

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE ASSEMBLY

FIFTY-FOURTH PARLIAMENT

FIRST SESSION

15 December 1999

(extract from Book 6)

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By authority of the Victorian Government Printer

The Governor

His Excellency the Honourable Sir JAMES AUGUSTINE GOBBO, AC

The Lieutenant-Governor

Professor ADRIENNE E. CLARKE, AO

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Parliamentary Secretary of the Cabinet	The Hon. G. W. Jennings

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Standing Orders Committee — Mr Speaker, Mr Jasper, Mr Langdon, Mr Lenders, Mr McArthur, Mrs Maddigan and Mr Perton.

Joint Committees

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Environment and Natural Resources Committee — (*Council*): The Honourables R. F. Smith and E. G. Stoney. (*Assembly*): Mr Delahunty, Ms Duncan, Mr Ingram, Ms Lindell, Mr Mulder and Mr Seitz.

Family and Community Development Committee — (*Council*): The Honourables G. D. Romanes and E. J. Powell. (*Assembly*): Mr Hardman, Mr Lim, Mr Nardella, Mrs Peulich and Mr Wilson.

House Committee — (*Council*): The Honourables the President (*ex officio*), G. B. Ashman, R. A. Best, J. M. McQuilten, Jenny Mikakos and R. F. Smith. (*Assembly*): Mr Speaker (*ex officio*), Ms Beattie, Mr Kilgour, Mr Leigh, Mr Leighton, Ms McCall and Mr Savage.

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Public Accounts and Estimates Committee — (*Council*): The Honourables Bill Forwood, R. M. Hallam, G. K. Rich-Phillips and T. C. Theophanous. (*Assembly*): Ms Asher, Ms Barker, Ms Davies, Mr Holding, Mr Loney and Mrs Maddigan.

Road Safety Committee — (*Council*): The Honourables Andrew Brideson and E. C. Carbines. (*Assembly*): Mr Kilgour, Mr Langdon, Mr Plowman, Mr Spry and Mr Trezise.

Scrutiny of Acts and Regulations Committee — (*Council*): The Honourables M. A. Birrell, M. T. Luckins, Jenny Mikakos and C. A. Strong. (*Assembly*): Ms Beattie, Mr Carli, Mr Dixon, Ms Gillett and Mr Robinson.

Heads of Parliamentary Departments

Assembly — Clerk of the Parliaments and Clerk of the Legislative Assembly: Mr R. W. Purdey

Council — Clerk of the Legislative Council: Mr W. R. Tunnecliffe

Hansard — Chief Reporter: Ms C. J. Williams

Library — Librarian: Mr B. J. Davidson

Parliamentary Services — Secretary: Ms C. M. Haydon

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FIFTY-FOURTH PARLIAMENT — FIRST SESSION

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Deputy Speaker and Chairman of Committees: The Hon. J. M. MADDIGAN

Temporary Chairmen of Committees: Ms Barker, Ms Davies, Mr Jasper, Mr Kilgour, Mr Loney, Mr Lupton, Mr Nardella,
Mrs Peulich, Mr Phillips, Mr Plowman, Mr Richardson, Mr Savage, Mr Seitz

Leader of the Parliamentary Labor Party and Premier:

The Hon. S. P. BRACKS

Deputy Leader of the Parliamentary Labor Party and Deputy Premier:

The Hon. J. W. THWAITES

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

The Hon. D. V. NAPHTHINE

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

The Hon. LOUISE ASHER

Leader of the Parliamentary National Party:

The Hon. P. J. McNAMARA

Deputy Leader of the Parliamentary National Party:

Mr. P. J. RYAN

Member	District	Party	Member	District	Party
Allan, Ms Jacinta Marie	Bendigo East	ALP	Leighton, Michael Andrew	Preston	ALP
Andrianopoulos, Alex	Mill Park	ALP	Lenders, John Johannes Joseph	Dandenong North	ALP
Asher, Ms Louise	Brighton	LP	Lim, Hong Muy	Clayton	ALP
Ashley, Gordon Wetzel	Bayswater	LP	Lindell, Ms Jennifer Margaret	Carrum	ALP
Baillieu, Edward Norman	Hawthorn	LP	Loney, Peter James	Geelong North	ALP
Barker, Ms Ann Patricia	Oakleigh	ALP	Lupton, Hurtle Reginald, OAM, JP	Knox	LP
Batchelor, Peter	Thomastown	ALP	McArthur, Stephen James	Monbulk	LP
Beattie, Ms Elizabeth Jean	Tullamarine	ALP	McCall, Ms Andrea Lea	Frankston	LP
Bracks, Stephen Philip	Williamstown	ALP	McIntosh, Andrew John	Kew	LP
Brumby, John Mansfield	Broadmeadows	ALP	MacLellan, Robert Roy Cameron	Pakenham	LP
Burke, Ms Leonie Therese	Prahran	LP	McNamara, Patrick John	Benalla	NP
Cameron, Robert Graham	Bendigo West	ALP	Maddigan, Mrs Judith Marilyn	Essendon	ALP
Campbell, Ms Christine Mary	Pascoe Vale	ALP	Maughan, Noel John	Rodney	NP
Carli, Carlo	Coburg	ALP	Maxfield, Ian John	Narracan	ALP
Clark, Robert William	Box Hill	LP	Mildenhall, Bruce Allan	Footscray	ALP
Cooper, Robert Fitzgerald	Mornington	LP	Mulder, Terence Wynn	Polwarth	LP
Davies, Ms Susan Margaret	Gippsland West	Ind	Napthine, Dr Denis Vincent	Portland	LP
Dean, Dr Robert Logan	Berwick	LP	Nardella, Donato Antonio	Melton	ALP
Delahunty, Hugh Francis	Wimmera	NP	Overington, Ms Karen Marie	Ballarat West	ALP
Delahunty, Ms Mary Elizabeth	Northcote	ALP	Pandazopoulos, John	Dandenong	ALP
Dixon, Martin Francis	Dromana	LP	Paterson, Alistair Irvine	South Barwon	LP
Doyle, Robert Keith Bennett	Malvern	LP	Perton, Victor John	Doncaster	LP
Duncan, Ms Joanne Therese	Gisborne	ALP	Peulich, Mrs Inga	Bentleigh	LP
Elliott, Mrs Lorraine Clare	Mooroolbark	LP	Phillips, Wayne	Eltham	LP
Fyffe, Mrs Christine Ann	Evelyn	LP	Pike, Ms Bronwyn Jane	Melbourne	ALP
Garbutt, Ms Sherryl Maree	Bundoora	ALP	Plowman, Antony Fulton	Benambra	LP
Gillett, Ms Mary Jane	Werribee	ALP	Richardson, John Ingles	Forest Hill	LP
Haermeyer, André	Yan Yean	ALP	Robinson, Anthony Gerard Peter	Mitcham	ALP
Hamilton, Keith Graeme	Morwell	ALP	Rowe, Gary James	Cranbourne	LP
Hardman, Benedict Paul	Seymour	ALP	Ryan, Peter Julian	Gippsland South	NP
Helper, Jochen	Ripon	ALP	Savage, Russell Irwin	Mildura	Ind
Holding, Timothy James	Springvale	ALP	Seitz, George	Keilor	ALP
Honeywood, Phillip Neville	Warrandyte	LP	Shardey, Mrs Helen Jean	Caulfield	LP
Howard, Geoffrey Kemp	Ballarat East	ALP	Smith, Ernest Ross	Glen Waverley	LP
Hulls, Rob Justin	Niddrie	ALP	Spry, Garry Howard	Bellarine	LP
Ingram, Craig	Gippsland East	Ind	Steggall, Barry Edward Hector	Swan Hill	NP
Jasper, Kenneth Stephen	Murray Valley	NP	Thompson, Murray Hamilton	Sandringham	LP
Kennett, Jeffrey Gibb ¹	Burwood	LP	Thwaites, Johnstone William	Albert Park	ALP
Kilgour, Donald	Shepparton	NP	Trezise, Ian Douglas	Geelong	ALP
Kosky, Ms Lynne Janice	Altona	ALP	Viney, Matthew Shaw	Frankston East	ALP
Kotsiras, Nicholas	Bulleen	LP	Vogels, John Adrian	Warmambool	LP
Langdon, Craig Anthony Cuffe	Ivanhoe	ALP	Wells, Kimberley Arthur	Wantirna	LP
Languiller, Telmo	Sunshine	ALP	Wilson, Ronald Charles	Bennettswood	LP
Leigh, Geoffrey Graeme	Mordialloc	LP	Wynne, Richard William	Richmond	ALP

¹ Resigned 3 November 1999

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JOINT SITTING OF THE LEGISLATIVE COUNCIL AND THE LEGISLATIVE ASSEMBLY

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Wednesday, 15 December 1999

The SPEAKER (Hon. Alex Andrianopoulos) took the chair at 9.34 a.m. and read the prayer.

PETITION

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

Trams: Whitehorse Road

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

The humble petition of the undersigned citizens of the state of Victoria

That tram stop 49 route 109 Whitehorse Road not be closed.

Your petitioners therefore pray that:

you are sympathetic to our request to retain the stop as removal would disadvantage many older people.

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

By Mr CLARK (Box Hill) (214 signatures)

Laid on table.

PAPERS

Laid on table by Clerk:

Auditor-General — Performance Audit Report No 62 — Land use and development in Victoria: The State's planning system — Ordered to be printed

Financial Management Act 1994 — Report from the Minister for Agriculture that he had received the report for the year 1998 of the Veterinary Practitioners Registration Board

Government Superannuation Office — Report for the year 1998–99

Legal Ombudsman — Report for the year 1998–99

Victorian Health Promotion Foundation — Report for the year 1998–99

Victorian Institute of Forensic Mental Health — Report for the year 1998–99.

JOINT SITTING OF PARLIAMENT

Victorian Health Promotion Foundation

The SPEAKER — Order! I have received the following communication from the Minister for Health:

Under section 21(1)(f) of the Tobacco Act 1987, three members of the Victorian Health Promotion Foundation are members of the Legislative Council or the Legislative Assembly, elected by the Legislative Council and Legislative Assembly, jointly.

The current three-year term of appointment of the Honourable Ronald Alexander Best, MLC, member for North Western Province, expired on 19 October 1999.

Honourable members interjecting.

The SPEAKER — Order! I warn the Attorney-General. The letter continues:

A vacancy has also been created by Ms Janet Tindale Calder Wilson, former member for Dandenong North district, who is no longer a sitting member of the Legislative Assembly.

I would be grateful if you could place this matter of two vacancies on the Victorian Health Promotion Foundation on the agenda for a joint sitting of both houses, in the spring sitting of Parliament on Wednesday, 15 December 1999.

I have forwarded a similar request to the President of the Legislative Council.

Thank you for your assistance in this matter.

Mr BATCHELOR (Minister for Transport) — By leave, I move:

That this house meets the Legislative Council for the purpose of sitting and voting together to elect two members of the Parliament to the Victorian Health Promotion Foundation, and proposes that the place and time of such meeting be the Legislative Assembly chamber on Wednesday, 15 December 1999, at 6.15 p.m.

Motion agreed to.

Ordered that message be sent to Council acquainting them with resolution.

MEMBERS STATEMENTS

ALP: fundraising dinner

Ms ASHER (Brighton) — I raise the attendance of the head of the Department of Treasury and Finance, Ian Little, the head of the State Revenue Office, David Pollard, and David Carruthers of the Treasury Corporation of Victoria at the ALP's \$1000-a-head dinner. I know both Mr Little and Mr Pollard and I respect their work. I am relaxed also if they paid for themselves to attend the dinner. However, the Premier said in this chamber that the attendance of those gentlemen was paid for by private companies.

I am concerned that that raises a potential conflict of interest, especially if government contracts are involved. For example, if a bank hosted the head of the

Department of Treasury and Finance and the same bank tendered for work for the department, there would be a conflict of interest. That is not allowed under the public service code of conduct, but in his personal explanation the Premier seemed to imply that the practice of private companies hosting public servants is okay.

I call on the Premier to acknowledge that his endorsement of that practice exposes public servants to risk and allegations of conflict of interest, and I call on him to prohibit it in the new guidelines to be drawn up by the Secretary to the Department of Premier and Cabinet.

Residents Against McDonalds

Ms CAMPBELL (Minister for Community Services) — I pay tribute to the Residents Against McDonalds (RAM), who worked tirelessly to ensure the amenity of Bell and Sussex streets, Pascoe Vale, was not destroyed by the construction of a huge fast food drive-through. In particular, I congratulate the organising committee as well as Imogen Hamel-Green, who documented RAM's work in her essay 'Working together: heritage or hamburgers?', which she submitted to the National History Challenge. That outstanding essay recently won a coveted award in that challenge.

In 1994 amendments to the Victorian state planning laws allowed for the building of take-away restaurants in residential areas, providing that the site abutted a main or secondary road. Those amendments, known as the McDonalds amendments, were soon utilised by McDonalds, which acquired a permit to develop a restaurant on the Bell–Sussex streets site. That was the site of four houses, including 1 Sussex Street.

Residents Against McDonalds opposed the restaurant on a number of grounds, including the destruction of the heritage home at 1 Sussex Street, a house that is part of Moreland's local history and character. The home was built in 1889 by Thomas McKenzie and was the first house built on that subdivision. The original planning permit submitted by McDonalds ensured that 120 individual objections were lodged.

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

ALP: fundraising dinner

Dr DEAN (Berwick) — There is a gentleman by the name of Phillip Hind who, according to the list, works for the Department of Justice and attended the government's \$1000-a-head political fundraiser. It could be that Mr Hind paid for himself, but one would

have to say it is possible that he did not. That raises serious concerns.

If the justice department paid for his attendance there has been a massive misuse of taxpayers' funds — that is, the government has paid \$1000 of taxpayers' money to the ALP. If a sponsor paid, Mr Hind has received a \$1000 gift in breach of the public service guidelines, unless authorised by the Attorney-General.

The public has a right to know whether the Attorney-General authorised the payment of \$1000 of taxpayers' money from the Department of Justice to the ALP for Mr Hind's ticket, whether he consented to the breach of public service rules to authorise someone else to pay \$1000 to the ALP for Mr Hind's ticket or, worse still, whether he actually solicited a sponsor to pay \$1000 to the ALP using Mr Hind as an excuse. If this government is to continue to be open and accountable, sooner or later these questions must be answered.

Western suburbs: welfare dependency

Mr SEITZ (Keilor) — I bring to the attention of the house the front-page article that appeared in the *Herald Sun* of Tuesday, 14 December. It labels St Albans as the state's welfare capital and as having one of the highest unemployment rates in Victoria. It should be noted that St Albans is a community facing some unique challenges and problems, which were completely ignored by the previous Kennett government.

The statements by the federal employment minister today about wanting to do something about unemployment in St Albans are welcome. However, the St Albans community is tired of promises; it wants action from Senator Newman, not just cutbacks to labour market programs.

It is also important for honourable members to be aware that every time a report such as this is published the community mentioned begins to carry an unjustified stigma. In addition, people on welfare begin to feel they need to apologise for receiving welfare payments, which does little for their self-esteem and motivation and considerable damage to the community.

It should also be pointed out that over 25 per cent of welfare recipients in St Albans are in receipt of disability support and a further 27 per cent are in receipt of family allowance payments. In short, 52 per cent of the recipients are not unemployed or even in receipt of the aged pension.

ALP: fundraising dinner

Mr DOYLE (Malvern) — The best reading members of the opposition have had for a long time is the guest list from the ALP \$1000-a-head dinner. The more we read, the more questions we ask. For example, who paid for the tickets of three senior administrators from the health care networks? Again, there is hypocrisy from the ALP — it hates the networks but it will take the money. Who paid for the CEOs of the Southern Health Care Network, the Women's and Children's Health Care Network and the Royal Women's Hospital?

One expects a few freebies at these sorts of dinners; it is an ALP standard to wheel out a few harmless dinosaurs like John Button, Nipper Trezise or Frank Wilkes. But also on the list are the names of a few current political drones: Mr Dimopoulos from the office of Simon Crean; James Higgins, Colin Radford and Sharon McCrohan from the Premier's office; Lachlan McDonald from the office of the Minister for Transport; and Robyn McLeod, from the staff of the Minister for Energy and Resources and Minister for Ports. All are listed in their employment capacity.

The question is: did private companies pay for those Labor drones to attend the dinner?

Honourable members interjecting.

Mr DOYLE — If the answer is no, let us hear the Premier say it because it is quite improper for a private company to pay for access to ministerial staffers. Did the private companies listed pay for the attendance of those ministerial staffers at \$1000 a head to pay for access to ministerial staff? Who paid?

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

Schools: Geelong North

Mr LONEY (Geelong North) — I wish to recognise the Victorian certificate of education achievements of students and state schools in the Geelong North area. Two state schools in my electorate offer VCE — North Geelong Secondary College and Corio Community College — and both have achieved outstanding results in the recent VCE examinations. North Geelong Secondary College has achieved a pass rate in the high 90s. The dux, Alana Bielenberg, completed seven unit 3 and 4 subjects, gaining an equivalent national tertiary entrance rank (ENTER) of 99.20 per cent and a perfect study score of 50 in German.

The Corio Community College had a 93 per cent overall pass rate. Paul Beasant was dux of the school and achieved an ENTER of 94.5. Both schools have significant numbers of students who scored an ENTER above 80. They are fine schools and provide good education facilities in the northern suburbs of Geelong. They have had outstanding leadership throughout the year from Russell Jackson and John Arthur, and the VCE achievements are a testimony to the work of both the staff and the students.

ALP: fundraising dinner

Mr ROWE (Cranbourne) — I refer to the meals-for-deals function held by the Australian Labor Party. Many people in industry are finding it difficult to meet with ministers, so much so that I am advised that members of the Victorian Taxi Association, including Black Cabs Combined, North Suburban Taxis and the Silver Top Taxi Service paid some \$9000 to attend the meals-for-deals function. They were unable to see the Minister for Transport to discuss their concerns about the taxi industry, so they attended the function for the purpose of speaking with the Minister for Transport. The minister sat at table 58 with his advisers. With notebooks in hand, discussions took place. Notes were taken and deals were done. This is a McDonalds government — —

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

Member for Hawthorn: electorate office

Mr HOLDING (Springvale) — I refer to the service provided to the electorate of Hawthorn by the new honourable member who represents it. The office of the former member in Camberwell Road, central Camberwell, is vacant. However, the signage is still prominent and indicates that it is the office of the Honourable Phil Gude.

On the door is a small note that says those who wish to contact the new member can do so by writing to post office box 5080, Glenferrie, 3122. Alternatively, they can telephone 0409 802452.

The message is repeated on a recorded message that can be heard after ringing the telephone number of the former member. Upon ringing the number constituents come into contact with Di Rule, who is the failed Liberal candidate for Seymour at the last election. Presumably, Ms Rule is a staff member of the new member.

The constituent who contacted me said that Ms Rule was happy to meet at a cafe somewhere in Camberwell,

but no office was available. Further the constituent was informed that there was a dispute between the Department of Parliamentary Services and the new member.

What is the cost to Victoria of having an unoccupied, unused office in the heart of Camberwell that was allocated to the previous member? Is it acceptable for the honourable member for Hawthorn to receive a full salary, engage two staff members to run his electorate, have an office at his disposal at taxpayers' expense and yet provide no shopfront service to his electorate? Why should constituents have only a mobile telephone number to call or a post office box to write to if they wish to communicate with their member?

Bellarine Peninsula—Geelong region: wine industry

Mr SPRY (Bellarine) — I pay tribute to the winegrowers of the Bellarine Peninsula and Geelong regions whose industry has achieved remarkable growth and has contributed significantly to the economy of the Geelong region.

Last century, before being wiped out by the dreaded phylloxera disease, the wine industry in this renowned area was flourishing. For generations the industry was forgotten until other winegrowers in the state learnt how to overcome the problem by using disease-resistant vines.

Daryl Sefton and his wife, Nina, were among the first to reintroduce vines to the Geelong region in the 1960s at the Idyll vineyard on the Moorabool River. Since then the industry has grown significantly. On the peninsula itself David and Vivienne Browne and their family have led the way with the establishment of the renowned Scotchmans Hill winery, and in latter days with their Spray Farm label.

There are now some 60 vineyards in the region, ranging in size from a couple of acres to a couple of hundred acres. On Saturday evening I was a guest of the local winegrowers at their end-of-year barbecue at Nurringa Park on the Bellarine Peninsula, the property of Nick and Anna Norgard and their family.

