and individual small business, because it imposes a series of burdens on society which the bill starts to address in one industry.

The GST, as it affects the building industry, is broad and iniquitous. When the GST was originally introduced by Dr Hewson — who has disappeared from the planet — it was meant to be a simple tax, a concept that would make industries such as the building industry easy to deal with. It was meant to be the magic wand that would solve all the financial problems of our community in one fell swoop and basically make the world a better place. That is how it was portrayed by Dr Hewson at the time and was certainly the con the Australian electorate rejected on that memorable day in 1993.

The GST is anything but a simple concept. It is a tax that permeates every level of our society, not just the building industry. If it were imposed in its purest sense it would at least be a simple tax. The government would have enormous grievances with it on the basis of its iniquity and the fact it is not progressive. As it applies to the building industry and every industry that this great state entertains, it is not simple because it has been amended beyond belief. It has been manipulated to match the particular personality quirks of the current Prime Minister. It has been the product of an enormously complicated negotiation process: firstly, within the Liberal Party between the wets and the dries; secondly, within the federal coalition; and thirdly, between the coalition and the Democrats.

As I said, the effect of the GST on the building industry, and on my electorate of Dandenong North, is to the building industry as the boll weevil was to the cotton industry. The GST will create enormous uncertainty in the building industry. Last week I had the misfortune of having part of the roof of my house come down due to a water leak in the ceiling. It drew to my

attention some of the angst we will all be facing as we deal with this tax. Builders now engaging in any contract that passes over 1 July have to incorporate a GST component in their quotes. To remain on side with the Australian Competition and Consumer Commission, builders also have to remove some of the so-called embedded taxes in their pricing at the moment as well as removing them and accounting for the future GST.

The most important commodity in a state such as Victoria is confidence — confidence from the business sector that it is worth investing in, and confidence from consumers that it is worth their while to go forward and invest. Reflecting on the debate this morning about the state of the state and the enormous anxiety from opposition members on issues of business confidence, it is amazing that the biggest confidence killer that has been unleashed on the building industry and the community generally during my lifetime has been the goods and services tax imposed by the federal government. Uncertainty is something that the building industry cannot cope with, nor can many parts of our society. This is just the first of probably dozens of bills that will end up in this Parliament and dozens of bills that will end up in federal Parliament to deal with anomalies of the GST and to try to create the environment for builders, churches, schools, small business and consumers to deal with this difficult tax.

Larger builders can address the problem by engaging the services of an accountant or another form of consultancy and putting in place systems to deal with all the permutations of the GST. I note that many honourable members were in Parliament House at 7.45 a.m. today for a briefing by the Department of Treasury and Finance on the impact of the GST on the state. That briefing by a couple of private sector advisers on tax barely skirted over some of the issues that the state and in particular the building industry face in dealing with the GST.

The bill's provisions deal with a few fairly specific items that need addressing now. However, they only begin to touch on — and in fact barely touch on — some of the ongoing uncertainties of the GST and how it will apply in Victoria, particularly for small business. Small business represents the group of people in the community who were the basis of the Liberal Party founded by Sir Robert Menzies in the 1940s. It has been a mantra of the Liberal Party since then that it is the guardian and custodian of small business which it sees as a natural constituency. That constituency feels particularly betrayed by what the GST will impose on it. The bill attempts to address some of those issues in one small industry.

It is fine for large city accounting firms to give briefings to government and large companies on how the GST works, but the federal government has been working at snail's pace putting in place procedures and offering advice, and the Australian Taxation Office is overwhelmed. Large sections of the economy are being ground to a halt because of the onerous paperwork. In my electorate the GST is introducing enormous uncertainty.

The pay-as-you-go (PAYG) system is in such a state at the moment that the legislation will only begin to address some of the problems that small businesses in and around my electorate will face as 1 July comes closer.

The government was concerned about Y2K. All over the planet, in communities and government enormous emphasis was put into addressing the problems and getting the systems right. However, the Y2K problem was simple compared to the complexity of the introduction of the GST.

Regulations and business practices as well as dozens of further bills will be needed to deal with the consequences of the tax. In the months and years to come when honourable members opposite are sitting in nursing homes with rugs over their legs and reflecting on their political lives, they should reflect on whether it was worthwhile putting the community through the angst of John Howard's experiment, which he believes in passionately but which in the end is going to cause enormous pain and grief to small businesses.

I refer to the complexities of the PAYG system and how it will affect small businesses in Dandenong North and across the state.

Honourable members interjecting.

Mr LENDERS — I should not respond to interjections but I could suggest that particularly people who have responsibility for small business should empathise more with small and microbusinesses and the problems being created by the GST.

Currently barely one person in ten is registered for the PAYG system. I predict chaos after 1 July. The Y2K bug at its worst would have been simple compared to this situation. In a world where the opposition has preached for a generation about the need to reduce red tape and bureaucracy, as the honourable member for Mitcham says, the most horrendous amount of red tape has been inflicted on small and microbusinesses for a negligible return.

If you accept the philosophical premise of the Prime Minister that a standard tax such as the one Joh Bjelke-Petersen advocated was a good thing, you could at least give him credit for acting on his beliefs. This is the most mutated and bastardised form of taxation in existence. It makes the current Income Tax Assessment Act — which I studied when I was doing law and which at that stage was about four inches thick — look like a simple document. A regime is now in place that is starting to unravel some of the mess left by the Hewson–Howard experiments.

The bill does not address the matter of dealing with small businesses and microbusinesses that are not caught by this situation. The economy consists of a series of people, including large legal corporations that play a significant role in our community and generate tens of thousands of jobs — and they will proceed. The Coles Myers, the Bectons, the Mirvacs and other large companies of the world will get by — systems are in place and the extra expense will be passed on to the consumers, but it will not be a drama that money cannot fix.

Going through Brady Road in my electorate of Dandenong North or a number of other similar streets during my doorknocking I came across large numbers of business people who were John Howard's and Jeff Kennett's constituency — the champions of small business. These are the people who have been betrayed and are now looking to state governments to salvage something from the mess which the GST has put in front of them.

The tax is an unnecessary burden and I am intrigued that we have got to this stage with as much goodwill in the community as we have. The Office of Fair Trading, the Minister for Consumer Affairs and the Australian Consumer and Competition Commission should not have to put time and energy at the commencement of 2000 into trying to unravel problems that could easily have been foreseen. If the GST legislation had been introduced incrementally or with more thought or lead time some of the pain would not have been felt. Education campaigns coming from the commonwealth will only begin to address the problems in front of us.

The Domestic Building Contracts (Amendment) Bill is but the first of a string of legislation that will need to come into place to deal with some of the provisions of the GST. But it is inadequate to deal with the anguish and the diminution of free time and quality of life of the small business and microbusiness people in my electorate.

Workers such as the builders fixing the hole in my roof now roll up to work at 7 o'clock in the morning, go on to work until 4 or 5 o'clock at night on a construction site and then do quotes and seek new clients for several hours before going home and spending a minimal amount of time with their families. These people will now need to do paperwork after that as tax collectors for the commonwealth government.

These people will be John Howard's tax collectors: this applies equally to all electors but particularly to the small and microbusinesses where the paperwork is done by one person. As the honourable member for Keilor suggested — he is a representative of a growth corridor electorate and has extensive experience of dealing with people as a hardworking local member — it is the people who are the salt of the earth who will bleed the most and they are the ones we must support.

The domestic building industry is a cornerstone of growth in the community. It is the industry that reflects most of the aspirations of Mr and Mrs Citizen in the community, the people who put all their effort and time in and want to make life better — save their money; take the plunge; build a house; dream for the future; move out to the growth corridor; build in the suburbs — all the aspirations that the community has embraced and that are the envy of the world.

They are the people who will be slugged by the goods and services tax and who are seeking relief from the Victorian government from some of the horrendous burdens imposed on them by the federal government.

If we forget about those people we suffer the consequences of their turning on us. The small business community is a growing community that has turned on the Liberal Party with a vengeance, and particularly in provincial and regional Victoria the community has turned on the National Party with a vengeance. I would be so bold as to suggest that part of the reason for that is the GST and the sense that small business community members' aspirations and values were not being met by the party or parties in which they had placed their trust for generations. For the next year or more the Bracks government, as every other Labor, Liberal and Country Liberal Party government around Australia, should feel obliged to retrieve themselves from the mess.

The legislation is necessary to add some certainty to the building industry. It is a good thing that it has bipartisan support. However, the underlying reason for that is the goods and services tax which is to the building industry what the boll weevil was to the cotton industry in the last century.

Mr THOMPSON (Sandringham) — It is astonishing that members on the government benches are championing the cause of small business. When the Labor Party was in office a decade or so ago it was going to propose an ad valorem tax on the purchase price of a new business. It would have meant that after a person bought a small business, in addition to paying legal and accountancy costs, the purchase price of the new business, including the stock, and the adjustments on the electricity, water and municipal rates, he or she would have had to pay several thousand dollars as a percentage price of the business for no other reason than that the Labor Party needed a new revenue base. There was such a massive outcry and outrage in the small business community that the party did a back somersault and never implemented the policy. The Labor Party came to understand something of what the small business community dealt with and what it meant.

Today we are also dealing with the question of tax reform. It was the federal coalition that had the political principle and guts to go to two federal elections on the issue of national tax reform, recognising what had happened to the Mulroney government in Canada when it lost about 148 seats but proceeded with tax reform as a matter of principle. Why was that the case? One reason was that people had had enough of the political rhetoric of the former federal Labor Treasurer, Paul Keating. On one occasion during his budget day pronouncements his immortal words were, 'We are on the dawn of a new economic golden age'. In the following year he said, 'This is a budget that's going to bring home the bacon'. Then he said, 'I won't let there be a recession'. Then he said, 'With myself at the helm I'm going to bring down a soft economic landing'. What did he say later? He said, 'This is the recession that we had to have'.

I would have challenged him at that time to walk through the small business districts of Carnegie, Brighton, Braeside, Tottenham, Tullamarine and Mordialloc and look in the eye the small business people who had to incur the impact of interest rates at 18 per cent and 22 per cent. Small business men and women who were running milk bars saw interest rates increase to 13 per cent, 15 per cent, 17 per cent, 18 per cent, 22 per cent and even 25 per cent under certain onerous commercial contracts. They went out of business very quickly.

I am intrigued that we have champions of small business on the other side of the house given what one sees when one looks at the record of the former federal Labor government on the issue of tax reform. Every now and again the former federal Labor Treasurer was

able to flick the switch to vaudeville — or talk about the big picture — and he had a clear vision of the Paris option. But the important thing to remember is that back in the early days of the 1980s Paul Keating had a crystal-clear vision of what would have been good for and what would have advanced the interest of the Australian economy when he came up with the option of a goods and services tax to broaden the base, spread the load, take it away from the manufacturing sector, take it away from payroll tax, and spread it to the growing service industry economy. No matter how history will judge the 1990s with the Hewson and Howard campaigns and the next election, let it be recognised that this has been an attempt to implement a reform not based upon spin doctoring or political opportunism, but to implement a tax system that would serve to underpin Australia's economic growth.

Government members interjecting.

Mr THOMPSON — As a result of having dealt with a couple of issues relating to relevance we have government members interjecting. I ask them to add one page to their party's tax policy relating to what will advance the interest of Australia. Do you know what their tax policy is? It currently matches the faces on the members of the government benches. That is the summation of their policy. They do not have a cohesive current tax policy.

I turn to the building industry. I am assured by the honourable member for Bellarine, who has family members who are building subcontractors in plumbing and roofing, that there will be great scope on the part of contractors to adapt and adjust to the new tax system. Forget the political angling of the Labor Party. Let this be something that contractors can take in their stride and note that they are contributing to the national good. The tax base is being broadened not only in the manufacturing industry, where manufacturers are struggling against a more competitive regime and imports, but also in the service sector and the entertainment, food and tourist industries, which will contribute to the national tax base. There will be an opportunity to broaden the tax base with the strength of growth that will occur in those fields and to deliver the very services that many of our constituents will require in the days ahead.

It is visionary thinking. I am sure that in the later memoirs of the former Labor Treasurer, it may be one clear-headed moment as he is working out his lines with his friends — Deidre, Laurie and a few others — that he thought that by broadening the base a goods and services tax would be in the national interest.

The building industry represents one of the more important areas of economic activity that takes place in the state. Our economic life is underpinned in large part by mining, agriculture and manufacturing. If things are working well there or if interest rates are low, the next tier of activity can provide an enormous amount of employment in the construction industry. Lawyers would generally agree that a building dispute is one of the worst disputes that one can encounter. Litigation is expensive and there is little satisfaction at the end of a dispute with the costs being so high. The bill finetunes the contract so that there is provision for allowance of a goods and services tax component as part of the overall broadening of the tax base.

Rather than the idle rhetoric of Labor spin doctors talking about the dawns of new economic golden ages or recessions we had to have, this overall tax reform is designed to be in the national interest by broadening the tax base to provide for the range of services across the spectrum in health, education and welfare in a way that does not adversely impact on the manufacturing sector or pay-as-you-earn taxpayers while ultimately strengthening the Australian nation.

Debate interrupted pursuant to sessional orders.

ADJOURNMENT

The SPEAKER — Order! Pursuant to sessional orders the time set down for me to interrupt business has arrived.

Police: Mount Evelyn station

Mrs FYFFE (Evelyn) — The matter I direct to the attention of the Minister for Police and Emergency Services concerns an important matter of crime and of community safety. Under the former government Victoria repeatedly earned the status of Australia's safest state, according to the Australian Bureau of Statistics, with a crime rate 23 per cent below the national average. Prior to the last election the honourable members for Williamstown, Yan Yean and Niddrie released a community safety election policy that promised to increase the operating hours of the Mount Evelyn police station to 16 hours a day if Labor won government. However, that is yet to occur.

According to its policy, Labor's pledge would mean that Mount Evelyn police station would be staffed for 16 hours a day. That promise was taken from the ALP's police policy headed 'Community safety' dated September 1999.

Before the last election Labor's policy focused heavily on the Mount Evelyn police station, but its silence on the issue since it came to office has been deafening. The honourable member for Yan Yean focused so heavily on the station that he circulated and then presented to Parliament a petition, signed by almost 3000 people, calling for an extended police presence in the area. Labor even said that if it formed government it would become involved in force command's allocation of officers by obliging police command to staff the Mount Evelyn police station for 16 hours a day. The former Liberal government never instructed police command where to allocate its resources but left it to the police, who know more than politicians about such matters.