The evening included a remarkable smorgasbord of local wines and provided an insight into the diversity of the people in the industry. Growers, winemakers, label designers and many industry sectors were represented, and their enthusiasm deserves recognition. Collectively they contribute an estimated \$36 million to the local economy, a figure that is increasing each year.

Path of the Ibis

Mr HOWARD (Ballarat East) — Recently I had the pleasure of opening a project called Path of the Ibis in Meredith. That imaginative project was developed by the Meredith community and is supported by funding from Arts Victoria and the Golden Plains shire.

The project involved the building of a shelter by the creek that runs behind the Meredith Primary School. That creative structure needs to be seen to be appreciated. Not only is it practical it also provides yet another artistic addition to Meredith and provides shelter for the birds and animals in the area.

Most importantly the project, which involved students from the primary school as well as adults, was supported by the community.

GRIEVANCES

The SPEAKER — Order! The question is:

That grievances be noted.

Victoria: economic management

Ms ASHER (Brighton) — I grieve for the health of the Victorian economy and the fact that the minority Labor government inherited a state that was in a healthy financial position. Given the Labor Party's record of financial incompetence I place on record my great fear for the future of the Victorian economy.

I refer honourable members to the spring 1999 edition of *Victorian Economic News*, a quarterly overview of economic trends in Victoria issued by the Department of Treasury and Finance. I urge honourable members to peruse the document because it sets out succinctly the fantastic economic conditions inherited by the incoming Labor government.

I refer to the strong growth in the Victorian economy. The article states:

In 1998–99, Victorian gross state product (GSP) grew strongly by 6.2 per cent, faster than in any other state or territory apart from the Northern Territory, and well above the 4.5 per cent recorded nationally. The Victorian economy has now expanded for seven consecutive years at an annual average rate of 4.2 per cent.

The Premier's advisers in the department outline that:

Victorian exports grew strongly in 1998–99 ...

Under the heading 'Unemployment at a nine-year low', the publication further outlines that retail spending is continuing in the state of Victoria and that:

Retail turnover has grown more strongly in Victoria than in any other state or territory in the past three years.

All those economic indicators put together by the Department of Treasury and Finance and the Premier's advisers show a healthy economy. Consumer spending is at a five year high, as is business investment. The article states:

Private business investment in Victoria is at historically high levels, increasing by 1.1 per cent in the June quarter and 2.4 per cent over the past year.

Notably, underlying business investment in Victoria has more than doubled since its trough in 1991–92, having grown at an average annual rate of 12 per cent since then.

The years of 1991 and 1992 was the famous Cain–Kirner era. The Labor Party has a long tradition of financial incompetence but has inherited a state that is in a healthy condition. I am afraid Victorians will watch it go down from here. The publication also states:

Victorian exports grew strongly in 1998–99 ...

The fact that Victoria has bounced back from the Asian crisis is pleasing.

Again I refer to the comments of the Premier and Treasurer's independent advisers documenting the state of Victoria as at the time of handover. Employment growth in Victoria is particularly strong. The article further states:

Employment in metropolitan Melbourne increased by 20 700 persons between the three months to October 1999 and the same period a year ago ... Strongest employment growth was recorded in the Mornington Peninsula and inner eastern suburbs. In country Victoria, employment rose by 14 700 persons over the same period, with Gippsland and the Goulburn–Ovens–Murray region experiencing the largest job gains.

The independent quarterly report of Treasury and Finance, which can be found in the spring 1999 issue of *Victorian Economic News*, gives a completely different account from the rhetoric heard in the chamber. I urge honourable members of all political persuasions to track that document quarterly because it will show nothing but statistics declining over the course of the government's term of office.

The final observation in the report is that Victoria is now attracting people from other states:

Net interstate migration to Victoria has been positive in five out of the past six quarters — the first positive period on record.

All relevant economic indicators discussed by Treasury and Finance show a very healthy state and economy.

On top of that, there was more good news on handover of government — that is, the \$1.7 billion surplus the ALP has inherited in the budget sector. The Premier tried to hide the extent of the surplus by failing to table it, but it is now known Victoria has a \$1.7 billion surplus.

This is the line in the sand. This is the economy at time of changeover of government. The community, the media and the opposition will track Labor's economic performance as it progresses through this term of government.

I fear for the economic future of Victoria. I fear principally because a number of simultaneous incompatible promises have been made throughout the course of the election campaign and, even worse, have since been reiterated. The ALP has simultaneously promised to reduce debt, reduce public sector unfunded liabilities, cut tax by \$300 million, increase expenditure, maintain a large surplus and increase capital works funding. The key point is that all of those things cannot possibly be done simultaneously. I want to go through one by one the excessive promises the ALP has made.

Firstly I turn to the surplus. I quote the Access document that Labor unsuccessfully tried to deny to the opposition, and refer to Labor's budget operating statement. Operating surpluses are listed for the next four financial years. An operating surplus of \$101 million is listed for 1999–2000; \$328 million for the following year; \$321 million for the following year and \$239 million the following year.

They are the surpluses the ALP said it would achieve during the election campaign. In answer to a question put in the chamber, the Premier and Treasurer said those figures were minimum figures and that he thought he could do better. Even more surprising, in a press release issued from the Office of the Treasurer, responding to the news of the \$1.7 billion surplus, the Premier said:

The budget is in reasonable shape —

wait for this —

but there is considerable room for improvement.

He wants to improve on a \$1.7 billion surplus! We will see whether he can do that.

The most intriguing aspect of many of Labor's promises concerns the use of the surplus. I refer to a document called 'Financial Responsibility', which is somewhat ironic given that it was issued by the ALP. Labor said during the election campaign:

Labor will use the operating surplus to address public sector debt, fund capital works and reduce public sector unfunded liabilities.

So during the campaign Labor committed itself to confining use of the surplus to reducing debt, funding capital works and reducing public sector unfunded liabilities. There is no mention of swinging the surplus over for recurrent funding and no mention of a sustainable surplus.

Labor also promised to introduce tax cuts. Again in its policy documents it floated the concept of reducing tax to the Australian average, providing tax cuts of \$300 million per annum and reducing payroll tax for business. The Premier got even more excited when he addressed a Committee for Economic Development of Australia, or CEDA, business community function. He promised he would reduce tax by \$300 million and would reduce payroll tax. When asked a question in the chamber by the Leader of the Opposition, he said he would stand by all those commitments. He would stand by the commitment to reduce tax by \$300 million. He even canvassed further tax relief for business in his term in office.

It is interesting to look at where Labor's staff cuts are occurring. The department whose staff is being cut the most is the Department of Treasury and Finance. Again I refer to an Access Economics document, which has a line item for a Treasury restructure. The only cuts proposed in the Labor Party election campaign are to the State Emergency Service and the Department of Treasury and Finance in the form of a Treasury restructure. According to the Access Economics document, the Treasury restructure is estimated to yield the government \$9.7 million in 2000–01, \$9.94 million in 2001–02 and \$10.19 million in 2002–03. That is the only department the Labor Party has singled out for staff cuts.

Before the election campaign Labor said it would cut the privatisation unit, but that unit had already been disbanded by the previous government. Now the Labor Party has turned on the State Revenue Office, indicating that savage cuts will be made to it. The State Revenue Office is the only section of the Victorian government that is raising money. Labor is turning its axe to the section of the bureaucracy that raises money. But don't ask me — ask Karen Batt, the Community and Public Sector Union head. I have never quoted a trade unionist in my political career, but I feel the need to quote Karen Batt. An article in the *Herald Sun* of 2 December states:

A state government plan to sack tax inspectors could prove a windfall for tax cheats and jeopardise government income, according to a public service union ...

But Victoria's Community and Public Sector Union claims the plan could cost billions of dollars in lost revenue.

Karen Batt is quoted directly as having said:

What's the point in getting rid of the very people who are involved in collecting your revenue ... this can only undermine the budget ...

So the only department for which staff cuts are proposed, other than the SES, is the Department of Treasury and Finance and in particular the State Revenue Office. That is symbolism of the most acute type — the most savage cuts are in the revenue-raising sections of the public sector. The State Revenue Office, which has a role in expenditure supervision, is being cut the most. That the cuts have come from that component of the public sector sends out a message from the Bracks government.

The government has also indicated it wishes to increase expenditure. Every day further commitments of recurrent expenditure are made. The government has said it will increase capital works, but where is budget paper no. 1 delineating all public sector works? That paper has yet to be tabled in Parliament. I call on the Premier and Treasurer to table it so the opposition and others can see what capital works the government proposes to undertake.

Most intriguing of all, it appears that the departments are in control. On any serious expenditure issue, whether payments to people on New Year's Eve or union payroll deductions, the matter is always passed over to the department. There is no surer proposition than that when departments are in control of expenditure and the government is not, debt will blow out.

I am gravely concerned at the simultaneous and non-compatible election promises. The promise to increase recurrent expenditure is incompatible with the promise to reduce taxation by \$300 million; the promise to maintain a surplus is absolutely incompatible with the expenditure promises both recurrent and capital; and the promises to cut debt and reduce unfunded liabilities are incompatible with the government's expenditure promises.

I grieve for Victoria, the state in which the Labor Party has inherited a strong and financially viable economy. The promises the government has already made indicate that it is about to embark upon the grand Labor tradition of financial incompetence as seen in Victoria, unfortunately, prior to 1992.

Manufacturing: future

Mr HULLS (Attorney-General) — I grieve for the lack of interest the previous government showed in the manufacturing sector.

I have some good news for manufacturing in Victoria, but I also have some bad news, particularly for heavy manufacturing. The good news is that the Bracks government is absolutely committed to Victoria's manufacturing industry. The Labor Party was elected to government with a plan for manufacturing industry; and now as a government is committed to ensuring that the factors attracting new knowledge-based industries, including our high skill levels, our improving research base and our proximity to the Asian market, will also attract heavy manufacturing industry and investment, and therefore jobs.

In this day and age there are certain factors that manufacturers need to survive and flourish, such as a proper education system and high levels of skill in the job market. It is the strong belief of the government that a strong services industry must have a strong manufacturing base. We cannot, as a government or as a society, afford to ignore those facts.

Victoria leads Australia in manufacturing — indeed, a large number of our manufacturers lead the world. We cannot, however, afford to let ourselves be swept up into the naive notion that building more call centres and training more software programmers is all we need to do to be part of the knowledge economy. Those things are important of course, but diversity in the economy is equally important.

The phrase 'banana republic' is used to describe a single-product economy reliant on imports for all other goods. It may be that in the future it could evolve into the phrase 'call-centre economy'. The Bracks Labor government is determined that neither term will apply to Victoria.

The manufacturing industry policies taken to the election by the Bracks opposition are being implemented by the Bracks government. We are in the process of organising a strategic audit of industry, and we are committed to the establishment of a tripartite manufacturing industry consultative council. The government believes the Kennett system of talking to a select few was one of the primary factors behind the creation of winners and losers and was a hallmark of the previous government. This government is talking to manufacturers every day, as well as to unions and community representatives, and is committed to the generation of manufacturing jobs in the suburbs and

regions that are in dire need of employment opportunities. I wish I could say the same about the previous government, but unfortunately I cannot.

There is some bad news. Our privatised train and tram services are glaring examples of what can happen when a government completely forgets about manufacturing industries, Victorian workers and good government. It is not surprising that our train and tram services were carved up and sold off overseas by the previous government. The former Premier, who was at the time announcing a sale, said up to 70 per cent of new trams and trains would be made in Australia under the sale arrangements. What surprises even the current government is how sloppily and negligently those deals were handled.

A Kennett government news release dated 18 June contains an announcement by the former Premier of the privatisation of Yarra Trams and states that the sale will take Melbourne's trams full speed ahead into the next century. In another press release of 25 June the Premier said that National Express is one of the world's largest passenger transportation companies, operating rail, bus, coach and airport businesses in the United Kingdom, Europe, the United States and Australia, and that it intends to enter into contracts with infrastructure contractors Thiess, Clyde Engineering, one of Australia's leading rolling-stock maintenance suppliers, and Adtrans, an international rolling-stock manufacturer with workshops in Dandenong.

A further press statement issued by the former Minister for Transport, the honourable member for Mornington, on 13 July says 'Ministerial commitments will be locked into binding contracts'. Obviously Victorians were led to believe almost \$1 billion worth of new works would be performed by Victoria's manufacturing industry.

When it came to the sale of our train and tram infrastructure, literally dozens of media advisers — highly paid public relations consultancy firms — worked on behalf of the former government. No doubt they were highly paid flunkeys of the Liberal Party who were running around working themselves into a frenzy to try to get the Kennett government re-elected. They were talking up the so-called good news, but no-one checked the contracts to make sure that even one Victorian manufacturing job was included in those contracts. The fact is that not one Victorian manufacturing job was included. The previous government was running around the state telling pork pies, being the Pinocchio of Victorian politics, and spreading lies about new jobs being locked into the contracts, but not one new job was locked in. That was

either the biggest lie told by the Kennett government or one of the greatest acts of financial incompetence of any government.

The former government said privatisation would send Victoria's trams at full speed into the 21st century, but those statements masked the reality that our manufacturing industry was being sent full speed into a brick wall. Assurances by the former government about healthy order books for rolling-stock manufacturers were so wrong that one has to question the integrity of all the people involved in the creation of those contracts.

Members of the previous government were happy to spend time announcing new contracts and talking up new jobs in train and tram building, but they forgot to put any Australian content into the contracts. The successful tenderers had proposed building carriages in Australia, but the Kennett government forgot to make sure that proposal was reflected in the contractual arrangements. About \$1 billion of manufacturing activity could now go to France and Germany because the previous government could not get a simple contract right.

The opposition does not seem able to remember the amount of taxpayers' money that went into the Liberal Party's 500 Club fundraisers, but that is not surprising given that it cannot even remember to include in a contract the requirement that Victorian or even Australian manufacturers should do the work. Despite all its earlier announcements the previous government is now not saying much about the possibility of losing \$1 billion of manufacturing because of its negligence.

The previous government was happy to carve up Victoria's public transport system, sell it off overseas and call it rebuilding the state of Victoria. It granted private monopolies to foreign companies and called it promoting competition. It announced that new trains and trams would be built in Australia, but it did nothing to guarantee it. I am sure the French and German manufacturers, who stand to gain possibly \$1 billion worth of business, are grateful to the former Kennett government. They are probably so grateful that the former Premier will get the job as the new Ambassador for European Manufacturing. It is a sorry episode and an absolute tragedy for the Victorian communities that are most in need of employment opportunities.

The rate of unemployment in the Ballarat region is far too high. That community was previously represented by the Liberal Party, and it could have been one of the significant winners in manufacturing jobs if the Kennett government had been remotely competent in the task of

including Victorian manufacturing jobs in the contractual arrangements.

The people of the Dandenong area were told that if they voted Liberal the area would be conferred with premier city status but if they voted Labor they would get nothing. When the former Premier made that threat he did not have the decency to admit that he had already sold the Dandenong community down the river. Dandenong has unacceptably high unemployment levels, and it is another area that experienced significant factory closures under the reign of the Kennett government. It would have received a shot in the arm by the creation of 500 jobs, but instead it received a shot in the head as a result of the Kennett government's negligence. Those jobs could have been created in Dandenong if the Kennett government had been competent enough to ensure that the contractual arrangements included manufacturing jobs in Victoria.

The Bracks Labor government will not forget about manufacturing. Even now the government has not lost all hope for the creation of new jobs. It is using every means at its disposal to ensure that the \$1 billion worth of manufacturing activity and 600 jobs are returned to Victoria. The government is doing everything it can to ensure that because that type of manufacturing usually involves periodic orders that require significant capital investment. There is talk about building a fast rail link between Melbourne and Sydney or between Adelaide and Darwin, but expertise is required. If any Victorian manufacturing jobs at all are to be created from those projects it is important that Victorian manufacturers remain in existence instead of being sent out of business by the dumping of cheaper, foreign rolling stock into the Victorian public transport system.

The government is negotiating with the successful tenderer and is urging it to show that it is prepared to be a good corporate citizen and honour the spirit of the negotiations so that jobs will be created in Victoria as a result of the flogging off of our rail and tram infrastructure.

The government is urging the companies involved to show they have a commitment to manufacturing in Victoria. Unfortunately the previous Liberal government was negligent because it did nothing to lock in those jobs. Despite the fact that the former Premier ran around the state saying, 'This is a great business for Victoria which will secure manufacturing jobs in this state,' the former government lied to Victorians and forgot to lock the jobs into the contractual arrangements.

This is a very serious matter, and I grieve for those manufacturing jobs that may have been lost as a result of the incompetence of the previous Kennett government. The companies involved have a chance to show what good corporate citizens they can be; they have a chance to stick by their earlier publicised position of building rolling stock in Victoria; they have a chance to show they are prepared to do business on an appropriate basis in Victoria. If Victorians lose those jobs they will not forget the negligence and incompetence of the previous Kennett regime and its total lack of commitment to manufacturing in this state.

The Bracks government has a commitment to manufacturing; I believe I am the first Minister for Manufacturing Industry ever appointed by a government. This government will not let manufacturing down as the previous government did. It is to its shame that it did not lock the jobs into the contractual arrangements.

Intergraph: royal commission

Mr SMITH (Glen Waverley) — I grieve today about the way the government announced the royal commission into the Intergraph matter. As a long-time proponent of justice and equity in this house, I am outraged by that. I am a proud member of the partnership team and I support, as does the partnership, a fiercely independent inquiry into Intergraph. The Labor Party has hyped up Victorians about Intergraph; something that went on for some time while the Labor Party was in opposition. I hope the inquiry will be beyond reproach.

In the past week other issues have arisen that have raised concerns about Labor's intentions, one of which related to Intergraph being invited to the now well publicised meals-for-deals dinner at the Grand Hyatt last Monday night. There has also been considerable community outrage about the fact that Intergraph had paying guests at the function — a conflict of interest if ever I heard one!

I have great concerns about the matter because last Wednesday the Labor government announced a royal commission into Intergraph. The holding of a royal commission is a very serious step and, apart from the incredible cost, it must be seen to be squeaky clean. I was first concerned when I read a story in the *Age* on Monday, 29 November where the government floated the names of three eminent Melbourne QCs it had tried to lure into the position of royal commissioner. The story is a front-page exclusive by Mark Forbes and states:

The shortlist for royal commissioner is headed by the barristers Mr Stephen Kaye, QC, and Mr Robert Redlich, QC, along with Mr Neil Young, QC, and the counsel assisting the 'cash for comment' broadcasting inquiry, Mr Julian Burnside, QC.

The floating of such a list in public is the wrong step for any government to take because it does not send the right signals. The proper place for that announcement to be made is in this chamber.

It was in this place on Wednesday after the story of the meals-for-deals episode had broken that the government was very embarrassed. The Premier, however, announced only the name of the royal commissioner with no terms of reference, no details of counsel assisting and nothing about the time frame. The government must have been terribly embarrassed by all the unfavourable publicity associated with the meals-for-deals scandal.

I would have thought the royal commissioner would have demanded to see the terms of reference and know the qualities of the lawyers who were to assist, but there was nothing from the Premier — just a blank. It is extraordinary to appoint a royal commissioner with a seemingly blank cheque. If what the Premier told the house is correct it seems the royal commissioner has accepted the task without having seen the terms of reference. Neither I nor any reasonable person would have a great deal of confidence in the processes of the government under those circumstances.

The appointment of the royal commissioner and the commission itself has been a highly political and media-driven exercise from the moment the Labor Party first announced when in opposition that it would hold an investigation. I would have thought the royal commissioner would be a retired judge from either the High Court or at least the Supreme Court. When the former government held the Longford royal commission it appointed Sir Daryl Dawson as the royal commissioner.

Judges are used to sitting for lengthy periods and considering facts and issues on an absolutely impartial basis. If this inquiry is to have the credibility which it deserves and which the partnership would support, it is imperative that the government immediately announces that legal representation is available to all the servants of the government called before the royal commission as witnesses.

It is also essential that the royal commissioner should not have any association, current or past, with any political party. If he or she does have a past or present

association with a political party, it needs to be explained.

As it happens, the royal commissioner has that association. According to a political advertisement in the *Age* of 18 May 1974, he advertised himself as a Labor lawyer. I refer to a list published in the *Age* on that day where one of the Labor lawyers listed is Mr Lasry. I believe Mr Lasry himself would believe that link needed to be explained because I am sure he would support the notion that justice must not only be done but it must be seen to be done. Any perception of a political connection in the royal commission should be avoided.