In a visit to the area early last year, according to a press report dated 30 March 1999, the Premier, then the Leader of the Opposition, pledged that he would push for an expanded police presence to keep the Mount Evelyn police station open and extend its manned hours. I ask the Minister for Police and Emergency Services to advise the people of Mount Evelyn whether Labor's election policy still stands; if so, when will the police station be staffed for 16 hours a day?

Rural Victoria: school retention rates

Ms ALLAN (Bendigo East) — I direct to the attention of the Minister for Post Compulsory Education, Training and Employment my concern about the appallingly low school retention rates of young people in regional Victoria. I especially want to know what action the minister will take to ensure that interested people will have the opportunity of contributing input when she undertakes her review without necessarily having to put their concerns into a detailed report, as some people find such a task difficult.

In most areas of regional Victoria, including the portfolio area of the Minister for Post Compulsory Education, Training and Employment, young people were deserted by the former government: 176 schools were closed, TAFE institutes were abandoned and employment opportunities were withdrawn. It is startling when we talk about employment opportunities that the figure of 2 per cent keeps popping up — that is the jobs growth rate in regional areas under the former government for the last financial year. All those factors have impacted greatly on young people in Bendigo and across regional Victoria.

The sorry state of affairs is exemplified in the low youth school retention rates in my community. In the

Loddon–Campaspe–Mallee region covered by my electorate 33.1 per cent of boys left government schools early without any formal qualifications; the figure for girls is 19.7 per cent. Future employment opportunities for young people who leave school early are limited. Often they join the ranks of the unemployed and more often than not they become long-term unemployed Victorians, with limited future opportunities.

Youth unemployment in the Loddon, Campaspe and Mallee area is 30 per cent, which is shameful. I am pleased the minister has implemented a review into that disturbing situation, and I hope she will shed some light on its progress and on how regional Victoria will have its voice heard.

Too often reviews are run by experts with little opportunity for people or organisations to have an input beyond detailed submissions. Although many people have views they want to share, not everyone has the skills or the personal resources to put those views in detailed written form as many reviews require. Regional Victorians need friendly mechanisms to assist them in providing their input. I ask the minister to detail the action she will take during the review to uphold the government's commitment to open consultation with the community — in this instance the regional community.

Rail: franchises

Mr LEIGH (Mordialloc) — I refer the Premier to the saving to Victorian taxpayers of more than \$1.6 billion because of the former government's franchising arrangements with train companies. Had that money not been saved taxpayers would have received a lesser benefit. I have a series of documents dating from 18 June last year and continuing until after the election stating that various companies would enter into arrangements with the former government. Because of strong leadership in Victoria those arrangements were to be entered into without subsidies. Both Mr Plod — the Minister for Transport — and the Minister for Manufacturing Industry have bungled the arrangement and some form of subsidy is now required to keep the companies in Victoria.

It is time the Premier became involved to ensure that Victorian industry receives some benefit. Had the former government not guaranteed the maximised benefit, both the Auditor-General and the then opposition would have criticised it for receiving less money and ensuring that the taxpayer received a lesser benefit.

It is time for the Premier to come out of his cocoon and take a bold step. He should get on with the job and have his bungling ministers cease their involvement. The Premier is the only person in the government who appears capable of doing anything. As both Premier and Treasurer he should become involved to ensure Victorian industry gains what is set out in those statements.

All the companies now realise that ministers in the Bracks Labor government are hiding from the fact that more than \$1.6 billion was saved. The government cannot make up its mind what to do. The Premier is hiding in his office tonight. For the protection of Victorian industry I ask him to come into the house and make a statement. He is the leader of this bunch of incompetents and he should do something.

Police: Springvale station

Mr HOLDING (Springvale) — I refer the Minister for Police and Emergency Services to police numbers in my electorate. Honourable members may be aware that before the last election the Springvale police station was undermanned from its recognised strength by 14 police officers. Those figures do not take into account the relocation of the traffic operations group, which created a further problem.

Springvale is an area that has problems with both property crime and drug-related crime. Honourable members would be aware that over the weekend an operation that was successful in reducing drug-related crime in Springvale was concluded. I understand hundreds of people were interviewed, and some were searched and questioned about drug-related matters. Some 46 people were charged with various offences, particularly drug trafficking offences.

The matter I raise for the attention of the minister is Labor's pledge to increase the number of police in Springvale. I understand a number are currently training at the police academy, but I want to know when the Springvale police station will benefit through increased police numbers. The Springvale police station is on the border of my electorate and it services not only the suburb of Springvale but also Springvale South, Keysborough and Noble Park. Local people are concerned about various property offences as well as drug-related crime. They are committed to Labor's policy and want more police in the area. Although they have confidence that Labor's policies will be carried through, they are supportive of the operation that was concluded over the weekend.

My office received many calls congratulating the police force on the action it undertook. People were asking how many new police will be provided in Springvale and what effect that will have on not only drug offences in Springvale but other offences.

Mount Hotham: underground powerline

Mr PLOWMAN (Benambra) — The matter I direct to the attention of the Minister for Environment and Conservation is the laying of a powerline to Mount Hotham and Mount Beauty that is being held up by either the minister's incompetence or her laziness. I can understand that the net benefit of \$100 million the skiing industry brings to the economy of Victoria may not be of great importance to the minister, despite the fact that it is generated from public land, but I fail to understand how she could let something happen that endangers the lives of skiers and those who are employed in one of the biggest tourism industries in this state.

The existing powerline from Harrietville is suspect because it is subject to lightning strikes. If lightning strikes the powerline, everything goes out and during that time people are put in danger. Last year a cable was laid to Falls Creek from Mount Beauty. It was opened by the Honourable Bill Baxter from another place. At the same time it was planned to have the cable laid to Mount Hotham, but unfortunately because of delays in the environment effects statement it was not possible.

The minister has had the feasibility report on her desk since November. Isn't that enough time to do something, particularly when department and Parks Victoria favour the development? They know it will not endanger the environment of Mount Hotham because the cable will be laid along the entire length of an existing track.

The political web site, crikey.com, says there are more than 700 unsigned documents currently sitting on the minister's desk. I ask the minister to do something to overcome this problem. If it is not acted upon immediately people will be put in danger.

Magpie Primary School

Mr HOWARD (Ballarat East) — I raise with the Minister for Education the eligibility of schools for a rurality allowance. I was approached recently by members of the council of Magpie Primary School who expressed their disappointment at their school not being eligible to receive a rurality allowance.

Magpie Primary School has 57 students and has been in operation for over 100 years. The honourable member

for Geelong advises me that his grandfather grew up in Magpie and went to that school. The school has a significant history. Magpie is a small town a little to the south-west of Ballarat and is clearly a rural community. Students at the school come from surrounding rural areas. Because of the special rural character of this small school it also attracts some students from urban areas of Ballarat.

Being small, the school has difficulties maintaining enough staff to provide a balanced curriculum. If it were eligible for a rurality allowance the extra money would be of great assistance, because it would allow the appointment of an extra 0.5 staff member at a cost of about \$30 000 a year. That would make a lot of difference to the school.

Members of the Magpie school community greatly value their school. They were able to resist the efforts of the previous government to close the school down or have it amalgamated with another one. They still feel, however, that they have to continue the struggle, even after that victory.

Recently the school has received some additional funding from the new government, but the parents, who have done a lot of fundraising, are still pushed to the limit. I ask the minister to look into the criteria for eligibility for rurality funding for schools and to see whether Magpie school should be eligible.

In my own investigations into the matter I found that there are other schools in the Ballarat region that, although clearly in a more urban environment and closer to the centre of Ballarat than Magpie is, receive the rurality allowance, so there seems to be a significant discrepancy in the criteria for determining rurality. I understand the criteria are based on Australian Bureau of Statistics figures, but I have not yet been able to obtain the relevant statistics for Magpie Primary School.

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

Duck hunting

Mr KILGOUR (Shepparton) — I raise for the attention of the Minister for Environment and Conservation, who left the chamber about 20 seconds ago, the regulated culling of wild duck. I ask the minister to investigate the call by Dr Hugh Wirth of the Royal Society for the Prevention of Cruelty to Animals (RSPCA) for the banning of recreational duck hunting.

It is unfortunate that the RSPCA has chosen to go down that path. Unfortunately scaremongering has been

indulged in, and unsubstantiated figures for the number of injured ducks have been widely circulated. I ask the minister to look into the truth of the matter and determine that such statements do not accurately reflect the situation.

The information coming from the RSPCA about organisations such as the Victorian Field and Game Association has included no mention of the hundreds of thousands of dollars and the many hours association members have spent on the restoration of duck habitats. Field and Game Australia was constituted for the express purpose of ensuring the survival of waterfowl through the conservation of wetland habitats, and it is the proud recipient of the Conservation Council of Victoria's conservation award. The organisation has continued that tradition through the ensuing decades.

I ask the minister to look at the facts and not the emotion being spread around concerning the culling of wild duck and to discover for herself that the RSPCA campaign is a cynical attempt to get sympathy and money from the general public at the expense of recreational hunters. I also alert the minister to the danger that the campaign is just a backdoor entry into a campaign for the banning of all recreational hunting.

Duck hunting poses no threat to duck populations. Rather, loss of habitat is the biggest threat. That is why members of Field and Game Australia spend money to support the habitat of ducks. Hunting in Victoria is conducted under a code of practice. The RSPCA was involved in the formulation of the code and is also responsible for detecting breaches. Inspectors have never prosecuted a hunter for a breach of the code.

Veterinary officers were unanimous in the opinion that the banning of duck shooting on animal welfare grounds was not warranted. The Minister for Environment and Conservation should look at the facts and ensure that people in the city do not tell country Victorians how to run their lives. Country Victorians care for the duck habitat, and they ensure that the unwarranted taking of bags of ducks does not occur. To get a licence one has to understand what duck hunting is all about. I ask the minister to talk to organisations such as Field and Game Australia and get the facts.

Housing: Alamein estate

Mr STENSHOLT (Burwood) — I raise for the attention of the Minister for Housing the matter of public housing in Burwood, and I specifically ask what is being done to replace older public housing stock in my electorate, particularly in Ashburton, Alamein, Ashwood and Jordanville.

Contrary to what some people may believe, Burwood is not made up of just leafy suburbs and socially responsible citizens, such as the people of Surrey Hills and Camberwell who voted for me. Some 10 per cent of my constituents live in public housing in the suburbs I mentioned.

One housing estate in Alamein that my constituents believe is in urgent need of redevelopment is located on Victory Boulevard — an appropriate name for the Burwood electorate! The double-storey concrete walk-up consists of some 56 two-bedroom units. It is well situated on Gardiners Creek opposite the Malvern golf course and was built in the 1950s. The estate is now past its use-by date and is desperately in need of bulldozing and redevelopment.

Nothing was done during the term of the former government led by the former member for Burwood — or perhaps we should call him the Artful Dodger! Nothing was done during the past seven years for those deserving constituents of Burwood. The residents have had enough of the promises given to them and the lack of action taken over the past seven years. They are sick of feasibility studies going nowhere and of living their lives in degrading accommodation. That is why on the first day of the by-election campaign I took the Premier to the Alamein flats while the failing Leader of the Opposition was scoffing chocolate frogs with my erstwhile Liberal opponent in the by-election. I also asked the Minister for Housing to go with me to visit the residents of the Alamein flats.

Naturally the voters of Burwood are appreciative of the housing policies of the new Labor government. They would like the minister to inform them of the action that will be taken to replace older stock and provide better quality accommodation for the tenants, who are worthy of seeing some action rather than the inaction that has been the hallmark of the previous government, particularly the Artful Dodger of Burwood.

Beaches: syringes

Mr DIXON (Dromana) — I refer the Minister for Health, who must be between offices because he is not in the chamber, to a matter concerning the problem of syringes that are dumped on Victoria's bayside beaches. A well-publicised incident that occurred in Elwood involved a triathlete standing on a syringe. He is now awaiting the outcome of medical tests.

I received a letter from a constituent of my electorate, Ms Karen Gallichio of Rye, who put forward a positive suggestion. She proposes a change from clear plastic syringes to transparent fluorescent-coloured ones. I ask

the minister to investigate the proposal with a view to making that the medical standard.

No matter how well Victoria's beaches are cleaned — and they are cleaned fairly well in most areas — some syringes are just not picked up. In between the weekly or fortnightly cleaning operations, many inconsiderate needle users are dumping their syringes on the beach. They are very hard to spot, whether on beaches, in parks or under bushes.

In her letter Miss Gallichio sent samples of plastic in iridescent pink and green. The colours are very much like those of the highlighter pens, and they certainly stand out. Not only did she send some samples of the plastic that could be used, she also went to the trouble of taking photos of a clear plastic syringe in the sand at the local beach next to pieces of the fluorescent plastic in various colours. It is remarkable how clearly the coloured pieces of plastic stand out compared with the clear white plastic syringe. They would stand out not only on sand but on chip bark and grass as well and would increase the chances of unwary walkers spotting and avoiding discarded syringes.

I commend the idea. If he is interested I will take the trouble of sending the minister Miss Gallichio's letter, the samples of the plastic and the photos. I ask him to follow up the suggestion. If he does it would go a long way towards decreasing the menace of syringes on our beaches, making them the safe environment for our families that they should be.

Victoria Integrated Technology Park

Ms DUNCAN (Gisborne) — I seek some clarification from the Minister for State and Regional Development concerning the misleading comments made in the house yesterday by the Leader of the Opposition about the future of the Victoria Integrated Technology Park in Portland.

I seek his clarification because the claims of the Leader of the Opposition are in stark contrast to the achievements of the new Bracks government in delivering on regional investment projects throughout the state. The projects that I refer to include the Murray Goulburn Cooperative in Rochester, Bruck Textiles in Wangaratta, Vitasoy/National Foods in Wodonga, Heinz Wattie's in Echuca, Ausfresh in Cobram and Adacel in Wodonga.

I was extremely concerned to read on page 7 of today's *Age* the comments made by the Leader of the Opposition about the technology park, which were reported as follows:

The project ... was well and truly on track when we were in government. It has come off the rails under this government.

The article goes on to quote the developers of the project as saying that they are having difficulty attracting investors to the state.