The matters I have raised cloud the Intergraph royal commission issue. I believe there should be a fiercely independent inquiry into Intergraph. Labor's actions over recent weeks undermine the confidence of the community with respect to its motives for the inquiry and threaten the entire process.

The advertisement in the *Age* that I referred to is headed 'Lawyers for Labor'. It then lists a number of initiatives of the Australian Labor Party, which was headed at that time by Gough Whitlam. A list of lawyers supporting the initiatives then follows. I have not counted the names, but it is a long list. Some are people we have heard of, some have died and others have gone into oblivion. However, one of the names on the list is Mr Lex Lasry, the independent royal commissioner in the Intergraph inquiry.

If that inquiry is to be fiercely independent, I am sure Mr Lasry, or anybody else, would want this matter explained. I therefore call upon the government to explain exactly what the link is. As I said, justice must not only be done but be seen to be done. In light of that the people involved must have no political associations — or if they have, they must explain them.

The opposition fully backed the requirement for a royal commission in the Independents charter. However, that was done on the basis that the inquiry would be fiercely independent and absolutely above board. I have no doubt that it will be above board, but my point is that the royal commissioner was listed in the newspaper as being a Labor lawyer, and he wanted to be identified as such. I have a copy here for anybody who wants to see it.

Honourable members might say that that happened a long time ago, and I take that on board. However, the matter must be explained. Any reasonable member of the community would want the situation explained to his or her satisfaction. As a man who wants to see

justice being done and appearing to be done I am sure Mr Lasry would want the matter fully resolved before the royal commission commences. I am also sure Mr Lasry would want to know the counsel assisting and the terms of reference.

We are still waiting. The Premier said the royal commission members would be sworn in before Christmas, but nothing is known. What will be the terms? What is the hold-up? To come in here and hide the embarrassment caused by the Hyatt dinner by prematurely announcing the royal commissioner is not fair on him. I think he would be the first to ask about the terms of reference and who will be assisting him.

The people whose names the government floated the week before — Mr Kaye, Mr Redlich and Mr Young — are all QCs of some note, but they obviously turned down the government.

It is absolutely outrageous that that story should have been on the front page in the first place. There is nothing wrong with Mark Forbes's story. The point is it should never have been floated with him in the first place. That was the first time any one of those barristers had heard their names being mentioned in connection with the Intergraph royal commission. Julian Burnside, QC, is still tied up with the cash-for-comment inquiry in Sydney. Why can't the government get things right? That is why I am grieving today.

As I said, I have long been a supporter of justice and equity. I have mentioned in this place cases of people who have suffered injustice, such as the case of Ron Legge I mentioned last week. In that incident it was necessary to go through the former Administrative Appeals Tribunal to the Full Court of the Supreme Court to get documents from the then Labor government. I had to put my house at risk to be able to do that. Today, there is a similar situation of half-baked proposals put forward in the *Age* of 29 November, and still honourable members do not know who will be the counsel assisting, what will be the terms of reference and when the inquiry will commence. The Premier said vaguely last week that he thought it would be finished by about June. At least we have an idea about the length of it, but who knows the cost!

The big issue is the political associations of the royal commissioner. I am sure he would be able to explain that to the public very easily, but the fact that he advertised his name in association with the Labor Party is significant. Admittedly, there are many names on the list, and many you would expect to find such as John Cain and Bernard Bongiorno. The names are there for

anyone to look at, and I am ready to make the list available to members of the government.

People are saying they are squeaky clean. Opposition members said we would support the royal commission into Intergraph as outlined in the Independents charter. But we expected that when the royal commission was announced everything would be above board and it would not be necessary for people to say, 'We need an explanation about the form of the royal commission and the premature announcement floated in the *Age* last Monday week'. People in the community who care about justice and equity believe that is not good enough.

These sorts of issues will get the Labor Party into trouble more quickly than it thought, because if government members decide to take up issues and then do the work in a shoddy fashion, nobody will have any confidence in the government, and that will be the end of it.

International Fibre Centre

Ms KOSKY (Minister for Post Compulsory Education, Training and Employment) — Today I grieve for the International Fibre Centre (IFC), for the people of Geelong and for the wool industry in Victoria. Another great Kennett yarn unravels. I am glad the honourable member for Warrandyte is here to offer his support.

The Bracks government inherited a disaster with the IFC. The so-called fiscally responsible Kennett government operated on a whim — a woollen whim of the former Premier. Everyone remembers Mr Kennett's passion for fashion as seen in the woollen denim jeans he so proudly displayed. At the same time he made announcements about a new state-of-the-art facility that would not only look after the wool industry in Victoria but would save the entire Australian wool industry. To boot, it was going to be a bargain for Victoria.

The former Premier promised that the centre would be established for \$30 million, and that sum was to be supported with \$16 million from industry and \$7 million each from the state and commonwealth governments. In addition the state and commonwealth governments were to share \$25 million in operating expenses — which did not include training — over the following 10 years. On those estimates Victoria would have paid \$19.5 million for the whim of the Premier.

The Premier promised the world, and he promised it all prior to receiving the business plan developed by Arthur Andersen. He asked for the business plan to be developed, but on 2 January, obviously because he was

interested in making some sort of announcement, he decided to jump in ahead of the business plan and make the promises.

What did the former Premier deliver?

Honourable members interjecting.

Ms KOSKY — I know the honourable member for Bentleigh will be interested to know what the former Premier delivered. He wasted taxpayers' money on his woollen whim, ably assisted by his frontbench sheep, who did not make any comment.

Honourable members interjecting.

Ms KOSKY — I note they are bleating at the moment, but at the time they did not jump up and down about the announcement.

The total cost to Victoria of the International Fibre Centre was \$50 million, not \$19.5 million. There was no money from the commonwealth government — not one cent. There was no financial commitment from industry, and the Commonwealth Scientific and Industrial Research Organisation, a well-respected organisation in Australia, ran a mile from the project. Is it any wonder?

Honourable members interjecting.

Ms KOSKY — The commonwealth refused because it had had its own plan done and realised the project was just a whim of the Premier.

It began in 1996 with a \$72 000 overseas jaunt. Two of the six persons who went on the jaunt were politicians, one of whom is now an ex-politician. They went to Italy, Switzerland, Germany, the United Kingdom and the United States of America. One of the politicians is the Honourable Phil Davis, an honourable member for Gippsland Province in another place, and the other is the former chairperson of the IFC, a former member of the other place, the Honourable Bill Hartigan. Apparently Mr Hartigan enjoyed the trip, which was personally approved by the former Premier.

The former government bought the Delta Carpet building in January 1997.

An honourable member interjected.

Ms KOSKY — You may well ask.

Who bought the building? Who went down and inspected the building? None other than the honourable member for Warrandyte. He wandered down to Geelong and found a warehouse he thought was large

enough for the purpose. The honourable member put a half-million dollar deposit on the building, half a million dollars of state money.

Mr Honeywood interjected.

Ms KOSKY — No wonder he bleats; and so he should!

The honourable member for Warrandyte bought the warehouse prior to purchasing the required equipment. It is a bit like having renovations done on your house before you measure up the furniture that is required to fit into the space. The building was a disaster, and the honourable member for Warrandyte knows it.

Mr Honeywood — What is it being used for now?

Ms KOSKY — Certainly not what it was intended for.

The building was a quarter of the size required to house the equipment. It was not just a little bit too small; it was a quarter of the size required. Further, the building had wooden floors that were incapable of supporting 200 tonnes of equipment. Any person with a brain would realise that you do not purchase a building with wooden floors to hold 200 tonnes of equipment. But not so the honourable member for Warrandyte. He thought it was a big building, and it looked good.

It also had asbestos in the roof and no access to the basement. The building now belongs to Deakin University, which is utilising it well.

Honourable members interjecting.

The DEPUTY SPEAKER — Order! Honourable members will have the opportunity to speak on the grievance debate if they wish to contribute at a later stage.

Ms KOSKY — The building is not being used for the purpose for which it was originally purchased. Whose signature was on all the cheques for the building? The honourable member for Warrandyte's. He went down, bought the building and signed the cheque. Subsequently the IFC had to construct a new purpose-built facility in Geelong, which is what should have happened in the first place. In the interim a massive warehouse in Laverton had to be leased for 18 months at additional cost to house the equipment prior to its going into the new building.

There is more! I want to ram home this point: the project was an absolute botch-up.

Honourable members interjecting.

Ms KOSKY — Woolly figures! You cannot train students if you do not have facilities.

The Delta Carpet building was purchased in January 1997 and the equipment was not purchased until May 1997, so the building was purchased prior to the purchasing of the second-hand equipment from the United Kingdom.

Mr Honeywood interjected.

Ms KOSKY — No wonder it was a third of the replacement value, because the equipment did not meet occupational health and safety standards. What's more, the IFC discovered the equipment was faulty when it was fired up.

Mr Honeywood — One out of 20.

Ms KOSKY — Does the honourable member for Warrandyte understand that somebody could have died? A person could have been electrocuted when the machine became electrically live. The people on the premises at the time reported the incident to the Victorian Workcover Authority. An infringement notice was put on the equipment, but only last month — \$1.7 million and seven months later — did the equipment become safe for use.

Those factors have prevented the IFC from training any students. The project was such a botch-up that no students could be trained until the proper facilities were in place. The building was too small and the equipment did not meet the occupational health and safety standards the former government had set for itself. The Geelong premises still have no students, although the Brunswick facility has students.

It is worth noting some advice I know the honourable member for Warrandyte would have received when he had responsibility for the portfolio. The draft IFC business plan covering the period to 2002 projected that revenue would grow by 10 per cent a year. My briefing note says that of greater significance is the assumption that revenue from product development was to grow from \$350 000 in 2000 by a further 25 per cent in 2001 and by 50 per cent in 2002 to a total of \$656 000 in 2002.

Those figures were developed so the former Premier could live out his whim. The projections are unrealistic and, had the honourable member for Warrandyte examined the project in detail, which I am sure he did not, given what he did with the building, he would have realised that the project would cost Victorians an enormous amount of money. No wonder neither the

CSIRO nor the federal government would have anything to do with it.

Total revenue from IFC, which is now only the Brunswick facility, has been \$68 400. It is worth noting that little money has gone to the Brunswick facility.

Mr Honeywood — Of the \$50 million?

Ms KOSKY — Of the \$50 million.

The DEPUTY SPEAKER — Order! The honourable member for Warrandyte will cease interjecting.

Ms KOSKY — The project should have been developed in consultation with the research arm of the CSIRO and should have built on the capacity of the Melbourne Institute of Textiles. However, the honourable member for Warrandyte decided to amalgamate the Melbourne Institute of Textiles because he did not like it. The Geelong IFC facility has no students. I am now reviewing the IFC operations and governance to ensure its training facilities are in place.

There is no doubt that the Kennett passion for fashion has been an unmitigated disaster for Victorians. The Bracks government is genuinely committed to making the project work with not woolly but with real figures.

In summary, the former Premier, Jeff Kennett, and the honourable member for Warrandyte wasted millions of dollars of taxpayers' money. They fleeced Victorian taxpayers. They purchased faulty second-hand machinery and bought a building that was too small.

Mr Leigh — Is it working?

Ms KOSKY — It is working, thanks to the Bracks government, but \$50 million later and after spending \$30 million more than was promised by Jeff Kennett. The honourable member for Warrandyte was not doing his job properly if he did not realise the building was a dud; or if he realised it, he was obviously too gutless to stand up to the former Premier. He should be ashamed of himself for not being prepared to stand up to Jeff Kennett. Either way, the honourable member for Warrandyte has wasted millions of dollars. Victorians have been fleeced, but this government will ensure the project works for the people of Geelong and the wool industry. It will involve all the players in the project so it works once and for all.

National Party: rural policies

Ms DAVIES (Gippsland West) — This is the third grievance debate to which I have contributed since I

came to Parliament. The first was on 2 April 1997 when I expressed grief about the sad future for rural Victoria unless real change occurred soon. We got that real change — it was soon enough and perhaps sooner than most people thought possible. I now feel real hope that we have a direct commitment by a government to the people and communities of rural Victoria. We have a much more direct commitment to fairness and equity in the distribution of infrastructure, assets, benefits and services across society, rather than a government focused on its mates. The job now is to work hard to ensure we get those real results and that they keep flowing.

The second grievance debate in which I took part was on 18 March 1998. At that time I expressed my regret at the ideological obsession with privatisation in which the former government indulged, using national competition policy as an excuse, but always forgetting to mention the provisos that are attached to national competition policy and going further than any state or federal government was obliged to go. That ideologically based obsession meant the former government refused to acknowledge and deal with the people of Victoria as human beings. It attempted to portray them only as consumers and customers.

The recent change in government following the defeat of the Liberal–National parties at the state election means we have more focus on creating healthy communities, not just from the state government but, I am pleased to note, from the federal government and, I suggest, from future federal governments. I find that a satisfying demonstration of the effectiveness of Independents.

In this third grievance debate to which I will have contributed I grieve for the rather parlous state of the National Party in Victoria. I shall offer some suggestions to assist the party. However, my first series of comments would perhaps be more relevant to the Liberal Party members of the house. I am not trying to be smart in making what will be sincere comments and suggestions. I hope honourable members, including the honourable member for Bentleigh, will receive my suggestions in the spirit in which they are offered.

Many honourable members will remember my arrival in this place. I must admit I tended to be rather prickly. I was inclined to be somewhat sarcastic and, at times, a little bitter. It is not surprising that I was bitter, given some of the rubbish I had to put up with, particularly in my electorate, but all honourable members should have realised by now that if they try to bite me, I will bite back. Normally I am unassuming and civilised.

During the last Parliament I realised that a sarcastic approach was not as effective as an approach that used reason, persuasion and occasional humour. I offered approval where possible, tempered my criticism and was more inclined to use good manners. That change in approach on my part over time resulted in good relationships with most of the ministers and members of Parliament. I never received credit for achieving any of the things I achieved for my electorate, but I did ensure that I was an effective local member.

My suggestion to the Liberal members of this house is that they could try the same approach. Some members of this place are innately courteous but others require some overtime attendance at the local charm school. I refer particularly to the honourable members for Mordialloc, Doncaster and Monbulk who display embarrassing rudeness at times in this place.

I suggest in all seriousness that Liberal members should temper some of their smart criticisms of the Independents. Why bother? They spent the entire 53rd Parliament offering smart criticisms, but that did not work. Their actions were destructive and counterproductive in the long run. Their comments lack credibility for making the smart remarks they feel obliged to make. The only people who count to me are the people in my electorate. If members get results and work for their electorates they will be re-elected.

Mr Leigh interjected.

The DEPUTY SPEAKER — Order! The honourable member for Mordialloc!

Ms DAVIES — The honourable member for Mordialloc could learn by attending charm school. The core business of the Liberal Party is in a sense the same as the Independents — to keep the government accountable. I suggest that Liberal Party members keep their eye on the main game of looking after their electorates in the most effective way to ensure that the government is accountable. I suggest Liberal members temper their fury and start trying to find some basic values and ideals.

The main focus of my contribution is to reflect on the parlous state of the National Party. My Independent colleagues urge me to forget the National Party because they are too far gone to worry about, but I shall not. I believe rural Victoria needs the National Party. Regardless of which government is in power the National Party should exert influence. It should move away from the Liberal Party. The National Party is doing nothing at the moment. Its parliamentary performance is hopeless. There is nothing to distinguish

the National Party from the Liberal Party in this place, except that National Party members tend to be courteous and are less inclined to interject. The aim of the Liberal Party is to be a whole-of-Victoria party, and its aim is to gobble up whatever National Party seats it can. The current state of the National Party means that it has sold out country people for cabinet positions.

The foolish line offered by the National Party members that one cannot influence government unless one is in it put the honourable member for Gippsland East in the position he is today. The people of Mildura and Gippsland West ignored that National Party line. The current members of the National Party are bereft of purpose.

Independents are able to work effectively for their electorates no matter who is in government. The National Party must do likewise, but it cannot at the moment. The de facto relationship between the National and Liberal parties is unstated and unpublished. I read the original terms in the coalition agreement and there is nothing about the aims and ideals of rural people. It said nothing about the operation of Parliament, it focused only on cabinet positions.

If the National Party does not give up the Liberal Party it is gone. It should watch itself in Benalla because one cannot work for rural Victoria if one is not in this place. There is no reason the rural voter would choose to vote for the National Party except out of loyalty to an existing member. That means that as each member of the National Party retires the seat will go.

I suggest that both National and Liberal party members, particularly rural members, should beware the high jumps of Legislative Council reform and scaremongering on that subject. I urge both the National and Liberal parties to work constructively towards Legislative Council reform, and to work with the Independents and the Labor Party. The more public debate there is about the concept of Legislative Council reform the more pressure there will be for total abolition of that place. I do not wish to see it totally abolished. The bill which will be introduced to reform the other place and which will be debated during the next sessional period will require substantial amendment. I will not agree to legislation that means fewer members of Parliament being focused on rural areas, and neither will my Independent colleagues. To suggest that is complete rubbish.

The concept of 'methinks he doth protest too much' comes to mind. I shall work to achieve reform, and I urge honourable members to work together towards

Legislative Council reform. The Legislative Council was completely unable or unwilling to operate as a house of review during the previous three terms of the Labor government and was completely unable to operate as a house of review during the last Liberal term of government. That is evidence that the Legislative Council is currently a complete waste of space and must reform.

I grieve for democracy and Parliament itself. The Liberal and National parties should get their houses in order as quickly as possible, particularly the National Party. I say that because I have a good record for predicting political trends. They should take note of what I say. National Party members should assert themselves. They should abandon the tempting shadow cabinet positions and break away from the Liberal Party. If not I will be grieving their departure from Victorian politics.

Mrs Peulich interjected.

The DEPUTY SPEAKER — Order! The honourable member for Bentleigh has been interjecting consistently. I suggest she give her voice a rest.

Rural Victoria: privatisation

Ms ALLAN (Bendigo East) — I grieve this morning about the disastrous impact of the former Liberal–National government privatisation and anti-country policies on my electorate of Bendigo East and many other country electorates. I am pleased to follow the honourable member for Gippsland West. A contributing factor to so many country members, including me, being elected was the impact of privatisation on our electorates and the ignorance of the former government of our constituents' concerns about the crucial issue of the long-term viability of the work force.

Under the former government Victoria's vital public assets were stripped and sold off to big business. Over \$33 billion of Victorian public assets have been sold, often to overseas interests — that is around \$20 793 for every Victorian family. The former government ploughed ahead with its privatisation policies, which only inflicted pain on people in country Victoria.

Let us consider the impact of the privatisation policy. Some 370 schools were closed, of which 176 were in country Victoria. Over 1300 hospital beds were closed and 12 country hospitals saw their doors close during the reign of the former government. Gas and electricity industries were sold — vital public assets providing infrastructure and meeting the needs of people in

country Victoria. The former government, in its wisdom, sold them off.

The Victorian Auditor-General's Office was privatised. How pleased I was to contribute to the debate that saw the restoration of the independence of the Auditor-General. The tram system, the Met and V/Line were sold and Victoria's road networks were leased. What a disastrous and appalling record the former government has left us with through its blind ideological faith in the power of privatisation and the ability of private operators to deliver better outcomes for country people — how wrong it was.

Let us consider how some of those changes impacted on my electorate of Bendigo East. I have had personal experience of the effect of changes in the electricity area. In small towns in central Victoria a number of depots were closed and jobs were lost or relocated from one town to another. Offering someone a job in another small town is not always a viable option for someone whose family is based in a small town.

Meter readers were previously under the employ of the former State Electricity Commission, but the introduction of private operators to the power industry saw the management of meter readers contracted out. The company that won the tender in the first place in my area went bankrupt and was forced to go to another tender — a farcical story. That led to job uncertainty for people in those areas. One woman who came to my office two weeks ago was devastated because she has lost her job.

Services have been diminished and response times have become worse. I acknowledge that response times are appropriate for people living in Bendigo, because it is a major centre and is close to the main Powercor depot. But the response time for smaller towns such as Bridgewater, which is on the outskirts of my electorate, has blown out massively. Some people report delays of up to two days before power is restored after having been lost as a consequence of a storm. Privatisation has had a dramatic effect on small towns, some of which are in my electorate. In the gas industry a similar story can be told.