The opposition leader's constant talking down of the project makes the situation all the more precarious. As all honourable members are aware, projects such as the technology park rely on the confidence of investors. I am concerned that the Leader of the Opposition is talking down Victoria and deliberately seeking to score cheap political points at the expense of Victorians who live in regional and rural areas, placing investment in the state in jeopardy.

I ask the Minister for State and Regional Development to clarify this important matter. I should add that the same article goes on to praise the Premier for his —

Mr Plowman — On a point of order, Mr Speaker, on many occasions last night the Deputy Speaker requested members who were on their feet during the adjournment debate to clearly identify what action they wanted a minister to take. On this occasion I waited patiently and listened to every word the honourable member for Gisborne said to try to discover whether she was going to ask the relevant minister to take particular action. I believe what the honourable member is asking is not pertinent to the minister's authority or responsibility. I therefore ask you, Sir, to rule on whether the honourable member was actually asking for action by a minister within that minister's authority.

The SPEAKER — Order! I do not uphold the point of order. I was listening to the honourable member for Gisborne, and she was clearly asking for the minister's action on a particular project. Therefore, she is in order.

Responses

Mr HAERMEYER (Minister for Police and Emergency Services) — The honourable member for Springvale raised for my attention the issue of police numbers in the Springvale area and expressed his concern about property and drug-related crime in the area. Unfortunately, the Springvale area has been subject to very high levels of both those crimes. I dare say the property crime is very much related to the high incidence of drug trafficking and the need for drug users in the area to find the means of sustaining their habit.

The honourable member directed attention to a police sweep of the area on the weekend, which I am informed was highly successful. That is something honourable

members will see more of because this government will ensure the police in this state are properly resourced to deal with crime. Under the previous government we watched the crime rate against the person and drug-related crime go up and up, while police numbers were cut by more than 800.

The honourable member for Springvale has been very diligent. Even before being elected to Parliament, as a candidate he campaigned very heavily to get a greater police focus on the suburb of Springvale. The government was elected on a policy of providing the Victoria Police with an additional 800 police on the front line. That is a commitment over the first term of this government on which it will deliver. As the additional police start to come into the system more police will be seen on the streets and more activity will be undertaken to stamp out the drug trafficking and other crimes that have been haunting many suburbs like Springvale.

I commend the honourable member for Springvale for the vigilant stance he has taken on this matter. The previous government came to office in 1992 promising to increase police numbers by more than 1000. What did it do? Over a period of four years it cut police numbers by more than 800.

An honourable member interjected.

Mr HAERMEYER — That is a good point. The honourable member for Glen Waverley has set himself up as an aficionado of law enforcement. I suggest he wake up and listen to this. The former Kennett government, of which some honourable members opposite were members, preached law and order but it did the opposite.

I can tell the house tonight that, unlike the situation over the past three or four years during which the parade grounds at the police academy have been empty, the parade grounds are now full. Over the next four years some 2200 police recruits will be trained at the academy. That will provide an increase in operational police strength of 800 personnel.

One can contrast the honourable member for Springvale's performance with that of the honourable member for Evelyn. The honourable member for Evelyn has just discovered the Mount Evelyn police station. Before the election the then Leader of the Opposition and I went to Mount Evelyn on numerous occasions at the invitation of Natasha Bridger-Marquez, the Labor candidate for Mount Evelyn. Numerous events and meetings had taken place at Mount Evelyn because of the lack of police presence in the area. Not

once was the honourable member for Evelyn sighted at any of the gatherings. Not once do I recall the honourable member mentioning the Mount Evelyn police station; she avoided it like the plague. I am glad she has now discovered it.

To have the temerity to come into the house and demand that overnight the government undo what her party did in office over four years is absolutely outrageous. Members opposite do not understand that for police stations to operate you do not just need a building on the ground. If 16-hour police stations are to be operational you need police to put in them. It is not just a case of putting a sign on the door saying, 'This police station is open'. I recall going to Mount Evelyn with the then Leader of the Opposition and finding a sign on the door which said that the station was open on Mondays and Tuesdays from 4.00 p.m. to 6.00 p.m. and on Saturdays from 5.00 p.m. to 7.00 p.m. The station was open 6 hours a week and there was a nice little sign on the door to tell the crooks the hours when the police would be in the area, so that if they wanted to commit a crime those would be the times not to do it! That is the miserable, pathetic and deceitful record of the previous government.

The Bracks government was elected on a commitment to provide the chief commissioner with sufficient resources to enable the Mount Evelyn police station to operate over 16 hours a day. That will be provided. That is with no thanks to the honourable member for Evelyn but all thanks to Natasha Bridger-Marquez, who brought the matter to my attention and the attention of the now Premier. The commitment was made for the first term of government, and it will be delivered on. For the honourable member for Evelyn to come into the house suddenly pounding the law and order drum when she had nothing to say about it when in opposition shows what a hide she has.

Ms KOSKY (Minister for Post Compulsory Education, Training and Employment) — The honourable member for Bendigo East raised the post-compulsory review of education and training pathways and particularly wanted to know about the consultative process of the review. She expressed concerns about retention rates for young people in secondary schools across Victoria.

In just seven years the retention rate for students reaching year 12 has dropped from 86 per cent to 81 per cent, which is a 5 per cent drop. A further 5 per cent of young people drop out before completing their Victorian certificate of education years.

An honourable member interjected.

Ms KOSKY — The honourable member says the rate is still the highest in Australia. That is not good enough for the Bracks government. It was good enough for the Kennett government, which was not concerned that the retention rate, which had risen in the years prior to its taking office, started to slide after it was elected. The Kennett government did not worry about that decline because its argument was that young people find jobs. That is wrong; they do not. Young people who leave school early fall out of the system and to a large extent disappear. They are not picked up in employment or training opportunities.

The Bracks government is committed to looking at other educational and training pathways for these young people so they are not only connected to the employment system but actually have career pathways.

It is disturbing to consider what happens in some regions of Victoria. The drop-out rate, particularly among boys in government schools, which the previous government was not at all concerned about, is alarming, to say the least. Some 45 per cent — that is, almost one in two — boys drop out of government schools in the Mornington Peninsula. Some 44 per cent of young males in the Goulburn–Ovens–Murray region drop out — I am sure local members in that region would not be happy about that — as do 22 per cent of girls in that region. In Gippsland 43 per cent of boys drop out, as do 25 per cent of girls. It is not a happy picture.

Those drop-out rates are one of the reasons why the government has instituted a review of post-compulsory education. It will consider other pathways to ensure that through those post-compulsory years young people are connected with career and educational pathways.

The government has also made sure the review is not just conducted by an expert panel and submission based, which is a concept that is difficult for opposition members to understand. The government welcomes consultation, input and advice from those people who know best — that is, the people who work in schools, employment organisations, industry and training organisations. To date the government has received more than 160 submissions for the review, coming from a range of groups.

Between March and the end of May the review panel will conduct 26 public forums across Victoria, which is probably more than the number of public forums the Kennett government conducted in its entire two terms of government. Of those 26 public forums, 17 will be in regional Victoria. I am sure the honourable member for Bendigo East will be happy about that, as will other members representing rural communities in this

house — certainly not just on the government side of the house but across the house.

Nine of those public forums will be held in metropolitan Melbourne, so more forums will be conducted in regional Victoria than in metropolitan Melbourne. I have asked that regional forums be held in such locations so that people have to travel only 2 hours or less to get to them. Four forums will be held in the Loddon–Campaspe–Mallee region and one will be hosted in the Shire of Bendigo. I am sure the honourable member for Bendigo East will not only be happy about that but also make a terrific contribution herself. Three forums will be held in Gippsland and another three will be held in the Central Highlands and Wimmera region.

The government wants to ensure not only that it looks at what is happening in metropolitan Melbourne but also that young people across Victoria have access to education and training pathways. To do that young people must have opportunities for proper input.

In conclusion, the government will also conduct industry forums and consult with bodies that might not want to put written submissions before the panel but have something to say that the government wants to hear. In that way the government can ensure it halts the disturbing trend of falling retention rates that the Kennett government was happy to see occur. The Labor government will change that.

Ms PIKE (Minister for Housing) — The honourable member for Burwood asked me what was to be done about replacing older public housing stock in Alamein and Ashburton in his electorate. Together with the honourable member for Burwood I visited those public housing areas and had the opportunity to meet some of the people and have a closer look at the public housing stock. I must say that, like the honourable member for Burwood, I was dismayed that the housing had been allowed to deteriorate to the extent it has.

It is interesting that around 10 per cent of the people in the Burwood electorate are public housing residents. It is more than coincidental that that figure is not dissimilar to the swing experienced by the previous honourable member for Burwood. If he had paid a little more attention to some of the more disadvantaged members of his own community he may have found himself sitting here now.

Nevertheless, we went and looked at the housing, and I will tell you a little about the facilities we saw. The estate at Victory Boulevard comprises eight blocks of concrete walk-up units. For those in the chamber who

do not know, the walk-up blocks were built in the 1950s and have really now come to the end of their economic life. Just living in those places is most uncomfortable for many people. They are quite run down, the rooms are small and the facades are unattractive. Although the site is good and is close to public transport and shops, the buildings have come to the end of their life.

The previous government conducted some feasibility studies on possible redevelopments for the housing at Victory Boulevard and Jingella Avenue. However, I am afraid they were left on hold — as many other redevelopments were left on hold. I think part of the answer to that is that much of the previous government's energy was put into proposals to pull down high-rise towers in the CBD; it had other priorities. In the meantime many of the most vulnerable public housing residents, including residents of Burwood, were left to languish in inappropriate circumstances.

What will this government do? It has given a commitment that public housing in the area will be demolished and redeveloped. However, it will not go in with a heavy hand to engage in the process. The government has already begun other such developments in the South Melbourne area and plans for them to occur in Richmond. It is bringing together people such as residents who live in the housing, people from local government, people from the local community, people who have planning expertise and people from the Office of Housing to sit down and talk about their local communities, evaluate their housing needs and come up with concepts and designs for what will be most appropriate for the residents.

The government is consulting with and talking to people and putting that kind of process in place. The government believes that by getting local residents involved and talking about their communities and what they want it will arrive at the best possible outcomes for those people, so that instead of being ashamed and demoralised by what is seen on the site the community will feel rightfully proud of it and confident that some of our most vulnerable citizens live in the kind of housing that you and I would consider appropriate.

Ms DELAHUNTY (Minister for Education) — I respond to the matter raised for my attention by the honourable member for Ballarat East concerning the eligibility of schools for the rurality allowance. The matter raised by the honourable member specifically relates to Magpie Primary School, which is south-west of Ballarat. I am particularly partial to magpies, for various reasons —

Mr Brumby interjected.

Ms DELAHUNTY — I thank the honourable member for Broadmeadows, who is another Collingwood supporter. Therefore, I am quite amenable to reviewing whether that primary school and others like it should be receiving a rurality allowance.

However, it would be fair to explain to the house precisely how the rurality allowance works. Under the last government there were, unfortunately, some anomalous cases — others might say, unkindly, some rorting of rurality allowances — but under this government the policy at the moment stands. Rural primary schools have to meet two criteria to qualify for funding under rurality. First, they have to be located outside the Australian Bureau of Statistics-defined Melbourne statistical division or the major provincial and urban centres comprising Geelong, Ballarat, Bendigo, Shepparton, Mooropna, Warrnambool, Albury–Wodonga, Mildura and Traralgon. Second, they have to have an enrolment of no more than 200 students — preferably fewer than 200 students — to qualify.

The rural secondary schools also have to meet two criteria. The first is the location, which also applies to primary schools. They must be located outside the major provincial and urban centres according to the ABS-defined statistical division. Second, they must have an enrolment of no more than 500 students. This year 70 secondary college sites satisfied the criteria and 468 primary schools qualified. I am informed that those criteria were arrived at following extensive consultation.

In 1999 Magpie Primary School had an enrolment of 79 students. The honourable member for Bellarine East informs me that this year the enrolments have dipped to 57 students, so it is clearly a small school. It satisfies one of the criteria for the rurality allowance, but in checking the ABS-defined statistical division surrounding Ballarat it is found to be just inside that line.

However, as I said, there have been some anomalies in the rurality allowance formula as it was applied to certain schools under the last government's jurisdiction. I believe there is an argument to examine how the Magpie Primary School is managing. It is a very small school. It has certainly benefited from the increases in the school global budget initiatives under the Bracks Labor government as part of the \$50 million that we have put into schools for 2000. Certainly under the special learning needs the Magpie Primary School has received substantial extra funds. However, I am very

conscious that a small school of this size in a remote area has particular demands on it, and the parents find those demands onerous.

Let me assure the honourable member for Ballarat East that I will re-examine how the rurality allowance eligibility criteria apply to Magpie Primary School and whether it is considered fair.

Mr BRUMBY (Minister for State and Regional Development) — Earlier tonight the honourable member for Gisborne highlighted in her contribution the investments that the Bracks government has procured in regional Victoria. She sought clarification from me about claims made yesterday by the honourable member for Portland and the Leader of the Opposition which were reproduced in the press today in relation to the proposed Portland technology park.

I should say at the outset that the government is obviously very proud of the huge number of new investments it has been able to procure for regional Victoria in just the few months that it has been in office. The honourable member for Gisborne relayed to the house some of those investments — the \$42 million investment by the Murray Goulburn Co-operative in Rochester; the \$12 million expansion at Bruck Textiles in Wangaratta, which has resulted in 150 new jobs; the \$25 million soy milk plant in Wodonga, creating 48 new jobs; Heinz Wattie's \$10 million investment in baby food manufacturing in a state-of-the-art facility in Echuca creating 85 new jobs, and so on.

Mr Leigh — On a point of order, Sir, is the minister prepared to make available to the house the documents that demonstrate the dates when all these contracts started?

The SPEAKER — Order! Was the minister quoting from a document? He was not. There is no point of order.

Mr BRUMBY — In total, in the months the Bracks government has been in office it has been able to secure more than \$500 million in investment for this state and more than 2800 jobs have been created right across Victoria.

Today's *Age* reports matters that were raised in Parliament yesterday by the honourable member for Portland. I was surprised that he would raise the matter, but the *Age* report states:

Dr Napthine said that with thousands of potential jobs at stake, the state government should be working to make sure the project succeeded.

This is the so-called Portland technology project.

The project was well and truly on track when we were in government. It has come off the rails under this government.