Compulsory competitive tendering has led to the quasi-privatisation of local government services. Roadworks are a particularly good example. When a number of smaller municipalities were amalgamated, their roadworks depots were amalgamated along with the councils. A process of rationalisation was undertaken, and much plant and equipment were sold off. The roadworks were put out to tender. Those road plants will never be restored within council

infrastructure because of the huge cost that would be incurred by councils in buying back the plant and equipment. Councils could never take on that financial risk.

Also regarding roadworks, the maintenance of roads has deteriorated. Normally such work would have been undertaken by the former councils, but since the amalgamation of the councils the work has been tendered out to private operators. It is almost farcical that streets close to the central business district of Bendigo — only a 15-minute walk from the centre of Bendigo — do not have any gutters. The provision of gutters is a basic service. When it floods the driveways of many houses in such streets flood. It is one example of many in the large area of Bendigo. Smaller towns do not see road crews for months. I drive on such roads every time I come to Melbourne and I see the deterioration of the roads every day. They are not getting the attention they need.

It is interesting that the former government was looking at a policy of not funding country roads that were used by fewer than 100 vehicles a day. The Minister for Finance brought this fact to the attention of the house. I am pleased to say Labor will not be proceeding with that policy.

The privatisation of the railway workshop is perhaps the saddest story in my electorate. Before the former government privatised the workshop there were 262 jobs. I read in the *Bendigo Advertiser* this morning that 20 jobs are to go, leaving 35 jobs in a workshop that provided 262 jobs before privatisation. That is an absolute disgrace.

The former Premier had a hands-on role introducing privatisation in 1995. He coerced, pressured and bullied the workers at the Bendigo railway workshop into accepting the privatisation offer. He was quoted in the *Bendigo Advertiser* as saying:

Don't blow it, because if you blow it, it will be on your heads.

He suggested that if privatisation did not go through people had only themselves to blame. People have the former government to blame. With a reduction in the work force from 262 to 35, the blame must lie at the feet of the former government.

At the time the former Premier said the offer of privatisation, with A. Goninan and Co. taking over the workshop, was a 'once-in-a-lifetime opportunity that rarely comes to old engineering places'. I am sad to say that once-in-a-lifetime opportunity resulted in hundreds of jobs being lost in my electorate. Former Premier Kennett also said that if the deal went ahead, there

would be the 'opportunity for long-term employment with a new industry and the opportunity to create the second Bendigo Ordnance Factory'.

I will also talk about the federal government's privatisation of the Bendigo Ordnance Factory, which has resulted in similar job losses. Bendigo has had a double whammy, with the former government privatising the Bendigo workshops and promising a second ordnance factory and now the Howard government steamrolling ahead on the same disastrous privatisation path, which will only result in job losses in country areas such as Bendigo.

Public sector cuts have also been inflicted by the former Kennett government and the current Howard government. It is estimated that between 1996 and 1999, 1800 public sector jobs have gone from Bendigo. That means 1800 pay packets have gone, and all honourable members realise the impact that would have on a town like Bendigo.

Another privatisation policy the former government was proud of was its City Link operation — the privatisation of public road infrastructure. The former government privatised Bendigo's main entrance to Melbourne. Bendigo people have been forced to pay a tax just to enter their capital city.

People living along the Calder corridor, going through Bendigo, Bendigo West, Harcourt, and Gisborne, would think they were being victimised by the former government. The members of those communities are the ones who will have to pay an entry tax to travel down a road they have been travelling down for three decades.

It used to be called the Tullamarine Freeway, but what is it called now? The Tullamarine tollway. We have to pay an exorbitant tax to enter our capital city. If you do not have one of those fancy little transponders you are slugged with an additional day-pass impost of \$7. That is the price for travelling down a road you have always travelled down.

A government member interjected.

Ms ALLAN — Yes, but I do not know why they hate country Victorians.

The former government's policies on privatisation cut country Victorians to the bone. When we presented our concerns and arguments the former government told us it knew best and the outcomes for country people would be good. The Goninan example clearly illustrates that the policy of privatisation is flawed.

What would a Liberal–National government have done with privatisation if it had been returned at the September election? First, it would have privatised our public hospital system. That policy was already under way in places like Mildura and was generating community outrage. The former government would have privatised community health, too. It starved communities of health funds and was in the process of tendering out a lot of the work community health centres had been doing.

The opposition, particularly members of the National Party, talk a lot about water. The former government, spurred on by the Leader of the National Party, planned to privatise water. It was already dressing up the water authorities and getting them to do all the sewerage works — the hard yards — so that they would be attractive to potential buyers. Water is now one of the few things left in government hands, and the former government planned to sell it off and make the people pay for that essential service.

Gas and electricity prices were set to go through the roof if the former government was re-elected. It wanted to abolish the uniform tariff that kept country prices in line with city prices.

We now know the significance of the former government's policy of privatisation of government schools through the self-governing schools program. It used its characteristic carrot and stick approach, saying to schools, 'We are going to take all your funds off you, but if you adopt this model of privatisation you can have some money back'. An article entitled 'Schools: the revolution ends' published in the *Age* of 13 November states that a former Minister for Education, Mr Hayward, had:

lost interest in pursuing school autonomy beyond the Schools of the Future model. He was never really taken up with the concept of self-governing schools because he thought it was based on an ideological structure that would not necessarily help students. He didn't think it was necessary to go that extra step in order to meet the needs of students.

He was a minister in the coalition government! But no, the former government wanted to push ahead with privatisation of our state school system in spite of him. That policy was having a severe impact on country people, especially in communities that have only one school. If the policy had proceeded school fees would have gone through the roof. What a disaster for country people!

The future under a Bracks Labor government looks much brighter. The government is halting the privatisation process. Only the Labor Party opposes privatisation, and only Labor will keep Victoria's key

assets in public hands. The former Kennett government strategically and systematically stripped and sold all of Victoria's key assets. Only Labor opposed that process, and only Labor will keep key assets in public hands.

The government will not sell off water or the public hospital system. It has already moved to abolish the self-governing schools program and compulsory competitive tendering in local governments.

I am delighted by a report released yesterday by the Minister for Education showing that 51 out of the 51 former self-governing schools are now working with the minister. All the schools I have spoken to in my electorate are pleased with the outcomes of the audit the minister undertook and are working towards a better and fairer education system under Labor. That consensus has been achieved despite a climate of scaremongering by the opposition, a dreadful campaign designed to scare parents and students about the future of education.

The government is working for a fairer deal on City Link tolls for country motorists. While I grieve for the impact on my electorate and on country Victoria as a whole of the privatisation imposed by the former government, I am proud to stand here today as a member of a government which opposes privatisation, which will look after people and employment, particularly in country areas, and which will continue to listen to what the people across country Victoria say about the disastrous impact of privatisation.

Manufacturing: future

Mr LEIGH (Mordialloc) — I grieve about two matters. The first is the comments made earlier by the Minister for Manufacturing Industry about the difficulties caused by private train and tram companies not producing stock in Victoria. The minister spoke about how hard the government was working to make sure that trams and trains would be built in Victoria and how difficult it would be to achieve that goal.

What rot! Fair dinkum, members of the government are clearly setting things up for the next phase of the stunt in which they claim credit for things they had nothing to do with. Let it again be said on the record that Hillside Trains will manufacture its rolling stock in Victoria, probably a lot of them in Ballarat. Some \$350 million worth of trains — 29 six-carriage trains — will be built in Ballarat, and many of the components for them will come from areas all over Melbourne, so areas wider than Ballarat will be affected. I suspect that arrangements made by Bayside Trains with other companies mean that some of their trains will be built

overseas. Nevertheless, a large proportion of the components will come from Victoria.

The trams present more difficulty because the tooling up required to produce a small number of trams for Yarra Trams and Swanston Trams makes it very difficult for that manufacturing to take place in Victoria.

Mr Nardella interjected.

Mr LEIGH — You don't know what you are talking about.

What I suspect will happen is that a large tooling manufacturing operation will develop in Victoria. Consider the development of the Holden car by comparison. Who would have believed 5 or 10 years ago we would be manufacturing engines at the Holden plant in Melbourne for sale to Germany to be part of the Opel car? But it happens.

There is a worldwide arrangement these days for what happens with manufacturing. Victoria had to make sure that it got its share. It is nonsense for the minister to imply that Victoria would get nothing and that it would be difficult for him to succeed in this area.

Mr Nardella — You are the shadow minister, but you know nothing about it.

Mr LEIGH — Go and talk to the train companies. They will tell you what is going on. Rather than spout off with your loud mouth, you should find out the facts. The facts are that Victoria will benefit significantly from privatisation.

The Premier and the Minister for Transport have already scurried out to Box Hill and claimed credit for a new tram route. They have been in government for 50 days yet they have already achieved that! The fact is that the proposal was set down in the contract, which enabled the new route to go ahead. The Premier, like everyone else, knows that. I do not blame him for taking credit for something the former government did. That's fine. Copying is the sincerest form of flattery. I say to the Minister for Racing or gambling or whatever he is, that he should find out the facts about the manufacturing industry because he appears to know very little. As a member of Parliament who represents a significant component of the industry I know quite a lot about the matter and I have a continuing relationship with many of the companies in the industry.

Member for Chelsea Province: discrimination

I refer to proceedings in the anti-discrimination list of the Victorian Civil and Administrative Tribunal. The case commenced on 11 August, ran for six days and concluded on 24 September. The matter involved a lady by the name of Mary Jamieson. The Australian Workers Union (AWU) was the first respondent and its former secretary was the second respondent. Ms Jamieson contended that she was subjected to unlawful discrimination by the Australian Workers Union and Mr Bob Smith, who at relevant times was the secretary of the state branch of the Australian Workers Union in Victoria. Ms Jamieson contended that the unlawful discrimination was based on her sex, her industrial activity and her political belief.

Before government members jump up, I am happy to make a copy of the transcript of the case available for them to read. All members of this house should read it.

At the start of 1960 the AWU had a national membership of 180 000. By the end of 1993 its national membership had declined to approximately 100 000, largely because of technological change. In 1994 the Australian Council of Trade Unions (ACTU) commenced a new training program called Organising Works. It is important to set out some information about the Organising Works program because the dispute involved whether Ms Jamieson was recruited by the AWU under that program. Mr Smith contended that Ms Jamieson was recruited under the Organising Works program. However, Ms Jamieson contended that she was offered a job by Mr Smith and accepted the position with the AWU as an appointed organiser.

What is interesting about the case is that from March 1992 to 1995 Ms Jamieson was a part-time organiser with the Sunraysia Trades and Labour Council, which was the umbrella body covering 37 affiliated unions. From 1989 to November 1991 Ms Jamieson had been employed as a full-time organiser with the Federated Liquor and Allied Industries Employees Union of Australia. She was based in Mildura, where she grew up, and my knowledge of her is that she is a respectable individual.

Ms Jamieson gave evidence that she telephoned Mr Smith in November 1994 about the affiliation fees and rent arrears of the old AWU. That was her first contact with Mr Smith. Ms Jamieson gave evidence that a lot of members came to see the union organiser, Mr John Knight, at his Mildura office but that Mr Knight was never there. Mr Smith and Ms Jamieson discussed plans to remove Mr Knight because, according to Mr Smith, Mr Knight was not carrying out

his role. Ms Jamieson gave evidence that she had dinner with Mr Smith and Mr Bob Kernohan, who I am sure the honourable member for Melton knows well because Mr Kernohan was to be the Labor member for Melton at one time.

Very interesting! Some side arrangements took place because the person who was about to become the Labor member was Mr Bill Shorten, who is now the secretary, but Mr Shorten could not become the member until the party got rid of Mr Smith. So Mr Shorten became the secretary. By luck the honourable member for Melton fell into the job at the right opportunity.

Ms Jamieson gave evidence that on 9 February 1995 she had dinner with Mr Smith and Mr Kernohan at Mildura's Grand Hotel — I have been there, and it is a lovely hotel. At that dinner Mr Smith said that:

he had checked out my credentials thoroughly and I was the ideal person to take over the position as organiser to replace John Knight. He explained the wages being \$46 000 per year plus a company car and expenses. He wanted me to take the position as soon as possible ...

Ms Jamieson gave evidence that around March 1995 Mr Smith contacted her and advised her to start work in four weeks. Ms Jamieson gave four weeks notice to her employer and commenced work. This is where it starts to get interesting. Mr Smith later contended that Ms Jamieson was employed under the ACTU program and not as an organiser, which meant a difference of a significant amount of money. Mr Smith said:

I never offered Ms Jamieson a salary of \$46 000 and I did not offer her a full-time organiser's position. It was my intention that she might evolve into the position of organiser for the area ... I did not tell Ms Jamieson that she was being employed to replace Mr Knight. In fact, I thought if she recruited enough people we might end up with two officials for the area.

On the evidence given by Ms Jamieson and Mr Kernohan on the one hand and by Mr Smith on the other it was considered that Ms Jamieson and Mr Kernohan presented a reliable account of 9 February 1995 at Mildura. Fascinating!

There were inconsistencies in Mr Smith's evidence that created doubt as to his version of events leading up to and at the February 1995 meeting in Mildura. Mr Smith said:

At that meeting, I think I indicated that I might be looking for someone else in the area, but I did not offer Ms Jamieson a job ...

Mr Nardella — On a point of order, Mr Acting Speaker, standing order 108 states that:

No member shall use offensive or unbecoming words in reference to any member of the house and all imputations of improper motives and all personal reflections on members shall be deemed disorderly.

I believe the honourable member for Mordialloc is now transgressing standing order 108. He is impugning the reputation of the Honourable Robert Smith, a member of the other place, and I ask you, Sir, to bring him back to order so that he does not transgress standing order 108.

Mr LEIGH — On the point of order, Mr Acting Speaker, I have referred to a judgment by VCAT and have made no personal imputations about Mr Smith. I have quoted directly from the document, which I am happy to make available to the house. At no point have I referred to Mr Smith as being a member for Chelsea Province in the other place — the honourable member for Melton brought that up. I am simply quoting a document, and I do not believe there is a point of order.

The ACTING SPEAKER (Mr Kilgour) — Order! There is no point of order.

Mr LEIGH — As the secretary of the AWU at the time Mr Smith said he did not have the broad powers to decide that this person get the job, but in a witness statement Mr Terry Muscat, the national secretary of the union, stated that Mr Smith:

... had the final decision as to whether to take her (Miss Jamieson) on ...

In oral evidence Mr Muscat stated that the secretary had broad powers to hire, fire and appoint staff and to set their wages. As will be apparent, Mr Muscat was referring to appointed staff as opposed to elected personnel. That is contrary to the evidence given by Mr Smith.

Mr Nardella — On a further point of order, Mr Acting Speaker, the honourable member for Mordialloc is now saying that the Honourable Bob Smith has lied and disagreed with the transcript. If the honourable member wants to make a substantial allegation of that nature it is incumbent on him to move a substantive motion against the Honourable Bob Smith. I ask you, Sir, to rule that he abides by standing order 108.

Mr LEIGH — On the point of order, Mr Acting Speaker, I am quoting exactly from the court transcript.

The ACTING SPEAKER (Mr Kilgour) — Order! A member in this place cannot mention a member of the other house. I have been listening carefully and I do not believe the honourable member for Mordialloc has

mentioned any member of the upper house by name. I ask him to be careful on that issue. There is no point of order. The honourable member has 2 minutes.

Mr LEIGH — According to my research, Miss Jamieson wound up being paid the appropriate amount of money because discrimination on the basis of sex was found to be proven. The respondent had to pay the complainant \$26 486 within 30 days, being for both loss of earnings and costs.

This woman was persecuted by the union movement and the leader of the government refused to take any action by counselling one of his own colleagues. The tribunal found that:

In summary, I find that unlawful discrimination occurred in the area of employment on the basis of Ms Jamieson being female, when Ms Jamieson was not paid at the rate of \$46 000 per annum as from her commencement date with the union, 24 April 1995. The discrimination continued until 30 September 1996, when Ms Jamieson's salary was increased to the rate for an organiser, that being \$46 000 per annum.

In my view, the first named respondent is vicariously liable for the unlawful discrimination that occurred. I consider that the union has not proven, on the balance of probabilities, that it took reasonable precautions to prevent Mr Smith contravening the law.

A female trade union member was discriminated against by a trade union and the Premier refused to take any action. I have sent a copy of all of this to members of Emily's List, who deserve to see the real standards of the Labor Party.

As the honourable member for Melton said, the person who did all of this is now an honourable member for Chelsea Province in another place. He is an utter disgrace and a sexist.

Mr Nardella — On a point of order, Mr Acting Speaker, the honourable member has named the honourable member for Chelsea Province. I ask you, Sir, to rule that he abide by standing order 108.

The ACTING SPEAKER (Mr Kilgour) — Order! The honourable member's time has expired. There is no point of order.

Liberal Party: policies

Mr LENDERS (Dandenong North) — I grieve at the state of the Liberal Party in Australia today and how the once-great party of Robert Menzies and Rupert Hamer has lost touch with its core constituency of small business. I grieve for a number of reasons. I commence with the iniquitous goods and services tax (GST) the

federal Liberal party is imposing on this country and the small business sector in particular.

Mr Perton interjected.

Mr LENDERS — The honourable member for Doncaster has a particular interest in the IT aspects of the year 2000 (Y2K) problem, but the great and perhaps unseen burden that will hit small business will happen on 30 June 2000 when the goods and services tax will be introduced.

As I move around my electorate I engage small business owners in conversation. I have a general interest in this area, having grown up on a dairy farm, which I regard as a small business, before going on to various other pursuits. That seems to be a matter of mirth to those opposite. I mix with small business owners and talk to the people about how the job is going. I take particular interest in IT systems for accounting and compliance with Y2K and the GST.

As I talk to small business owners I sense an unbelievable — under the circumstances, believable — amount of angst and uncertainty about the introduction of the goods and services tax and in particular the sense of betrayal experienced by small business owners who feel the Liberal Party has inflicted this on them.

I mention for a start computer systems. Corporate Melbourne, the big end of town, is having enough trouble coping with the introduction of the GST. Regardless of whether one speaks about Coles Myer, City Link or any of the major players in the state one finds that all have huge teams of people working on the introduction of the GST. People have had to bring out of mothballs the old programs they used for Y2K compliance.

The GST is a real problem for a number of reasons, starting with its effect on business systems. Firstly, it is not a uniform tax. The current Prime Minister has campaigned for most of his adult life for a system of flat tax. He was not quite as extreme in that view as a former Premier of Queensland, Joh Bjelke-Petersen. One of the advantages of the much-vaunted goods and services tax has been the introduction of a flat system of tax. As a Labor person I joyfully welcome the fact that a flat level of tax has not been introduced in this country, but the GST will cause enormous problems for the business community. As one small business operator explained to me, 'It's like the tax inspector has to go around with a thermometer to find out whether the chicken is hot or cold'.

The problem gets bigger when one considers computer systems. Small and large businesses are now required to

put in place computer systems will that will enable them to collect the GST when it comes into effect on 30 June. Presumably that will apply to the parliamentary catering system as well as every other service outlet in Parliament. Firstly, every computer system has to be equipped to distinguish between a cooked or uncooked chicken!

I could give examples of a number of businesses. I have a number of pharmacies in my electorate. As the Minister for Finance pointed out, the pharmacists in his electorate are in an absolute lather over the GST — a tax introduced by the federal coalition government with the vigorous and enthusiastic support of the state Liberal Party. Pharmacists will have to look at every single product on their shelves and work out which ones attract a GST. That is the first threshold that small business — milk bars, booksellers and newsagents — will have to cross. It will include the parliamentary dining room — everywhere you go. No matter what the size of the enterprise, people will have to adjust to the GST, and the GST will give them grief.

The GST has been at the heart of public debate for several years. The Howard government was re-elected on its commitment to a GST and, with Democrat support, passed it through Parliament in amended form, so that is over. However, the grievance today is what the GST will do to the small business community, and the complicity of the Victorian Liberal Party in the introduction of the GST.

I move on to the core of small business and why small business has a grievance. Honourable members on both sides of the chamber know small business men and women who give of their time and invest their labour and money to make their businesses work and thereby improve their quality of life and the future prospects of their children. They spend considerable time on core business activities, which include the running of the small business. They do not like paperwork.

For many years one of the grievances of small business owners in this state and across the country has been the amount of paperwork generated. By definition small business people generally do not have the same support as that enjoyed by large business; they need to be Jacks or Jills of all trades. By the time the shop door closes at 10 or 11 o'clock at night, as it does in my electorate, and opens at 6 or 7 o'clock in the morning, small business people do not need to do John Howard's work filling in tax collection forms for the federal government. Gone are the days when 60 000 or 70 000 people collected wholesale tax. We have now reached the one million mark — —

Mr Nardella interjected.