The honourable member asks for clarification of those assertions by the Leader of the Opposition. In March 1998 the then Victorian government provided a grant to the Shire of Glenelg to assist in a study to determine the feasibility of establishing an industry park in Portland. The study did not satisfy the department or the government of the day and as a result the department sought agreement from the council that the study would not be used as part of any prospectus to seek investors in the project. In other words, the previous government funded a study and that study warned of problems with the viability of the project.

In essence, the project referred to is the brainchild of the Shire of Glenelg and a property developer. It does not involve and never has involved the Victorian government; however, the Victorian government has consistently made it clear to the shire that it is available to assist if asked. Yesterday Cr Terry Grant, the president of the Shire of Glenelg, issued a formal press statement in which he said:

Council has received a letter from the CEO of the project, Tuan Haji Arifen Bin Kendut, informing that the financiers for the project have 'refused to forward their support on the proposed project'. Haji states that he is 'making some arrangements with new financiers, but to conclude the deal immediately is not that easy as it may seem to be. Without the support of new financiers, this project will not take off'.

That was the view of the shire council. I should point out that the shire also, in copious correspondence to the Bracks government, has been extremely grateful for the support and assistance that has been provided by the government.

On 26 November last year the council wrote to me saying:

The Glenelg Shire Council is most grateful for the state government's intention to fund an assessment of the Victorian Integrated Technology Park project and will be pleased to cooperate in the assessment process.

Mr Leigh — On a point of order, the minister is now quoting from letters. Will he make those letters available to the house?

The SPEAKER — Order! Will the minister make the document from which he was quoting available to the house?

Mr BRUMBY — I am happy to make that correspondence available, and I will quote from a couple of other letters.

On 13 January the council wrote to the Premier:

In closing, the council would like to thank your government for its ongoing support during its first few months of office and we look forward to building strong and lasting relationships with both yourself and all of your ministers and officers.

On 19 January the council wrote to me. Its letter concludes:

In closing, the council would like to thank your government for its ongoing support during its first few months of office and we look forward to building strong and lasting relationships with both yourself and all of your officers.

Yesterday, 29 February, the council wrote to the government informing it that the Malaysian financiers and developers were unable to continue because they were unable to attract finance. The council's letter concluded:

Council very much appreciates the enthusiasm and support readily given by both you and the Premier and looks forward to continuing to work cooperatively to bring industry and employment to the Glenelg shire.

I am not sure where that leaves the honourable member for Portland, except I am sure he is profoundly embarrassed because the project has been the brainchild of the Shire of Glenelg. It first came to the attention of the former government in 1998 and there is evidence that ministers of the former government, including the now Leader of the Opposition, met regularly with the council and its proponents. As I have indicated tonight, there is further evidence that my department warned at the time that the project lacked definition and the proponents had not produced any evidence of their track record in a range of similar developments planned in Bangladesh, Indonesia and Malaysia.

Accordingly, early in the term of the Bracks government the council sought the support of the government to advance the project. This was offered and honoured and led to a major study commissioned by the department involving a private consultancy company, which investigated the background of the proponents, their involvement in similar parks, and their wherewithal to be involved in the Portland project. Using a range of commercial referees and agencies the study further assessed the financial circumstances of some of the overseas companies which, it had been claimed, were ready, willing and able to relocate to the new park at Portland.

It is germane to the debate to consider the findings of those assessments. In summary, the findings were that the five industrial estates in which the proponents are variously involved, and which were announced in the period 1995 to 1999, show little if any sign of development. Despite that, similar industrial estates in

other parts of the world have been proceeding. The track record of the proponents is not good.

In Melaka, no construction has been carried out. Two prominent real estate agencies in Malaysia have not even heard of the proponents' development. In Perak, local authorities have not heard of the development. In Bangladesh, the development was first reported in the press in January 1995. It was mooted to involve a 2300-acre development, 1000 export-oriented labour-intensive industrial units involving 300 000 job opportunities. However, reports again from Bangladesh indicate there is no evidence anywhere in the press that this development has proceeded. In Aceh, final approval was granted by the Indonesian government in 1996, but there is no evidence this project has progressed at all. Finally, Melaka, Vendor City, was first announced in November 1996 and was said to occupy 1200 hectares of land. However, there is no evidence in the press that this development has gone ahead.

So the sad tale continues. Furthermore, checks on companies said to be interested in relocating to Portland reveal that most are extremely small and have limited if any ability to play any significant role in the proposed development. This information highlights that many of those facts would have been known to the honourable member for Portland, the now Leader of the Opposition and the previous Minister for Youth and Community Services, as early as 1997 and 1998. The questions for the Leader of the Opposition, given that he raised the matter, include: was he aware that options taken out by the proponents on land at Portland have not been paid; was he aware of the lack of substance of the proposal, and if not why not; and what commercial checks did he advise council to undertake or did he authorise the department to carry out?

When the matter was raised yesterday by the Leader of the Opposition he attempted to say that the project was not succeeding because of a failure of the Bracks government. The honourable member knows that assertion is not correct. Moreover, the Leader of the Opposition has knowingly promoted a project that he would have known would never succeed. The question is: why would the honourable member have done that? The answer is, of course, that at the last election the honourable member was in serious political trouble.

He could not afford to have published in the press the proposition that a project supported by him may have fallen over. The honourable member for Portland, now the Leader of the Opposition, knowingly covered up the matter for political purposes to get through the last election. Having done that, he then had the gall to come

into the house yesterday and attempt to say the project would have been a goer except for the Bracks government.

Sessional orders provide that matters raised shall be succinct and factual. The matters raised by the honourable member yesterday were neither succinct nor factual. The voters of Portland may well ask if they were duped or misled by a local member who claimed a major industrial development was on the cards for Portland when he had been advised that the project was most unlikely to proceed.

The voters will make their own judgments about the honourable member for Portland and his motives in the matter. The Bracks government has acted at all times to support the council. It funded the feasibility study into looking at the project components, and on the basis of the study it was found the project was never going to be viable.

The question the honourable member needs to answer is: when was he aware of the matter — I believe it was as early as 1998 — and why did he continue to perpetrate fraud on the people of Portland by maintaining this was a project that would proceed when he knew its viability was in question?

Mr BATCHELOR (Minister for Transport) — A number of members of the opposition have raised matters for the attention of ministers who are not in the chamber. Firstly, I will respond on behalf of the Premier to the matter raised by the honourable member for Mordialloc in relation to the purchase of rolling stock by private tram and train companies. It is interesting that the honourable member for Mordialloc has raised this tonight on the adjournment debate because over the last period of time — —

Mr Leigh — On a point of order, my concern was raised with the Premier and was a criticism of the behaviour of the Minister for Transport and the Minister for Manufacturing Industry. I do not want a dissertation from him over what he did or did not do. I am happy he passed it to the Premier, but I do not want to hear from him about it because my criticism is of him. It is not appropriate for him to explain it.

The SPEAKER — Order! There is no point of order. The practice in the adjournment debate has been for the ministers in the chamber to be called to answer matters raised under their jurisdiction and for the minister at the table to respond to all remaining matters. The Chair has been advised that the Minister for Transport is the designated minister at the table and is within his rights to respond to all other matters.

Mr BATCHELOR — On assuming ministerial office the Bracks government was shocked and appalled to find the outgoing government had made no provisions in the contracts between the state and the public transport operators for the \$1 billion rolling stock replacement program to be carried out in Australia, let alone Victoria.

Tonight I want to respond to the zero jobs policy of the opposition parties. When they had responsibility for the matter — —

Mr Leigh — On a point of order, Mr Speaker, the Liberal Party is happy to support the construction of trains and trams in Victoria. It is a criticism of the Minister for Transport — —

The SPEAKER — Order! The honourable member for Mordialloc should not raise points of order to make a point in debate. There is no point of order.

Mr Leigh — He's the one making the mistakes.

The SPEAKER — Order! I warn the honourable member for Mordialloc that I will deal with him under sessional order 10 if he persists in interjecting in that vein.

Mr BATCHELOR — It is a sad reflection on members of the Liberal Party that they should choose to carry on in this way when there are thousands of Victorian jobs at risk because of their policy when in government. They had the opportunity to protect jobs and allow a flourishing industry in Victoria to remain viable but they did nothing. Rather, they implemented a zero-jobs policy that would result in employment and Victorian taxpayers' money going to workers in Germany, France or any other part of the world — —

Mr Leigh — This man never tells the truth — —

Responses interrupted.

SUSPENSION OF MEMBER

The SPEAKER — Order! Under sessional order 10, I ask the honourable member for Mordialloc to vacate the chamber for half an hour.

Honourable member for Mordialloc withdrew from chamber.

ADJOURNMENT

Responses

Responses resumed.

Mr BATCHELOR (Minister for Transport) — It is a sad reflection, not only on the Liberal Party but on the prospects that workers have, that someone who portrays himself as a responsible spokesperson on behalf of one of the opposition parties in the Parliament should behave in such a shameful way.

The sort of behaviour that we have seen tonight is being repeated in the workplaces and offices of companies that are struggling to survive and provide jobs for Victorians. The shadow minister, who is the spokesperson on behalf of the Liberal Party, has let Victoria down. This Liberal Party has stabbed Victorian workers in their backs because when it had the opportunity to look after those workers it did nothing.

Information has come through to my office that the shadow minister has visited some rolling stock component suppliers and imposed himself upon them. He has been big-noting himself out in the electorate, bragging and generally being objectionable, as he was in here tonight. He is doing nothing to assist the government and the workers or the rolling stock component suppliers who are struggling to make a living.

I am told that he has been carrying on like an ageing Tarzan under the effects of Mogadon. The effectiveness and integrity of the manufacturing policy of the Liberal Party, both in government and in opposition, is akin to the art acquisition policy of the former Premier — and the policy will have about as much effect! The opposition will be caught out on this manufacturing issue just as the former Premier has been caught out on his policy of art acquisition.

It is important to understand what is happening. The Liberal Party has a zero-jobs policy for the rolling stock component industry, but the government is attempting to work with the manufacturing and component suppliers and with Victorian workers to maximise input and local production because it is committed to bringing new jobs and investments to Victoria, in contrast to the policy of the former Kennett government.

More than \$1 billion worth of new rolling stock will be purchased in the transport industry by the private tram and rail companies in the next four years. That \$1 billion worth of production should have been carried out here in Victoria. That \$1 billion worth of new

rolling stock represented an opportunity to create thousands of new jobs, to support existing jobs and to bring contracts worth millions of dollars to Victoria's manufacturing heartland in outer metropolitan Melbourne and regional Victoria. The government supports and cares about jobs in outer metropolitan Melbourne and regional Victoria. It will continue its endeavours to ensure jobs are available. It will try to claw back something from the administrative negligence of the former government.

People need to understand that the difficult situation in which the government now finds itself was caused because the former government tied our hands behind our backs. No contractual requirements were set out for the rolling stock to be manufactured in Victoria. That inaction by the former government amounts to a gross betrayal of Victorians and demonstrates that the Kennett government had a jobs policy based on zero local content, just as the Liberal Party still has in opposition. It is not being constructive and is not helping secure jobs and investments. It has stabbed the local rolling stock industry in the back and has lied about the future.

Prior to the election the former government lied about the implications of the contracts. It went out to the electorate and told deliberate lies. The same sort of reprehensible behaviour is being carried on today by the opposition. The government has spent the past five months trying to clean up the mess left behind by the Kennett administration.

That task is not being assisted by the shadow Minister for Transport's attempts to undermine the government's efforts. It is a terrible set of circumstances, and one begins to realise the truth when one understands the cabinet subcommittee structure that existed under the former administration. The present Leader of the Opposition, as a cabinet minister, was on the public transport subcommittee of cabinet. He knew and endorsed the former government's action. He shepherded the policy of neglect and maladministration not only through cabinet but through the bureaucracy.

Now he has the audacity to send his shadow minister in here tonight to raise the issue with the Premier. The shadow minister has said throughout the industry, 'I will ask the Premier this question in question time', but he has not been able to get his question up in his party question committee. What does he then do? When certain parts of the industry telephone him and say, 'You have failed to perform' he pretends that raising the issue on the adjournment debate is astute. He thought he could get away with it. I know the truth because members of the industry telephone us and tell

us; they say, 'Can't you give him something to do to keep him out of our hair?'. I say, 'You will have to see the Leader of the Opposition and request that he direct the honourable member for Mordialloc in that way'.

The government is working with those industries to maximise the level of Australian content. It wants to do that for regional Victoria and outer metropolitan Melbourne, and together with the Industrial Supplies Office and the Office of Manufacturing is working to bring that about. The task is worthwhile. Under its contract National Express is obligated to purchase 31 new six-car train sets, 59 light rail trams and 29 two-diesel motor units — similar to a Sprinter, for those who do not understand the jargon.

Hillside Trains, through its consortium MTE, is required to purchase 29 six-car trains; and Yarra Trams, through Metrolink, is required to purchase 31 light rail trams. That massive rolling stock order should and would have been built in Victoria but for the neglect of the former government. The government has entered into negotiations with National Express and is hopeful that in the next couple of weeks it can advise Parliament and the community at large of some success in clawing back from the zero target level of the former government.

The government's discussions with Metrolink and MTE are not as advanced but are progressing. The government will continue to pursue the matter notwithstanding the attempts by the shadow Minister for Transport to undermine those efforts.

One need look only at the article in the *Age* of 14 February to see the opposition's attitude. The opposition transport spokesman made some revealing statements. He admitted that the reason the contract was entered into in such a negligent way was all to do with the privatisation process and maximising the dollar. The article states:

The opposition spokesman on transport, Mr Geoff Leigh, said the Kennett government had been advised that if a certain percentage of local content was stipulated in the contracts, the government would have got less for the business.

The shadow minister described how the former government really did business, and that is illuminating. He said the style of arrangements entered into by the Kennett government was to have a set of contractual arrangements and beyond that — that is, behind the scenes and in secret — they would shake hands. If the company failed to deliver what the government wanted it would be run out of town.

I refer any honourable member who wants to see the policy of the former government and how it did business in Victoria to the article in the business section of the *Age* of 14 February headed 'Rolling stock under a cloud'. It sets out clearly in black and white the policy of the former government when in office, which it has carried through into opposition and which will keep it out of government for a long time to come.

The honourable member for Dromana raised a matter for the Minister for Health. The honourable member for Benambra raised a matter for the Minister for Environment and Conservation, as did the honourable member for Shepparton. I will pass those matters on to the ministers, who will get back to the members concerned.

The SPEAKER — Order! The house stands adjourned until next day.

House adjourned 11.24 p.m.