Mr LENDERS — The honourable member for Melton advises that we have reached the horrendous figure of 1.6 million — almost 1 person in 10 members of the Australian community will be doing paperwork just to satisfy the federal Liberal government's ideological obsession on this issue.

Mr Perton — Rubbish!

Mr LENDERS — The honourable member for Doncaster says that is a load of nonsense. I suggest he talks to small business owners. I grieve at the lack of attention given by members of the Liberal Party to small business. They think they can call small business owners constituents. I assume they only respond to small business because Robert Menzies mentioned the words 'small business' 50 years ago and Liberal Party members thought they had cornered the group. But times have changed. The Liberal Party can no longer claim that it has cornered the support of small business. I grieve for what the federal government, with the complicity of state Liberal governments, has done to small business.

Filling in paperwork is an onerous task, and small business has received absolutely no guidance from the Howard federal Liberal government. Small business does not know what it is doing. The government uses the term GST as a mantra, but it changes it, makes exceptions to it and informs no-one. In Dandenong a GST compliance unit was set up two weeks ago to advise people about how the GST would affect them. Glossy advertisements published at taxpayers' expense explain the wonders of GST and how people should register for information and all sorts of things, but there is no basic advice. There is nothing to explain how the GST will affect small business. As a result, small business owners are asking me what the Liberal Party can do. The answer is that it is doing little about it other than making a lot of noise.

The core business activities of small businesses, such as milk bars in Dandenong North, include providing customer service, spending time talking to their customers, finding products, buying products, making the stores presentable and complying with state, federal and local government regulations. Those are the things that make their businesses successful. A core business activity should not be the filling out of inadequate paperwork that the federal government has failed to get ready in time.

I also grieve that this is not just a temporary problem. The glitch will probably be over some time in August,

September or October, when the forms for the tax system will finally be up and running. However, small business will have an ongoing dilemma that big business will not have. Once they are up and running corporations such as David Jones, Qantas, Ansett — large corporations like governments — will have hired the computer consultants they need to set up systems that will do those things automatically.

However, small business proprietors, the people the Liberal Party claimed were its core constituency, will not have the massive computerised systems that will let them do this or order that, automatically calculate the figures for them, do the rebates and return the paperwork to the tax office. They will need to sit up night after night to do the work. The honourable member for Polwarth is a small businessman, and I am sure he concurs with me. Many small businesspeople in the Otways would agree with businesspeople in Dandenong North on this issue, and men and women in small business will continue to grieve about it as I grieve today.

I go one step further to explain why I grieve about the GST and what it will do to Victoria. Not only will it create enormous amounts of paperwork and bureaucracy and put an extra burden on the back of small business that no Labor government would ever have dreamed of or contemplated — it could only have come from the Liberal Party — it also starts to put an end to the progressive taxation system. Progressive taxation was introduced with bipartisan support during the Second World War as a fair way of raising tax. People with the capacity to do so paid a higher percentage, and people battling on the edges paid a lower percentage or no tax at all.

One of the features of the Liberal Party's GST is that progressive taxation is starting to go. The Prime Minister is taking a Jekyll-and-Hyde approach to the issue, and I grieve about that. Mr Howard says we must have a flat tax, so the same tax will apply to cooked chickens and caviar. I do not think many constituents of the electorate of Dandenong North eat caviar but a lot of them eat cooked chicken. The situation is inequitable.

Although the Prime Minister has a fundamental belief that the tax rate must be flattened to help the battlers, whom he claims to represent, whenever it suits his short-term political interests he beats the drum. If a gun levy needs to be introduced, what does the Prime Minister do? He whacks it on the high-income earners. If a levy is needed to assist East Timor, what does the Prime Minister do? He whacks it on to the high-income earners.

I do not have a problem with that, and I believe in progressive taxation, but I find the situation ironic. I grieve that his true agenda is to flatten the tax rates and whack the battlers, but the practice is that whenever he gets worried about people seeing that he beats the drum of progressive taxation. He cannot have it both ways, and he needs to get it right.

I also grieve for what the GST will do to low-income earners in my electorate of Dandenong North, particularly aged pensioners. The consumer price index is ballooning. I do not think anyone in federal Treasury would even pretend to stick to the federal government's original estimates of the inflation rate. All sorts of compensation measures have allegedly been put in. Is it 4 per cent, 5 per cent? They have haggled about it and tried to work out what they think would be fair compensation for the impact of the GST. I boldly predict that when the CPI figures come in at about this time next year, when we will have seen three quarters with the GST, they will be nowhere near the federal government's predictions. Low-income earners in my electorate and in electorates across the state will feel as though they have had yet another beating from the federal coalition government, and I grieve at that.

I turn to how the GST will affect community groups in my electorate. I serve on a church finance committee, and one would think that the Catholic Church, through the Archdiocese of Melbourne, would be big enough to give advice to all its constituent units as to the effects of the GST. I despair that as a prominent community group — and that committee is certainly a mainstream one in the Catholic Church — we do not yet know how the GST will affect the various aspects of operating something as simple and ordinary as a church.

I also reflect on how the GST will affect children at school. The federal government said there would be no GST on education, health and a few other exceptions, and I accept that there should not be. However, the devil is in the detail. As is the case with small business, school administrators are aggrieved by the extra burden of paperwork and administration the GST will place on them. Schools in my electorate do not know whether the GST will apply to uniforms or ornaments and decorations on uniforms or sports equipment. They are concerned about which books will attract the GST.

Schools are trying to advise parents about the situation and how it will affect the next school year. What are services and what are goods, and does the tax apply for the whole year? People do not know whether private tuition in the state system will incur the GST on some or all aspects. Some school excursions incur the GST,

some do not. Some excursions incur the GST for part of the excursion, some do not.

People in my electorate grieve over the issue because the Liberal Party, particularly the federal Liberal Party, has totally abandoned them. The state Liberal Party offered full succour and support to the federal Liberal Party on the proposal.

The final point I will touch on is the inequity. The tax cuts to be brought in with the GST are an absolute joke. As a member of Parliament if I were single I would get a tax cut 35 times greater than the tax cut a worker in my electorate on \$20 000 a year will receive. It is an absolute disgrace. The progressive tax system is under threat. It will be killed off by the GST or come close to it.

My main grievance is the burden it is imposing on small business in my electorate, which is hurting and looking for leadership in this issue. Small business is saying, 'How can we get out of the mess this so-called free-enterprise, pro-small business party has put us in by inflicting the GST on us?'

Water: Wimmera–Mallee

Mr PERTON (Doncaster) — The grievance I bring to the house today is on behalf of the people who live and work in the vicinity of Burnt Creek south of Horsham. After I have set out the grievance of the residents of Burnt Creek I think the house and the community will agree that the Minister for Environment and Conservation has totally failed the people of Victoria, and in particular the people of the Wimmera and the Mallee, by not giving them the support they properly deserve and playing politics with the allocation of money to stages 6 and 7 of the northern Mallee pipeline, thus risking their future and the biodiversity of areas of the Wimmera. In doing so the minister has set the water needs and interests of city people against the interests of farming people, country needs against regional needs, and rural needs against the environment.

Last Sunday I visited Burnt Creek. It is a natural stream that flows from Lake Wartook into the Mackenzie River via distribution heads. The water flows down Burnt Creek for some 35 kilometres past the weir. It is that section, the 35 kilometres, that is crucial.

In October, Wimmera Mallee Water announced that at the end of November environmental flows in Burnt Creek would cease, at the same time giving notice of other restrictions across the whole of the water authority's jurisdiction. Only six weeks warning was given to landowners on Burnt Creek that the

environmental flow was to be cut, although they and I acknowledge that Wimmera Mallee Water has given them subsequent assistance in the form of equipment to help them prepare themselves for that cut.

On 1 December the flow to Burnt Creek was reduced to 0.3 megalitres a day. The board's briefing sheet acknowledges that the creek is very likely to dry up in warm conditions. On Sunday more than 70 local people turned up on a dusty track near Laharum on a bridge over the creek. Some of those residents and their families have lived in the area for more than four generations. Those people have settled there, and they say very honestly that to their knowledge and belief the river flow was permanent. They say it is vital to their lifestyle and their businesses and has been for a very long time.

Just as importantly, given the assistance they had in preparing themselves for the reduction in water flow, they are rightly concerned for the waterway and the flora and fauna supported by it. In their words, at the meeting they said that they 'don't want this important waterway reduced to a weed-infested drain'.

The *Wimmera Mail-Times* of 6 December states:

Burnt Creek is recognised as one of the country's most important breeding waters for black fish. Platypus are also found there.

The Mackenzie River variety of black fish is a definite subspecies that is found only in the Grampians area. It is of a totally different genetic composition from other black fish. It would be a pity for the biodiversity of not just the Wimmera but the state if that species were to perish due to a lack of environmental flow.

According to the Australian Platypus Conservancy the water system that is constituted by Burnt Creek and the Mackenzie River is extremely important in that it includes female platypuses of breeding age and is one of the few Wimmera waterways rising in the Grampians that is known to support the species.

According to the conservancy, the predicted effect of reduced surface flows on platypuses is that they will die if surface water disappears entirely. For the benefit of honourable members I point out that platypuses lay their eggs in water; therefore, to ensure their survival water levels must be maintained. Although platypuses can survive for a time in isolated pools, they are highly vulnerable to predators, particularly foxes, when travelling between pools across dry land. So, too, in the case of black fish, which is territorial, the likely result of the elimination of lethal flows will lead to the destruction of that subspecies.

Over the weekend I also visited the main source of the stream, Lake Wartook. Yes, the lake's water level is low. However, the Wimmera–Mallee Rural Water Authority's figures indicate that the late November rains delivered an extra 500 megalitres into the storage. The local residents I met were articulate and intelligent. They included farmers, activists in the Country Fire Authority and many people involved in community activities not just in their own areas but in the Horsham–Wimmera area generally. Having studied the issue and their concerns, I support their view that a 2 to 3-megalitre water flow a day is needed to sustain the creek and the flora and fauna that depend on the water flow for survival. If it is not possible to achieve that flow, enough water should be provided every two to three weeks from Distribution Heads to the weir — a distance of about 35 kilometres — to allow all the waterholes to stay functioning and ensure environmental flow, especially during the crucial summer period.

I promised to bring the message of the people of Burnt Creek to the house. I do so with the strong support of their local members of Parliament, including the honourable member for Wimmera and the shadow Minister for Water Resources, the honourable member for Monbulk, who knows the area well. The people in the area are Victorians who are concerned about the environment and ask the minister to take action. The management of the Wimmera–Mallee Rural Water Authority has a difficult balancing act. Its members need to balance the rights of farmers against those of the City of Horsham and other cities and towns. They have a difficult balancing act to achieve between farming and the environment, but the minister has a responsibility as minister responsible for the environment, for conservation and for water. She has a particular responsibility to act because water storages in the area are at the lowest levels they have been since 1967 — down to about 24 per cent of usual water capacity.

The minister should immediately provide the Wimmera–Mallee Rural Water Authority with the best available scientific and engineering advice through her department to maintain a better environmental flow down Burnt Creek for the benefit of the whole community while safeguarding platypuses and a unique subspecies of black fish, as well as the welfare of our natural environment. The minister can do better than she has. Instead of playing politics with the northern Mallee pipeline she should get out of her Victoria Parade office and go to the Wimmera. Next year will be too late for Burnt Creek and its delicate biosphere.

Mr Nardella interjected.

Mr PERTON — I hear the honourable member for Melton interjecting; I will inform him about what he asks. It is extraordinary that on 24 November the minister released a press release on the Wimmera–Mallee pipeline funding. Since the initiative was established in the days of Steve Crabb as minister, and having been strongly supported by the coalition government between 1992 and 1999, the minister has started to play politics with water in the midst of one of the driest periods affecting the Wimmera. Instead of committing herself to funding stage 6 of the northern Mallee pipeline or committing herself to stage 7, the issue is the subject of a press release from the office of the Premier, which states:

While accepting the federal government's offer of a further \$2.489 million for the completion of stage 6 of the pipeline, she —

that is, the minister —

says the money should be taken from an area other than the national Landcare program.

The state government is eager to match the commonwealth's funding which will see improvements to environmental flows and water quality in the Wimmera and Glenelg rivers, as well as ensuring a reliable year-round supply of water to farmers in the northern Mallee.

But since the commencement of the project far precedes —

in the minister's words —

the NHT's introduction, I believe funding commitments by state and federal governments should be taken from areas other than those promised for environmental and Landcare projects funded out of the national Landcare program (NLP).

Nowhere in the press release does the minister say, 'We are going ahead; I am committed to stage 7'. The federal member for Mallee, John Forrest, correctly hit out in an article in the *Wimmera News* of 26 November headed 'Forrest hits out on piping claim':

Mallee MHR John Forrest yesterday hit out at what he claimed was politicisation of the northern Mallee pipeline.

Mr Savage — You should be ashamed of yourself.

Mr PERTON — I hear the interjection from the honourable member for Mildura. I agree with Mr Forrest that it is utterly disgraceful for the minister to politicise the issue. John Forrest is right when he argues in the same article that:

... \$3 million on piping the open channel system is worth \$30 million of Landcare.

Not only John Forrest thinks the minister has politicised the issue. The *Sunraysia Daily* leads with a headline,

'Pipeline project being politicised'. That is the publicity the minister's press release attracted.

The people of the Wimmera and the Mallee do not think it is good enough. In that regard I refer the house to the 29 November edition of the *Wimmera Mail-Times*. Under the heading 'Piping invite to Garbutt' the article states:

Veteran Patchewollock farmer Arthur Pattinson has invited new environment and conservation minister Sherryl Garbutt to the parched north-west to see the benefit of the northern Mallee pipeline project.

Mr Pattinson said Mallee farmers would like the chance to show Ms Garbutt and her advisers that the pipeline project to save 50 000 megalitres of water a year was one of the greatest Landcare projects in existence.

'Piping the northern Mallee water supply was a top priority, up there with greater on-farm efficiency in water use and stronger management of water discharge sites as a hedge against salinity. Obviously it's all part of ongoing Landcare'.

Rob McKenzie of Dimboola, Wimmera-Mallee representative on the Victorian Farmers Federation state water resources committee, said the federation backed piping to the hilt.

Obviously the minister took some political advice because in the *Wimmera Mail-Times* of 1 December a spokesman for the minister is quoted as having said:

A spokesman for the conservation and environment minister said yesterday that Ms Garbutt hoped to visit the parched north-west early next year.

That is not good enough.

Mr Nardella interjected.

Mr PERTON — The honourable member for Melton said she should be there today, but the minister does not look after the people of the north-west. In today's *Weekly Times* the front page screams, 'Water crisis'. As the crisis deepens farmers are being frustrated, according to a Goulburn irrigator and dairy industry representative. It has taken the minister a month to respond to irrigators' requests for a meeting. Honourable members may want to hear the minister's response according to the *Weekly Times*:

After finally gaining access to the minister last week irrigators were told Ms Garbutt would only commit to further discussion.

The minister is out of her depth. She is incapable of meeting what amount to too many responsibilities. Until now the project was bipartisan. The previous coalition minister, the Leader of the National Party, allocated a budget of \$11.9 million over four years to complete the project. It is a visionary project that will

save 50 000 megalitres of Grampians water a year and which has been built with matching state and federal funds. It has been estimated that the completion of the pipeline to stage 7 will lead to a saving of 50 000 megalitres of Grampians water per year, of which 35 000 megalitres will be allocated to environmental flows and 15 000 megalitres will go to a security of supply.

It needs to go further than that. I find it extraordinary that the minister has failed to deal with the strong suggestions from, among others, the Hindmarsh and Yarriambiack shires. In a press release of 15 October 1999 the mayor of Hindmarsh Shire Council, Darryl Argall, called on water and catchment management authorities to consider extending the northern Mallee pipeline beyond stage 7. He was strongly supported not only by the Liberal and National parties but by Cr Bernard Gross of the Rural City of Horsham, by Wimmera-Mallee Rural Water Authority's Peter Jackson and by the advice of the minister's department. In a press release the local representative of the department, Barry Clugston, is quoted as having said:

Wimmera-Mallee piping should not be allowed to just finish.

The minister needs to put \$250 000 into the feasibility study. I understand the Minister for State and Regional Development is visiting Horsham on Friday: now is an appropriate time for him to make his visit. If this week he makes the commitment to spend the money allocated by the previous government, it will be a victory for commonsense, the people of the Wimmera, and the supporters of Burnt Creek and its important flora and fauna.

Despite what the government may think, the bush does not stop at Ballarat or Geelong. The minister must act in the interests of all Victorians.

Western suburbs: welfare dependency

Mr SEITZ (Keilor) — I grieve on behalf of my home town and the people of St Albans. The federal Minister for Family and Community Services, Jocelyn Newman, has inflicted an injustice on the people of St Albans that will have a devastating effect on morale, self-esteem and the building of a society by cutting back on welfare payments and reducing the various programs introduced under the Hawke and Keating governments. There are other ways of going about it than releasing a devastating report on a society that has a large number of a war refugees. They should not be stigmatised because they require help and assurance. Some require counselling and debriefing. About once a month constituents come into my office to speak about the war that has so affected them.

St Albans has already suffered an indignity under the Bolte government, which commissioned a study on suburbs in which people could or could not live. The infamous Jones report had a devastating effect on the area of St Albans. Such reports do not help a community and make the job much harder for politicians like me and the honourable members for Sunshine and Melton to encourage society to aspire to higher achievements.

I was engaged to be married when the Jones report was released, and my wife to be and I did a lot of soul-searching about where we would settle. After that devastating report the property prices dropped and parents were struggling to send their children to school for higher education. The University of Melbourne was not the favourite place to send one's children because many people were the recipients of welfare payments. Australia does not have a self-funded retiring system for the whole of society, and the current system is devastating for many if one does not earn sufficient money or have a full-time job to provide for a family. Many single parents must rely on the base subsidy. Often their pride is hurt, particularly those who have been driven out of their country and who may have had assets, education or professions. Sometimes lawyers, doctors, dentists or accountants are unable to have their qualifications recognised in Australia and they must work in menial jobs.

Despite what the federal minister said, the rich culture and diversity of people in the western suburbs will succeed, and they will overcome the setbacks. I was a teacher when the Jones report was released and it inspired me to succeed in lifting the community. I encouraged parents to assist and support their children in their education, to lift their standard of living and to progress. Many of the children have settled in neighbouring suburbs, such as Keilor Lakes and the Keilor–Melton growth area. Those areas are equal to none in Victoria. About 30 per cent of the people of St Albans come from non-English-speaking backgrounds. The recent arrivals are refugees who have escaped from war-torn countries, from trauma and shock, but their qualifications are not recognised in this country. It takes some time to re-educate them.

The federal government has a responsibility to assist people to learn English and to obtain Australian qualifications. Many professional organisations such as the medical, accounting and legal professions, deliberately keep such people out because they do not want competition. Many come into my office with such qualifications but cannot obtain jobs in their professions.

I am sympathetic to the *Herald Sun* for publishing the story that has not done justice to the people of St Albans. I congratulate the Minister for State and Regional Development on establishing a task force to examine the western suburbs, in particular St Albans. A young boy who arrived in St Albans with his parents from a non-English-speaking background, is in this Parliament and has been bestowed the highest honour as Speaker in this place. His family and friends still live in St Albans. The federal minister has much to make up to the people of St Albans. My constituents will succeed in spite of the recent influx of migrants from war-torn countries. They will struggle but their children will build a new generation of excellence in society, and the people of St Albans will be proud of their children and grandchildren.

On referendum day I was driving a Filipino gentleman to the polling booth. He pointed out a double-storey house, which I estimated to be worth about \$250 000. It belonged to his son, but the father lived in a modest house in St Albans. His son moved into Taylors Lakes and was successful. The federal and state ministers, local government and industry should make a commitment to the area, because St Albans has heavy manufacturing industries, the clothing trade as well as information technology. The region has the ability to provide the work force for whatever industry moves into the area.

I refer to the days when Sir Henry Bolte encouraged the Ford Motor Company to build its plant in Broadmeadows to provide the migrants of those suburbs with work.

The Bolte government also encouraged Nabisco to locate its premises in the area. I well recall the press releases, with Bolte stating that he would provide the work force. He built Ministry of Housing accommodation in the area so the factories would have a work force.

The work force is in St Albans. I ask the federal government and Prime Minister Howard to deal with Premier Bracks in seriously considering developing the airport zone, which would create vast employment opportunities. At present the biggest employers of people in the region would be the Victoria University of Technology, thanks to the previous Labor government, and the Western General Hospital at Furlong Road. Both of those facilities were built by the Cain–Kirner Labor government.

A commitment from the government is required. The Cain–Kirner government also built the Western Ring Road, making the area accessible to industry in that

region. I say to industries looking to expanding, building or moving their factories to new locations that the west has the work force and the necessary training facilities for industry work.

I come back to the point of the newspaper headlines labelling St Albans as the welfare capital of Australia: it is not fair to imply that those people are not willing to work or to help themselves. It has to be understood that St Albans exists substantially because of postwar migration. Those migrants were not given any training or safety instructions. They were not used to working in manufacturing industries. In most cases they were farmers from European countries.

At the time representatives of the Western General Hospital and union representatives complained that most workplace injuries occurred to migrants in the manufacturing industry. Formerly the migrants were not used to working with machinery presses, guillotines, welders, oxygen and acetylene in factories, and devastating injuries resulted. In those days single men paid £10 for their passage to Australia.

They worked on the Snowy Mountains scheme — working in tunnels during cold weather and sleeping in camps. Naturally those people, working without the machinery now available and under such severe conditions, are now suffering in their old age. Their sore backs and other illnesses are the reason for their qualifying for disability pensions when they are not yet old enough to qualify for the age-related welfare payments.

That must be understood because those postwar migrants living in the region built Australia and did the hard, dirty, dangerous work such as tunnelling to set up sewerage systems in Melbourne, whether or not they knew how to use explosives. They had to do that hard work because they had no options. They had to do whatever job was available to support their families and build their future.

Australia is going through the same phase again, with what are termed recent arrivals coming to Australia — people who have arrived following revolution or war in the Balkans, Europe, Africa and the like. They settle in the St Albans area because accommodation is cheap and invariably some family member who speaks their language can assist them in shopping, banking, seeing doctors and whatever else is necessary. Somebody who speaks their language can assist them to function in society.

I urge Victoria and Australia as a whole to put the headlines aside and tell the minister that if spending on

social security payments is to be reduced, denigrating one town, suburb or area is not the way to do it. Postcodes do not express what people are about — who and what they are. Many of those people have a lot of pride and commitment. They want to establish a future not only for themselves but for this country.

Port Phillip Bay: ALP policy

Mr DIXON (Dromana) — I grieve for Port Phillip Bay and the lack of a Labor government policy on Port Phillip Bay. The previous government had the Bringing the Bay to Life program. This government has the Turning the Back on the Bay program.

The bay is important to all Victorians and Melburnians. The Labor policy centres on regarding any investment concerning the bay as bad, and treading on it. It centres on downgrading the expertise of the management committees concerned and controlling them.

The exotic pests response, part of Labor's so-called policy, seems to indicate that the pests the government wants to eradicate are not those found in ballast water but those who dare to have a restaurant on the bay and those who have boats or yachts on the bay. The government seems to think those people are the pests.

Where is the whole-of-government approach to the bay? Where is the government policy encouraging the use of the bay and recreation on the bay — for example, the use of boating facilities?

Question agreed to.

MELBOURNE CITY LINK (AMENDMENT) BILL

Introduction and first reading

Mr BATCHELOR (Minister for Transport) introduced a bill to amend the Melbourne City Link Act 1995 and for other purposes.

Read first time.

COURTS AND TRIBUNALS LEGISLATION (AMENDMENT) BILL

Introduction and first reading

Mr HULLS (Attorney-General) introduced a bill to amend the Constitution Act 1975, the County Court Act 1958, the Magistrates' Court Act 1989 and the Judicial Remuneration Tribunal Act 1995 with respect to the remuneration and related expenses of judges, masters and magistrates, to repeal section 18(1A) and (1B) of the

Sentencing Act 1991, to amend the Victorian Civil and Administrative Tribunal Act 1998 and for other purposes.

Read first time.

JURIES BILL

Introduction and first reading

Mr HULLS (Attorney-General) introduced a bill to re-enact with amendments the law relating to juries, to repeal the Juries Act 1967 and for other purposes.

Read first time.

GOVERNOR'S SPEECH

Address-in-reply

Debate resumed from 8 December; motion of Ms ALLAN (Bendigo East) for adoption of address-in-reply.

Mr HONEYWOOD (Warrandyte) — In continuing my contribution to the address-in-reply to the Governor's speech I will emphasise some issues pertaining to education.

One of the most remarkable features of the first 50 days of the new minority government has been the amount of vindictiveness expressed. Individuals in the Department of Education, for example, have been singled out for redundancy and, as happened yesterday, sacking without any reason being given. Yesterday three key regional managers in the Department of Education were sacked — Mrs Merril Haeusler of the eastern metropolitan region, Mr Brian Beaumont of the northern metropolitan region and Mr Robert Lamb, who covers one of the key country areas of the state.

They are 3 of the 32 fat cats, to use the words of Premier Bracks, who failed to make it into the new group of 16. But he is wrong; they were not fat cats but innocent public servants, and they got their marching orders and four weeks notice yesterday. When they asked the minister for a reason she gave them none. The careers of three senior public servants, people who have been responsible for large regions and specialist programs on a statewide basis, were crudely foreshortened. They were shown the door by a vindictive minister determined to play personalities rather than ensure that the best qualified people are placed in the appropriate positions in her department.

I referred in my opening remarks to the fact that the Minister for Education is known on her own side of the house as the honeymoon wrecker.

Mr Robinson — You mean the Honeywood wrecker!

Mr HONEYWOOD — No, the honeymoon wrecker. No other minister has been able to destroy the reputation of a government so quickly and in such a vindictive and personality-based manner. The minister is also known in Parliament, even on her own side, as Queen Mary. I predict, as did the honourable member for Forest Hill in his contribution, that this Queen Mary will soon become the *Titanic*.

The minister has attempted to re-invent history by making policy on the run and engaging in revisionist tactics that the Labor Party is famous for. She has also attempted to reinvent her image after 50 days of total public relations failure. But, in doing so, she has fallen down in precisely the way she accused the previous Kennett government of falling down — she has sent a letter to every parent of a child in a Victorian government school.

Every parent got this personal letter from Mary:

Dear Parents,

It is with a sense of optimism for the future of education in Victoria —

this is after she has demolished the self-governing schools program; the party that believes in diversity wants a one-model-fits-all approach to the education system —

that I write to you as Minister for Education.

She goes on in good old Labor Party propaganda style to announce a range of funding initiatives.

The letter, full of ALP propaganda, went home in school bags to the school communities. Schools were obviously told by the minister's office that unless they sent it out in school bags they would not be playing the Australian Education Union tune — but we will come to the AEU in a moment. The letter put one propagandist side of the story and introduced the wonderful new concept of enhanced self-management. That term could mean 100 things to 100 different school communities.

What the letter failed to explain is that the government does not believe in diversity and does not want to have choice in education delivery. It does not want to give schools the opportunity, within the gamut of overall

statewide curriculum, to choose their own destiny. The ALP — the party of diversity — wants one model to fit all. Why? Because the trade union movement is pulling the strings, as always happens when a Labor Party comes into government.

Government members interjecting.

Mr HONEYWOOD — Because it is payback, a reward for all the trailer ads in the Frankston East supplementary election campaign trumpeting 'privatisation of schools', when the word 'privatisation' is entirely inappropriate to the self-governing model. The schools will always be owned by the government.

The Australian Education Union did not like it when schools became self-governing and for the first time were able to choose their own staff. Previously schools had been unable to resist when the union said they had to employ, say, Mary Bloggs — or Mary Bluett for that matter. Finally school communities were able to choose their own staff. And if, according to freedom of association principles, some of those staff members decided they did not want to be members of the union, the union decided that was simply not good enough and it would have to bring them back into the fold, back to the good old socialist dictum that one must belong to the union or else. The unions declare that there should be no rights except the right to be a member of a particular left-wing organisation. They do not care two hoots about the standard of education or the quality of teachers. All that matters to them is to belong to the union.

The AEU has control of the minister's office, and if the minister does what it wants its officers will be happy little chappies. After only 50 days the minister's office is already full of AEU hacks and former Victorian Secondary Teachers Association officials. They tell her what to do on a day-to-day basis.

Ms Pike interjected.

Mr HONEYWOOD — Okay, let's make a list.

There is Alan Taylor — but wait; factions don't trust each other, so a number of advisers have been appointed on a temporary basis. Alan Taylor is apparently able to run a school community part time, he can do that sitting on his hands, and when he is not doing even that he has time to be employed in the minister's office. And who is Alan Taylor? He was for many years the spokesperson for the AEU Principals Association. The fact that that association accounted for approximately 3 per cent of school principals throughout Victoria does not bring into question the legitimacy of his representation!

I do not wish to question the minority group for which he was the spokesperson, but someone who represents only 3 per cent of principals is telling the minister what she should be doing on a whole raft of education policies and is also responsible for dismantling the self-governing school system. He is a man who wears many caps.

I refer to the big Access Economics lie. The government says, 'Trust us. Believe in us. The conservative think tank has gone through our policies with a fine tooth comb. It has costed everything. Here are the Bracks government's six commitments, and second on the list is a cap — a maximum ceiling — on class sizes of 21 for prep to grade 2'. Yet what do we find buried in the 88-page Access Economics document? The ALP lied. The ALP told Access Economics, 'Just fund it on the average, not on the maximum'. There is a world of difference between a maximum and an average, as any local member representing an area with school communities bursting at the seams would know. It means the — —

Government members interjecting.

Mr HONEYWOOD — It means the average government will be content in January 2000 to have 28 kids in a prep class in a government school. Provided the numbers are averaged across the school community, who gives a damn if 28 pupils are sitting in a classroom? The Kennett government average was 23.2 children.

How has the government attempted to buy off the school communities to ensure that the slip of the pen in the Access Economics report is overlooked? The government said, 'Here is a bucketload of money. Do with it what you want. We trust you. There are no strings attached. There is no requirement to meet a maximum or an average. Here is the money. Enjoy it!'. What school community would say no to that. Of course school communities will accept extra money, but who will monitor whether or not class sizes are reduced?

When I asked the Minister for Education to give a commitment that an audit would be done at the end of term 1, she replied, 'Not on your Nelly. We can't have an audit. That might lead to open and accountable government'. We cannot have an independent, objective audit to examine whether class sizes are reduced under this minority average government. The average government likes averages and the lowest common denominator. It does not want winners, it wants everyone to achieve an average performance.

Government members interjecting.

The SPEAKER — Order! There are far too many interjections coming from the government benches. I ask honourable members to cease interjecting.

Mr HONEYWOOD — The opposition understands why the government is sensitive — the great core promise, the no. 2 Bracks government commitment, was stillborn and thrown out before it even had a chance to be implemented. Access Economics was not told the truth. It was told that funding was required for an average and not for a maximum.

I refer to the learning assessment project test, known as the LAP test, the common, Australia-wide literacy exam for students in grades 3 and 5. The ALP does not like it. It does not want to have a national benchmark to enable students to compare their results, because the AEU does not want poor quality teachers exposed. The AEU is telling Mary that it does not want any of its members who are not doing the right thing in the classroom identified — —

The SPEAKER — Order! I ask the honourable member for Warrandyte to refer to honourable members by their correct titles.

Mr HONEYWOOD — I am responding to the Minister for Education's constant references to me and others using first names.

The SPEAKER — Not in this chamber. The Chair has asked the honourable member for Warrandyte to refer to honourable members by their correct titles. The Chair insists that all honourable members address and refer to each other by their correct titles.

Mr HONEYWOOD — When we look at the 50 days of the Minister for Education's efforts we find that self-governing schools have been ditched. The party that is supposed to believe in diversity has used the one-model-fits-all approach. The maximum has become the average, and a national benchmark of literacy and numeracy will not be good enough for Victorian kids because it will expose bad teachers.

The overwhelming majority of teachers are top quality, but in any profession, including ours, there are good performers and not-so-good performers. From time to time certain teachers, particularly if they belong to the AEU, are able to have a moat built around them for protection. Just in case a principal identifies a teacher as not being up to the task we should follow what Mary Bluett, the puppet-master, says and ensure that an AEU member is on the local selection panel so that the union

is looking over the shoulder of the principal to remind him, 'Look, Sonny Jim, don't dare touch that member. Don't touch that ALP apparatchik'.

In just 50 days the ALP has exposed itself to what John Cain said in his autobiography was the no. 1 hurdle for his government — it owed too much to the teacher unions. He said his biggest regret was that he followed them.

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

Before calling the next speaker, I remind the house that inaugural speeches should be listened to in silence.

Mr STENSHOLT (Burwood) — I rise today to deliver my address-in-reply to the Governor's address after my election to the seat of Burwood on 11 December, and I commence by congratulating the Speaker on his elevation to that important role.

It certainly has been a meteoric rise for Labor in Burwood, capturing a 10 per cent swing in a seat it has never held before. The win in Burwood has provided the Bracks Labor government with a resounding endorsement of its first 50 days in office and delivers Labor more seats in the Legislative Assembly than the Liberal-National partnership.

In standing here today I wish to thank the Australian Labor Party for placing its trust in me both during the general election and again at the by-election. All the hard work undertaken during the general election by my campaign team helped make the win on Saturday possible. The support I received during the general election campaign continued through to the highly focused and professional team that orchestrated Labor's campaign in the by-election. Accordingly, I thank all the members of the team and volunteers who rallied to the cause.

My path to Burwood has been a varied and challenging one, equipping me with the skills and life experience that will enable me to be an effective representative for the people of Burwood.

My father was a Norwegian naval engineer, off-loaded sick when reaching port in Melbourne during the last world war. Left behind when the ship sailed off, he married one of the nurses at the hospital and settled in Australia. We lived in East Brighton, but my father died when I was seven and my mother went to work to raise her two sons, which was unusual for the time. I learnt a lot from her sharp and inquiring mind and her absolute dedication to her family.

My secondary schooling was spent mainly at Monivae College in Hamilton and subsequently I opted to study for the Catholic priesthood. While I elected not to continue with that lifestyle, I certainly acquired a comprehensive value system, a sense of duty and care for other people and a strong commitment to social justice. That carried through during my brief stint as a teacher in Warrnambool and subsequently during my career as a senior public sector manager in the Australian government international aid program, now called Ausaid.

My career in Ausaid was multi-faceted as at different stages I was in charge of policy development, budget formulation, corporate services and quality assurance, including audit, evaluation, environmental assessment and sector policy development. In my final few years I was responsible for all programs to South-East Asia, worth around \$500 million annually. I even spent three years as counsellor in the Australian Embassy in Rome as an Australian representative to the international food and agricultural bodies. The cumulative experience of some 20 years has given me a comprehensive understanding of the workings of government as well as in-depth, hands-on experience as a senior public sector manager. I have at hand a wide range of skills and experience that I bring both to assist the Bracks Labor government in policy formulation but also to effectively represent the people of Burwood.

Burwood is a diverse electorate containing people from all backgrounds and walks of life. It is a long and narrow electorate ranging from Surrey Hills and Box Hill South in the north, through parts of Camberwell — we actually changed a few names along the way! — and Burwood down to Glen Iris, Ashwood and Ashburton and on to Alamein, Jordanville and Chadstone in the south. Burwood can also be described as an electorate consisting of an interlocking pattern of small communities.

Media comment has labelled Burwood as a leafy and prosperous electorate. Although that is true in some parts, I find it an inadequate description. Many families in Burwood are asset rich but income poor and are struggling to meet the demands of modern life. Within the seat pockets of poverty also exist. Parts of Alamein, Ashwood and Jordanville are in desperate need of government assistance.

Some 7 to 10 per cent of the electorate is in public housing. Much work needs to be done for residents in often-deteriorating commission housing who are struggling to make ends meet. Unlike the previous government I know the Bracks government will focus on policies that create opportunities for families to

break the cycle of poverty and improve their quality of life.

Open and accountable government which honourable members have heard about before is a subject close to my heart and to the people of Burwood. My campaign during the state election was based on bringing democracy back to Burwood. As members of a highly educated electorate, voters understood that they had been short-changed on their basic democratic rights by the previous government.

In many respects it was the decline of democracy in Victoria that led me as an active member of the Glen Iris and Ashburton communities to put up my hand and offer to stand in Burwood. Over the past couple of years at Monash University I had developed a program on good governance and anti-corruption as well as established a research centre on economic development in mainland South-East Asia. Only six months ago I was running for senior officials from Thailand a training course on public sector and democratic reform and comparing what was happening in Victoria — which was not very pretty — with their own experience.

The notions of democracy and citizenship are of course the backbones of our representative democracy. A vibrant democracy demands the free flow of ideas and communication. Only by exercising freedom of speech can a citizen seek to challenge established orthodoxies and ideas, bring about change, educate, criticise government policy and influence the opinion leaders in the community.

Freedom of speech and open debate should be the guiding principles of any democracy. Sadly, that was not the case during the seven years of the Kennett government. During both terms of the Kennett government democracy was weakened by the muzzling of the Auditor-General, the sacking of judges, the banning of certain media outlets, the gagging of public servants, the restricting of freedom of information (FOI) legislation and the downgrading of Parliament. It was not just the silencing of any critic that wounded democracy but also the obsession with secrecy and the lack of standards in public life that was evident by the abuse of credit cards, weakening ministerial responsibility and disrespect for the role of Parliament. The cap on FOI and the unprecedented use of taxpayer money for political advertising also served to debase democracy.

In tandem with the previous government's attacks on democracy has been the downgrading of the role of citizenship, which is often described as a contract

between an individual who is required to be loyal to the institutions and the principles of a nation in return for the right to engage meaningfully in political debate.

That sounds very good in principle; unfortunately, in Kennett's Victoria, the contract between citizen and state had become somewhat one-sided. Debate was stifled while citizens were expected to remain loyal to every whim of the government's program. Anyone who dared to question the conventional wisdom of the day were deemed un-Victorian. It was, in effect, citizenship that demanded loyalty without engagement. In contrast, the Bracks Labor government has quickly moved to undo the harm caused to democratic rights by restoring the powers of the Auditor-General, establishing a royal commission into the Intergraph scandal, tearing up secret contracts and ending the gag on MPs and public servants. I look forward, as I know the electors of Burwood do, to a return of good governance based on the principles of open and transparent government. All Victorians should feel that their rights to oppose, probe and receive answers will now be enhanced.

I strongly believe in the need for balance and consultation in developing policies and making decisions. That is evident whether it be dealing with globalisation or how best to use the local park. For example, planning decisions need to be based on genuine consultation with those affected, not just those profiting from development.

I have seen too many inappropriate developments in Burwood, be they in Surrey Hills, Alamein, Box Hill South or Ashwood. I have seen neighbourhood character ignored and privacy denied in many streets I visited during the campaign. I even dragged the Premier and the Minister for Planning out there to have a look at them as well. The voters in Burwood have certainly embraced Labor's policy of redefining the minister's powers to intervene. They were used far too often by the former planning minister. The changes have been well articulated this week by Minister Thwaites. Protecting urban amenity, instituting proper heritage controls and removing backlogs from the appeals process are all welcome components of Labor's policy for the people of Burwood.

While I understand the workings of markets and enterprise in my work on economic development, I also believe there is a real place for governments to provide access to basic services. Although any government must encourage and support the development of economic growth, unfettered markets can never provide the safety net needed to ensure a decent society.

Basic services such as health, education and community safety are important to people of all backgrounds in Burwood. With changing population and the influx of young families, quality kindergartens and schools are important concerns. Certainly there has been very positive appreciation of the recent government initiative to provide funding of \$237 000 for more teachers and support staff to Burwood schools next year, as well as \$850 000 for new facilities at the Solway Primary School. I know what schools mean to communities. Some years ago I was secretary of a community committee that fought successfully to gain a new school in its suburb in Canberra — an achievement of which I am very proud.

Health and community safety are also key issues in Burwood, particularly as Burwood is home to a large aged population. The electorate has warmly endorsed Labor's policies of improving health and police services — a 10 per cent swing is real evidence of that. As the population in Burwood continues on one hand to have young families moving into the electorate and on the other hand to have older people living alone, issues such as high quality and affordable hospitals, smaller waiting lists, not having to lie on trolleys in hospital corridors, increased police numbers and better community safety, will grow in importance for the wellbeing of residents. I intend to take a special interest in maintaining good quality services for older people so they can live in some comfort as the end of the International Year of Older Persons approaches.

I draw the inspiration for my views from the ideals of the Labor Party. Like many others I find people in the Labor Party whom I admire. Ben Chifley stands out as my first mentor. He gave an unwavering commitment to simple Labor values and dealt directly and earnestly with people. Gough Whitlam was another Labor icon of great inspiration. I recall his breadth of vision and leadership as well as his marvellous sense of humour. In 1974 I worked in the Bills and Papers offices and the Table Office in the House of Representatives in Canberra. The staff marvelled at the eloquence and wit of Gough Whitlam when he was in his prime.

My other inspiration is John Cain, whom I always knew as a man of integrity and honesty. They are the qualities I also aspire to as the member for Burwood. Certainly the voters of Burwood last Saturday voted for integrity and honesty.

As an active member of the Labor Party in the federal seat of Higgins I have worked hard to build the Labor Party up in an area that until Saturday was not a traditional area of support for the Labor Party — an

experience that held me in good stead in the battle for Burwood.

It also gave me and other Labor members in the eastern suburbs great pleasure to see the revival of Labor with state wins in Mitcham and Oakleigh and a federal win in Chisholm last year. The win in Burwood has given all Labor people great heart that, given the right set of policies, voters in electorates such as Burwood are prepared to give Labor a chance to fix the mess created by the previous government. I am humbled by the faith that has been placed in me by the electorate and dedicate my time in Parliament to raising issues on behalf of all residents and delivering results for the local area. It is my intention to continue to meet and listen to the concerns of as many constituents as possible right across Burwood.

Interestingly enough, my electorate office in Burwood was opened yesterday in contrast to other electorate offices in the area. I look forward to adding my voice in Parliament to the reforms that will herald a new era of open and accountable government and a more effective upper house.

Before concluding I would particularly like to thank my family: my wife, Roslyn, who has been both a support and an inspiration, and also my children, David, John, Helen, Kristin and Sophia — of course I dare not leave out any of them!

I have already recalled some parts of my journey to Burwood. I should also relate an experience I had in Laos — a country in South-East Asia — some years ago. I climbed a hill to a pagoda to have my fortune told. Like many other people, I shook the sticks and threw them down. The local monk read them and said that it was my fortune to be Sinsay, who was a Lao hero. My host said I was lucky as Sinsay was a man who persevered through great trials and tribulations and finally emerged successful. I feel very much to be that man today representing Burwood.

Government Members — Hear, hear!

Mr STENSHOLT — As a final comment I return to Ben Chifley and his light on the hill. I am told that the highest point in metropolitan Melbourne outside the Dandenongs is in Burwood. Burwood is now Labor's light on the hill in Victoria, and with hard work and commitment long may it burn brightly.

The SPEAKER — Order! As a result of the agreement of both sides of the house, it is the intention of the Chair to adjourn for a luncheon interval. The chair will be resumed at 2 o'clock for questions without

notice. The honourable member for Mooroolbark will have the call when this matter is next before the Chair.

Debate interrupted pursuant to sessional orders.

Sitting suspended 1.02 p.m. until 2.03 p.m.

QUESTIONS WITHOUT NOTICE

Industrial relations: liaison officers

Dr NAPHTHINE (Leader of the Opposition) — I refer — —

Honourable members interjecting.

The SPEAKER — Order! I ask the Leader of the House to cease interjecting.

Dr NAPHTHINE — I refer the Premier to the government's intention to employ, at taxpayers' expense, industrial liaison officers — ILOs — in every government department. Is it true that the specific role of these officers will be to liaise with unions, and if so — —

Honourable members interjecting.

The SPEAKER — Order! This is not a good start to question time. I ask members on the government benches to come to order to allow the Leader of the Opposition to ask his question.

Dr NAPHTHINE — If so, is this not just another example of unions having special power and influence under this government?

Mr BRACKS (Premier) — I thank the Leader of the Opposition for his question. It is possible he may not be here to see the industrial liaison officers introduced. If that is the case, I wish him well in the future.

I am proud to confirm that the government is moving to a coherent, sensible arrangement on industrial relations in Victoria. An industrial relations committee of cabinet, chaired by me, has been set up to establish the rules and the framework. The government stated from the outset and still maintains that it wants the industrial relations relationship to be managed by the department as the employer. That is what the government is doing. To manage external relations a new position of industrial liaison officer will be established. It is an important role set up to manage in a modern way the government's relationship with the work force and the unions.

Ideally the positions will be filled internally, and the government is seeking applicants from within the public sector. If those skills are available the positions will be filled in that manner; if not, the skills will be sought elsewhere.

Dr Napthine interjected.

Mr BRACKS — Don't talk about failed candidates! Don't lead with your chin!

The SPEAKER — Order! I ask the Leader of the Opposition and the Leader of the House to cease interjecting. I ask the Premier to ignore interjections and conclude his answer.

Mr BRACKS — The answer is that there will be industrial liaison officers in each department. They will manage the external relationships on behalf of the employer, the department. Ministers will have a twice-removed arrangement, and I am keen for the Leader of the Opposition to review his arrangements as opposition leader and stay longer than two years so he can see these plans come about in the future.

Major projects: contracts

Mr STENSHOLT (Burwood) — Will the Premier detail to the house what action the government is taking to fulfil its commitment to review major government contracts?

Mr BRACKS (Premier) — I thank the honourable member for Burwood for his question and I congratulate him on his inaugural speech, which was excellent. I suspect the decision of the Leader of the Opposition to put himself on two years probation has something to do with the fact that the honourable member for Burwood is on our side of the house.

The Labor Party made a commitment during the campaign to review major government contracts to determine whether Victorians are receiving full and fair value for contracts entered into by the previous government. We committed to that review because the government is passionate about ensuring taxpayers' money is there for the good of the people and is not wasted in the conduct of the contracts, as was the case in the past.

Today I am pleased to announce the establishment of an audit review to examine major contracts entered into under the previous government. The government is delivering on its commitment made during the election campaign. The review will be headed by Professor Bill Russell from Monash University, Mr Ewen Waterman from Access Economics — —

Ms Asher — Can we have the details of that contract?

Mr BRACKS — You will get details, don't worry. You will get lots of details!

The third member of the panel will be Dr Nick Seddon from the Australian National University, who is the author of a number of texts on government contracts at state and federal levels.

Those three highly qualified people will investigate and report on, firstly, the ongoing obligations imposed on the state by the contracts to ensure it knows it is getting full and fair value from the contracts of the previous government; secondly, the scope of public lease of specific contracts in line with the government's commitment to be open and transparent in the conduct of contracts in the future, and thirdly, the need for further examination of major contracts as they arise in the future.

I have also asked the review committee to make recommendations concerning the way major contracts should be managed in the future: the move is not only retrospective but prospective, to make sure the conduct of those negotiations is open and transparent and done in the full view of the public.

I want Victorians to be confident that the government will enter into contracts that work in the interests of the community, not through secret arrangements and politically partisan interests, as was the case under the previous administration. The committee is expected to report within the time frame of the Leader of the Opposition's term of office — that is, within the next six months, by April next year. The government was elected on a platform of honest, open and transparent government. This is one of the instruments it will have to use in delivering that promise to report on major contracts in the past, on the long-term cost of those contracts to the taxpayers, on the conduct of contracts in the future and on the arrangements we will have to make to ensure that openness and transparency are features of the way the government does business as distinct from the way the previous administration did business in the past.

Dairy industry: deregulation

Mr McNAMARA (Leader of the National Party) — My question is directed to the Minister for Agriculture. In light of the government's disastrous mishandling of the Victorian dairy industry deregulation plebiscite which has allowed interstate farmers to prepare the no case for interstate farmers to vote on, and today's revelation that some Victorian dairy farmers have been

allowed to vote twice — all on unmarked ballot papers — will the minister finally take responsibility and hold an inquiry into what has been a major stuff-up affecting regional Victoria?

Honourable members interjecting.

The SPEAKER — Order! I have already asked the Leader of the Opposition to cease interjecting.

Mr HAMILTON (Minister for Agriculture) — I thank the honourable member for his question and his intense interest in this subject. I would not have used the colloquial term he used in describing the ballot.

Honourable members interjecting.

Mr HAMILTON — It is interesting that the National Party — —

Mr McNamara interjected.

The SPEAKER — Order! The Leader of the National Party has asked his question; he should allow the minister to answer it.

Mr HAMILTON — The Leader of the National Party has done his best to sabotage the — —

Honourable members interjecting.

Mr HAMILTON — I cannot understand why the Leader of the National Party so hates democracy that he does not want to give dairy farmers a say in what is an important matter for their future.

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Doncaster!

Mr HAMILTON — The Leader of the National Party is endeavouring to make sure the process for dairy industry deregulation, which is a major decision for the government and, more importantly, for every dairy farmer in Victoria, is sabotaged. He is suggesting we hold a ballot in the new year. He, as well as anybody, knows the consequences of that. He does not want to listen to the people who will be affected. The previous minister went on with his storm-trooper tactics and said, 'We will support dairy deregulation without a package being in place'. That is what he thought of it.

Honourable members interjecting.

The SPEAKER — Order! The Leader of the National Party!

Mr HAMILTON — I am amazed that the Leader of the National Party has been determined to pursue this track despite his understanding that the government must have a result from the ballot by Christmas or the whole process will be delayed beyond 30 June next. It is also interesting that the National Party is so obsessed — although perhaps it is not so surprising after the result of the Burwood by-election, nor will it be less surprising after the Benalla outcome — that this ballot is the only thing the government will consider.

From day one it said that five criteria were in place. One of the criteria was to give the dairy farmers a say. If the honourable member wants to persist in the attitude of not wanting to listen to country people, there will be no doubt about the outcome of the ballot in Benalla in another couple of weeks.

City Link: tolls

Ms ALLAN (Bendigo East) — Will the Minister for Transport inform the house what action the government has taken to fulfil its commitment to securing a better deal for infrequent users of the City Link tollway, particularly those from regional Victoria?

Mr Leigh interjected.

The SPEAKER — Order! The honourable member for Mordialloc!

Mr BATCHELOR (Minister for Transport) — Many honourable members have raised this issue with me and have expressed their concerns about the unfair, iniquitous and inflexible day-pass system and particularly its impact on infrequent users, whether they be from the country or the city. The previous government negotiated an unfair outcome for many Victorians. That was designed to impact on their ability to use City Link. In particular, it allowed the imposition of a day-pass system that saw occasional users of City Link excessively penalised for infrequent use.

Country Victorians had to pay \$7 to enter Melbourne and, if staying overnight, had to pay another \$7 to leave Melbourne. Other occasional users were caught up in the excessive fee they would have to pay every time they made the trip to Melbourne Airport if they did not have e-tags.

The government has long expressed its opposition to tolls and pledged that it would seek from Transurban a better deal for motorists, particularly to improve the day-pass system.

I am pleased to inform the house that the government has successfully negotiated with Transurban to deliver

on its pre-election commitment to achieve a better outcome for infrequent users of City Link. The improvements the government has agreed to with Transurban include the introduction of a \$2.50 Tullamarine day pass specifically provided to motorists who use only the Tullamarine section of City Link. The pass will be available from the commencement of tolling.

An additional component of the arrangement is a \$3.50 day pass to provide unlimited use on a calendar day on the western link, but this will also be extended to cover use in the Domain Tunnel and sections of the Monash Freeway until the Burnley Tunnel opens.

Two other important features of the whole package of day passes will also be introduced. One is a 24-hour day pass which will apply for the 24 hours from the time of first travel on City Link. The other product is a weekend pass to apply from midnight Friday to midnight Sunday.

Dr Napthine interjected.

Mr BATCHELOR — If only you had thought about that when you were in government. It is not hard to think of those things. The hard thing is to get into negotiations and do the work.

The SPEAKER — Order! I ask the Minister for Transport to respond to the Chair and not talk across the table.

Mr BATCHELOR — The issues are being implemented because the government is prepared to do the hard work and get on with the job. It takes up transport initiatives and implements them unlike the previous government where members were asleep on the job.

There is much in this announcement. Transurban will be able to charge only \$7 for the full link day pass when the two flexible passes are available, a 24-hour day pass and a weekend pass. Those developments will be welcomed by motorists. One hopes they will be welcomed by opposition members, who are a miserable, mealy-mouthed lot. The government is announcing significant improvements for the motorists of Melbourne and the opposition is not prepared to congratulate it on the good work it has done.

Country Victorians staying in Melbourne overnight will no longer have to pay the previous Liberal Party \$14 cost under the old arrangements. They will have a choice — to stay for the weekend and use the link as often as they like for a 50 per cent reduction, or, if they want to use the Tullamarine section only on entry and

exit to Melbourne, they will save almost two-thirds on the old price. Transurban has also agreed to pursue the introduction of a day pass account where motorists do not have to nominate the date of use but must pay, on use, the day pass fee plus a small administrative fee. That introduces flexibility into the system.

As honourable members are aware, it has become clear that different parts of City Link are being completed ahead of time compared with other parts. Work on the Domain Tunnel is not far from completion. As Transurban has said publicly, it approached the government for approval to separately open the Domain Tunnel which would require a change to the concession deed. The government has always made it clear that as parts of the project are completed and ready for public use they should be open as soon as possible, with or without tolls. I have demonstrated the government's commitment to that in the past.

Dr Napthine interjected.

Mr BATCHELOR — That is right. You sat back and did nothing. I was prepared to get out and drive the infrastructure. I am pleased to advise members that the outward-bound lanes of the Monash Freeway will be open untolled to motorists before Christmas. The government wished to see the removal of the outstanding claims on the southern link. Those claims were received by the previous government and negotiations to settle them were commenced by that government. The claims totalled some \$31 million. Today a settlement of \$500 000 has been achieved. The community is entitled to know the outcome of those negotiations.

The government gives a commitment that it will continue to press Transurban to address the needs of the motorists who use City Link. While the Bracks Labor government has been getting on with the job, the Leader of the Opposition has been trying to choose between whether he will have a targeted or voluntary departure package!

Water: irrigation allocations

Mr INGRAM (Gippsland East) — I refer the Minister for Agriculture to the inequitable allocation of water flows of the Thomson River. Does the minister intend to stand by his commitment, as reported in the November issue of the *Gippsland Farmer*, that if elected he would allocate farmers 10 per cent inflows and additional storage in the Thomson Dam?

Mr HAMILTON (Minister for Agriculture) — I thank the honourable member for his question and for his activity on behalf of the irrigators in the Macalister

district and I hope he has the support of the honourable member for Gippsland South on this serious matter. All honourable members, including those who live in Melbourne, would realise that serious drought conditions prevail across Victoria.

In my role as Minister for Agriculture I will be supporting farmers throughout the state to manage the drought conditions not only in Macalister but the rest of the area. Goulburn–Murray irrigators are also suffering substantial hardship in obtaining sufficient water. The honourable member for Polwarth indicated serious problems near the Otway Ranges in the Western District and the honourable member for Mildura said serious drought problems exist in the Mallee area.

Ongoing debate has occurred between the Gippsland people in general and Melburnians in particular about the allocation of water from the Thomson Dam. People in Gippsland always believe that Melbourne people are pinching our water. I use the word 'our' because I know the honourable members who represent Gippsland would understand the debate well. A number of attempts have been made to negotiate a security of supply for the Macalister irrigators. As a local member in opposition I agreed with the irrigators at a public meeting that I would be working hard in government to resolve the problem. That work has continued.

The government has been in office for some 52 days and many important issues are on the table. Together with the Minister for Environment and Conservation, who has charge of the water portfolio, a number of discussions have taken place with advisers from the department to resolve this difficult problem. The previous government put in place a review process to resolve the problem. A report is almost ready. However, the problem is not solely one for the Macalister irrigators, it is also related to environmental flows into the Gippsland Lakes and into the lower reaches of the Thomson and Latrobe rivers.

I do not have the obvious solution which is, as was so aptly described by Graham Anderson who represents the Macalister irrigators, the ability to make it rain. The government does not quite have that power. I do not say that facetiously, because across the whole of the state it is important that substantial rain falls not only for the survival of many farming enterprises but also for the community. Already serious water restrictions are operating in other parts of the state. However, one cannot fail to sympathise with the irrigators and the people of Gippsland when serious water restrictions are in force, as was the case last summer and the previous summer with irrigation water.

I know the Premier met with the group, as did the Minister for Environment and Conservation. It is no wonder they become upset when they see a Mercedes-Benz being washed on green lawns in Toorak. That is enough to make country people irate.

A more equitable sharing of water from the Thomson River must be arranged. There has to be an understanding that the wealth of this state comes from the land: it comes from our farmers. They are the most important providers of wealth in this state. The government is determined to resolve this matter.

I have been advised by the Minister for Environment and Conservation that the government is in the process of looking at the report from the department. The government will consult widely with the community and will certainly be taking on board the environmental requirements. Most importantly, it intends to manage the severe water restrictions that will occur throughout the state.

Honourable members interjecting.

Mr HAMILTON — The interjections are beneath contempt. One would think that of all people the Leader of the Opposition and the Leader of the National Party would understand the stress caused by drought conditions in country Victoria at the moment.

Dr Napthine — You have to do something.

Mr HAMILTON — The Leader of the Opposition says, 'Do something'. Surely he of all people would understand that drought conditions require a cooperative, bipartisan approach. I am sure the honourable member for Gippsland East and, I hope, the honourable member for Gippsland South will work with the government to resolve that ongoing problem, which has existed for entirely too long.

Planning: ministerial intervention

Mr WYNNE (Richmond) — I refer the Minister for Planning to the report of the Auditor-General into the state's planning system, tabled today. What action has the government taken to make planning decisions more open, transparent and accountable?

Mr THWAITES (Minister for Planning) — One of the last acts of the Kennett government was to seek legal advice to prevent the Auditor-General from reporting to Parliament on the ministerial interventions in planning decisions by the previous Minister for Planning and Local Government. The previous government sought three pieces of legal advice to gag the Auditor-General. It did not want the

Auditor-General reporting on the ad hoc and inconsistent way in which the former minister exercised his powers.

The Auditor-General was able to comment on the files he found in the Department of Infrastructure. Those files revealed that in key cases where the minister had intervened there was no documentation to justify that intervention. And we all know why; it was all done behind closed doors — secret deals for mates.

The Auditor-General referred to four particular cases. The first was at Big Pat's Creek Road at East Warburton — this Big Pat might be around for longer than the one across the table! The Auditor-General commented:

The examination of the four specific cases revealed that invariably, apart from the documentation that quoted the relevant technical criteria under the legislation, evidence was not maintained by the department to fully explain the basis for key advice provided to the minister to undertake his legislative role.

That is convenient. The Auditor-General referred to the case of the Big Pat's Creek site as follows:

... I would have expected a full explanation of deliberations concerning an offer received by the minister in November 1995. In this case, the landowner offered to transfer 24 hectares of land to the Department of Natural Resources and Environment if the local planning controls could be amended to allow subdivision of the remaining portion of the land ...

While the land was not transferred to the department, the minister nevertheless agreed to prepare the amendments. In this case and other cases the minister has intervened without appropriate justification.

The report goes on to examine the case of the Colosseum Hotel, which the now Attorney-General raised. In that famous case the then government granted exemption so one hotel in a strip shopping centre could install poker machines. It was probably merely a coincidence that the owner of the hotel was Mr Mathieson, who tipped the former Premier on Guangdong shares. The Auditor-General also reported on the HMAS *Lonsdale* site. The honourable member for Brighton is implicated in that matter. As the local member, she did nothing to protect that part of the foreshore from the decision of the former minister to approve a 20-storey building.

Last week I was asked whether I had granted permission for the proposal to go ahead. I pointed out that the former minister had granted permission for the project to go ahead. After Parliament I went back to the department and asked about that matter. Departmental

representatives said, 'Yes, Minister, you are right. You have given no permission, but you are the responsible authority for that site'. The previous minister took responsibility away from the council to keep it to himself so he could give his mates at Hudson Conway a special deal. I am pleased to announce today to the house that I have handed back responsibility for the site to the council. I am sure it will exercise that responsibility well.

I am pleased to announce also that the government has implemented the key recommendation of the Auditor-General — that is, that ministerial intervention in planning should be open, accountable and transparent. That has been done by introducing for the first time a practice note that will require the planning minister in future to publicly justify reasons for intervention. Not only that, I will report annually to Parliament on that intervention.

The previous minister would never have done that. Whether the intervention was to help Lana McLean; his son, in a deal with the Empire nightclub; or Hudson Conway, the previous minister kept it all behind closed doors. One can only imagine how the previous minister can continue to sit in the chamber. When will he join the queue of members opposite lining up for retirement?

Taxis: New Year's Eve

Mr LEIGH (Mordialloc) — Can the Minister for Transport advise the house whether the government proposes to take action against any licensed taxi operators who do not operate on New Year's Eve?

Honourable members interjecting.

Mr LEIGH — I can get a taxi on New Year's Eve!

Mr BATCHELOR (Minister for Transport) — Are you still certain it was the right choice? What a disgrace.

The SPEAKER — Order! The Minister for Transport shall not debate across the table.

Mr BATCHELOR — I was pondering whether the Leader of the Opposition thought his personal pick of the honourable member for Mordialloc as shadow Minister for Transport was one still worthy of acknowledgment.

The government has tried to ensure as large a turnout of taxis on New Year's Eve as possible. The honourable member asked about the availability of taxis on New Year's Eve. There has been a longstanding problem at

times of high use with the availability of taxis. The previous government did nothing about that.

Mr Leigh — On a point of order, Mr Speaker, I did not ask about the availability of taxis. I asked what the minister was going to do if a taxi operator did not operate that evening.

The SPEAKER — Order! There is no point of order.

Mr BATCHELOR — On many occasions in Melbourne it is difficult to get a taxi. That is a direct result of the policies of the previous government. With New Year's Eve coming — a special occasion on which the government would like to see as many people as possible enjoy a once-in-a-lifetime opportunity — the government is asking people to come into the city to enjoy themselves. At the same time it is understood many people will be required to work to provide services. Taxi operators, and taxidrivens in particular, are no different.

The government has allowed taxidrivens to charge a \$5 surcharge on New Year's Eve. The opportunity was refused by the previous Kennett government. It would not allow it to happen and was not prepared to look after the taxidrivens. The former government was prepared to let people get stranded all over the Melbourne metropolitan area and the central city on New Year's Eve. This government is prepared to look after taxidrivens by implementing a surcharge. Most people regard a surcharge as appropriate on New Year's Eve. Even the *Herald Sun* editorial said it was a fair cop, a reasonable thing to do.

In our negotiations with the Victorian Taxi Association we were advised — —

Mr Rowe interjected.

The SPEAKER — Order! The honourable member for Cranbourne!

Mr BATCHELOR — I'll come to your question in a moment.

I can advise the honourable member for Cranbourne that an opportunity existed for the honourable member for Mordialloc to meet with senior members of the VTA at a meeting which he and I both attended and for which people paid money to hear me talk about transport plans — —

Mr Rowe interjected.

Mr Leigh — On a point of order, Mr Speaker, firstly I would like an answer to my question. Secondly, I paid \$40. If it had been \$60, I would not have gone. I have asked the minister — —

The SPEAKER — Order! The Chair will not allow the honourable member for Mordialloc to abuse the taking of points of order. There is no point of order.

I do, however, bring to the minister's attention the matter of relevance and ask him to remain relevant when answering the question.

Mr BATCHELOR — The negotiations were successful in arranging for the additional taxis, and the VTA now believes as much as 90 per cent of the taxi fleet will be available on New Year's Eve. The government hopes the association will deliver on that commitment.

If the honourable member for Mordialloc was uncertain about what was going to happen he could have put his question to leading members of the VTA while he was at the dinner. He could have gone up to them and got an answer to his question, but he seems to be afraid to talk to business people. The government is not afraid of talking with the business community. If he had asked his question on that night he would not have needed to ask it today. Perhaps the honourable member for Mordialloc does not know the senior officers of the taxi association — —

Honourable members interjecting.

The SPEAKER — Order! The Attorney-General!

Dr Napthine — On a point of order, the minister is now debating the question. Throughout his long speech he has failed to answer the question, which was quite clear. It concerned whether the government proposes to take any action against licensed operators who do not operate on New Year's Eve. He has not answered the question and is now debating the matter. I suggest you bring him back to answering the question.

The SPEAKER — Order! I uphold the point of order of the Leader of the Opposition. I ask the minister to conclude his answer.

Mr BATCHELOR — In conclusion, the government hopes there will be a strong turnout of the taxi fleet on New Year's Eve. The government would like to thank the taxidrivens who plan to work on New Year's Eve, and wishes everyone a happy new year!

Forest industry: regional agreements

Ms DUNCAN (Gisborne) — I remind the Minister for Environment and Conservation that the regional forest agreement process has in the past been a controversial matter, particularly in my electorate. I ask the minister what action the government has taken to improve the process.

Ms GARBUTT (Minister for Environment and Conservation) — I thank the honourable member for her question and her ongoing interest in native forests.

Yesterday I was pleased to announce some major improvements to the process for regional forest agreements, known as RFAs. The government recognises that native forests play many roles. They offer biodiversity and a source of timber production, and they generate employment in many small rural communities. They are also important for nature conservation, recreation, water catchment and more. Native forests are very important, and choosing between competing interests and getting the balance right requires an open and credible process.

Unfortunately, that is not what obtained under the previous government, whose actions were secretive, divisive and controversial. This government's election policy committed it to reviewing and improving the process. Yesterday's announcement details the result of that review.

The improvements detailed in yesterday's statement aim to make the process credible, open, accountable, inclusive of all stakeholders and based on reliable information that is available to all stakeholders. The actions of the previous government were divisive and controversial. People's voices were simply not heard — —

Mr Mulder interjected.

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

Ms GARBUTT — That outburst demonstrates the previous government's approach. It shouted at people, didn't listen to them — —

Mr Mulder interjected.

The SPEAKER — Order! The honourable member for Polwarth has a very piercing voice. I ask him for the second time to cease interjecting.

Ms GARBUTT — Thank you, Mr Speaker. Perhaps it is time the member learnt to listen. That is

certainly what is required under the RFA process, and that is certainly not what has been happening.

The people's complaints are that they were not listened to, that they did not have access to reliable and up-to-date information and that often the result seemed to be a *fait accompli*. To implement the government's policy commitments I undertook a range of consultations with all stakeholders and in addition appointed an independent consultant to talk to all stakeholders again and make recommendations to me reflecting their concerns.

My announcement yesterday indicates that better information will be provided from the department, and the department will look at the information gap to be remedied in future. The government will appoint independent panels to receive public submissions about the RFA process, and it has gained the commonwealth government's agreement to the chairs of those independent panels being *ex officio* members of the RFA steering committee. That will ensure that public concerns are taken directly into the process. The government will conduct open forums on major issues such as wood and water management and biodiversity to improve the information available to the public.

The changes mean the process will be vastly improved, and the people will be able to have confidence in it. The process will be recognised as being credible and based on openness and accountability and on available, reliable and up-to-date information.

Local government: rates

Ms BURKE (Pahran) — I ask the Minister for Local Government to give a guarantee that municipal rates will not rise above the level of consumer price index-measured inflation.

Mr CAMERON (Minister for Local Government) — The opposition persists with its old policy of hating local government. It hates decisions being made at a local level. The opposition takes a simple view of local government — it is to be beaten about the head and should not be allowed to make decisions about what the local community wants.

The opposition has not learnt a single thing. Local government is the third tier of government. It will make decisions with its local community, and when it does I suspect it will ignore the irrelevant Liberal–National partnership.

Regional Infrastructure Development Fund

Mr HOWARD (Ballarat East) — I ask the Minister for State and Regional Development to outline to the house the government's progress in its plans to build infrastructure in regional and rural Victoria.

Mr BRUMBY (Minister for State and Regional Development) — I thank the honourable member for Ballarat East for his question concerning the important issue of infrastructure in regional Victoria.

Last night, under the cover of darkness and in the dead of night, the opposition parties finally saw sense and capitulated, did a triple backflip with pike and voted to support the government's Regional Infrastructure Development Fund Bill.

The passage of the bill marks a great step forward for Victoria. As everyone knows the lack of spending on infrastructure in regional Victoria has been one of the big issues over the past seven years. As a result of the previous government's neglect of regional Victoria, its city-centric approach and the former Premier's description of Melbourne as the heart of the state and the regions as the toenails, the Bracks government was elected with a mandate to begin rebuilding country Victoria.

A crucial part of the plans to rebuild country Victoria is the passage of the bill. I am delighted that it has been passed and can be turned into law. That will mean an additional \$170 million will be available for infrastructure projects across regional Victoria. I intend to release the guidelines for the fund early in the new year. I also intend advertising for applications, which I expect will occur over some six to eight weeks. Given the volume of applications expected it will take my department one to two months to assess them. The government will then be ready to fund projects in the new financial year from 1 July 2000.

I will outline some of the benefits of the bill to regional Victoria. The passage of the bill will enable the government to establish an energy park in the Latrobe Valley, which will potentially generate hundreds of millions of dollars in investment and new job opportunities. The passage of the bill will mean the revitalisation of the central activities district of Geelong. It will also mean that natural gas will be extended to the northern Bellarine Peninsula; a new \$5 million centre for vocational education and training will be established in Ballarat; and more than \$10 million will be invested in new projects in Bendigo to provide a huge boost in investments and jobs for the region.

There is more. The government will provide up to \$8 million for the electricity supply system in south-western Victoria, particularly in Warrnambool, which will be important for the honourable members for Polwarth and Warrnambool. The government will also provide \$4 million to assist dairy farmers across the state with the cost of dairy underpasses. It is important legislation.

Two weeks ago the opposition parties vigorously opposed the bill and tried to frustrate and obstruct its passage.

Opposition members interjecting.

The SPEAKER — Order! The level of noise is unacceptable. I particularly ask the honourable member for Mordialloc to cease interjecting. The minister will conclude his answer.

Mr BRUMBY — Two weeks ago this discredited rabble of an opposition opposed the legislation and today we had the unedifying spectacle of members of the opposition parties saying we should spend the money immediately.

Mr McArthur — On a point of order, Mr Speaker, the minister is now clearly debating the question. He is also misleading the house; the opposition did not oppose the legislation.

The SPEAKER — Order! The latter part of the point of order is not in order; however, I uphold the first part of the point of order. I ask the minister to cease debating the question and conclude his answer.

Mr BRUMBY — The fact is that the Bracks government promised the legislation and it has delivered. The Bracks government has done more for regional Victoria in 50 days than the previous government did in seven years. As for the Leader of the National Party, who has orchestrated these regional policies on behalf of the opposition, what a disappointment he has been! He came in here — they used to call him Big Mac — —

The SPEAKER — Order! I have already asked the minister to cease debating the question. I now ask him to conclude his answer forthwith.

Mr BRUMBY — It is encouraging to see the opposition on the road to Damascus. As for the Leader of the National Party, he has gone from a Big Mac to a Junior Burger!

Dr Napthine — On a point of order, Mr Speaker, I refer you to sessional order 3(5), which says that all

answers to questions should be direct, factual and succinct. I draw to your attention, Sir, the fact that the previous answer given by the minister was not factual in the sense that he said the opposition opposed the legislation to establish the Regional Infrastructure Development Fund. That is absolutely untrue. The opposition supported the legislation. I suggest to you, Sir, that according to the sessional orders the minister should be factual.

The SPEAKER — Order! There is no point of order. The Leader of the Opposition must not use the raising of points of order to debate a point.

The time set down for questions without notice has expired and a minimum number of questions have been asked and answered.

Mr McArthur — On a point of order, Mr Speaker, I seek your guidance in relation to the admissibility of questions in the place. I refer you, Sir, to both sessional order 3(4) and also to previous Speakers' rulings, in particular Speaker Plowman's ruling in 1981 when he said:

Questions without notice should be brief, thereby inviting brief answers. Questions seeking a great deal of detail should be upon notice or should be answered by way of a ministerial statement.

He goes on to expand on that ruling. Mr Speaker, I suggest to you that today during question time at least two dorothy dixers were asked by members of the government which in effect invited ministerial statements: one to the Minister for Planning and one to the Minister for State and Regional Development. I suggest to you, Sir, that that is both a breach of the traditions of the house and a flouting of the sessional orders. I ask you to consider that and advise the house on the admissibility of that type of question in future.

The SPEAKER — Order! I will take on board what the honourable member for Monbulk has said. I will look at the rulings from previous Speakers on the matter. However, I stress to the house that sessional orders 3(4) and 3(5) are very straightforward in calling for both questions and answers to be succinct and factual. I remind the house that it is up to the honourable members asking the questions and ministers answering the questions to ensure that both questions and answers fit within the sessional orders.

GOVERNOR'S SPEECH

Address-in-reply

Debate resumed.

Mrs ELLIOTT (Mooroolbark) — In making a contribution to the address-in-reply I congratulate you, Mr Speaker, on your elevation to the august position of Speaker and also compliment you on the way you are discharging your duties. I also make a small apology: I was so engrossed in my work in my office last night that I forgot to come to your Christmas drinks. However, I hope I might be welcome this evening.

I also congratulate the Governor, Sir James Gobbo, and Lady Gobbo on the way they are discharging their duties as Governor and wife of the Governor. Like you, Mr Speaker, the Governor was born overseas and educated in Australia. He discharges his duties with great distinction. He was an eminent jurist prior to becoming Governor. He is a cultivated man — that is obvious from the speeches I have heard him make during the times I have been present at Government House. As Victoria moves towards 2000 and the new millennium it is very appropriate that the Speaker of the house and the Governor represent the diversity of the Victorian population.

My speech addresses the subject of disability services and unmet need. Yesterday I received a copy of the December 1999 edition of the ACROD newsletter. As a peak disability body, ACROD has access to interesting statistics. In Australia 600 000 people are in receipt of disability pensions. It is estimated that number will grow to 750 000 by 2006. One-fifth of those 600 000 people have either psychological or psychiatric disabilities, many would have intellectual disabilities, and the remainder, physical disabilities.

The parliamentary library researched unmet need and put the figure of people needing disability services even higher. That research paper said some 956 600 people have profound or severe disabilities and need assistance with the core activities of self-care, mobility, and/or communication. The ACROD newsletter also states that two-thirds of pension recipients are aged between 45 years and 65, one-fifth have received the pension for more than 10 years, and only 8 per cent have earned income. Those statistics are sufficient to illustrate the enormous challenge the community faces in meeting the needs of those people, their families and carers. The burden on carers and other family members can often be immense — and I speak from personal experience.

Unmet need affects 13 500 Australians and 3500 Victorians with profound or severe disabilities.

Under the coalition government when the leader of the Liberal and National partnership was Minister for Youth and Community Services, Victoria spent more on intellectual disability than any other state, and spent \$33 million more than the most populous state, New South Wales.

The growth in that spending is significant. In 1994 it was \$270 million and by 1998–99, \$478 million. That funding went to accommodation, respite care and day services. Monkami, a facility for intellectually disabled people in my electorate that provides both a day-training centre and accommodation, received \$1 282 669. However, state and federal governments have recognised — the minister referred to it in the house last week — that a significant amount of unmet need exists. The Commonwealth–State Disability Agreement (CSDA) is an agreement between the commonwealth and the states to provide funding for disability, but the federal Minister for Family and Community Services, Senator Jocelyn Newman, in August this year made an offer of \$150 million over and above the previous CSDA agreement. It was a one-off offer over two years. Victoria's share was to be \$36.9 million, of which \$12.3 million would be distributed in the first year and \$24.6 million in the second year. The commonwealth expected the states to make their own contributions over and above the current funding the commonwealth was providing for disability services.

Obviously there are problems with that offer, and the minister has raised those problems in the house. First of all, it is true that Victoria provides 87 per cent of disability funding and the commonwealth provides only 13 per cent. That is plainly inequitable. The commonwealth has the greater taxing power and therefore the greater capacity to pay. Some of the problem may be addressed when the goods and services tax is introduced and that taxation share goes back to the states, but that is yet to be worked out. As honourable members know, considerable problems are involved in the implementation of the GST for charitable organisations and those that help people with disabilities.

It is true that the commonwealth offer is inflexible. It is targeted at in-home care and respite care for the ageing carers of baby boomers with intellectual disabilities. Yesterday I rang Sue Kirkegard, the chief executive officer of ACROD. She said the bulge of baby boomers with intellectual disabilities will last between five and seven years. The baby boomers are approximately my age and the ages of several other honourable members, which means their carers, in most cases their parents and in the overwhelming number of cases their

mothers, are in their 80s. Therefore those ageing parents have immense concern and worry about what will happen to the children with intellectual disabilities when they can no longer care for them or after the parents' deaths. The offer from the commonwealth does not address the problem of out-of-home care. It is true that it is not a recurrent contribution. It is a one-off offer and it would address only one-third of the estimated need.

The commonwealth has targeted the largest group. According to a joint paper prepared by officials from the commonwealth, state and territory governments, ministers should consider addressing the needs of ageing carers through the provision of support delivered in the home or respite services to 8600 individuals and families Australia-wide and day programs for 8160 individuals. The estimated cost is \$174.232 million. That is by far the largest requirement, and the one the commonwealth is addressing.

Although the commonwealth offer is inflexible — it is targeted purely at ageing carers and their children and is available only for in-home and respite care — the expected state contribution can be used more flexibly to apply to other areas of unmet need in disability services.

There is a challenge for the minister, and I am pleased she is in the house. The challenge is to say how much extra the new Victorian government will contribute to the funding of disability services out of the \$1.7 billion surplus left by the former coalition government. Clearly there is an expectation from the commonwealth that the states will significantly lift their contributions in this area.

The second challenge for the minister is to show leadership. I anticipate that she will, with other state and territory leaders, do so in order to reach agreement with the commonwealth government. People with disabilities, particularly intellectual disabilities, ageing parents and carers are waiting for this impasse to be resolved so that they can gain access to the funds to implement improved quality of life and community integration programs for their families.

It is an enormous problem that was recently brought home to me by a constituent who rang me on behalf of her mother. My constituent has two intellectually disabled siblings, a tragic situation that occurs in only a few families. The family lives in the country, and from an early age the mother was determined to look after the children herself. Consequently neither child has ever had access to any services. The daughter has never been to school; she has no literacy or life skills. The

mother is now well into her 80s and insists that she can still look after her two disabled adult children.

My constituent, a sister who has no disability, is fearful about the future. These are the sorts of families to which the funding could and should go if agreement can be reached with the commonwealth. It is important that Victoria, the second most populous state and the one that has the best record of providing funding for disability services, take a lead in this area.

The third challenge for the minister is to emulate the example of the New South Wales government and give a reference to the Victorian parliamentary Family and Community Development Committee to conduct an inquiry into the true level of unmet demand in disability services in Victoria and the nature of that demand.

The New South Wales Parliament has given a reference to its influential Social Issues Committee, which is conducting just such a review. The parliamentary committees in Victoria were announced just a few days ago, and this issue would be an appropriate reference for the Family and Community Development Committee and one on which it would do well.

The final and perhaps most important challenge for the minister is to match the rhetoric in the Governor's speech, which sets out the government's future plans for Victoria. In the more philosophical part of its introduction the speech states:

The government —

the Bracks Labor government —

recognises the desire of Victorians to live in a society where all citizens are valued, listened to and respected, and in which all members of the community build the state together and meet its challenges together.

Where is that challenge greater than in the area of disability services? Rhetoric is easy; I am fond of words myself. The challenge for the Bracks Labor government and the Minister for Community Services is to match the rhetoric of the Governor's speech with a real commitment outside Parliament to Victorians with disabilities and to take a leadership role with the other states and territories and the commonwealth government to resolve the impasse over the federal offer of increased state and territory funding for people with disabilities.

The other objective on which the minister might consider taking a lead is in a demand from the states for a national disability plan to ensure consistency of planning in disability services across Australia, thus avoiding the fragmentation many agencies complain

impedes their work. I ask the minister to consider those challenges.

In conclusion I shall mention some organisations in my electorate. I have already mentioned the Monkami Centre in Croydon, a longstanding facility for people with intellectual disabilities. It provides both residential care and day training services under the leadership of Paul Geirck, the chief executive officer, and its management committee. It provides an outstanding service to people with disabilities in Croydon and the surrounding areas. The centre runs a plant nursery at which many people in the community purchase plants for their gardens, and its residents are familiar around Croydon because of the centre's open-door policy. The residents receive a quality of care that could well be emulated elsewhere.

The Japara Neighbourhood House in Montrose has an adult literacy program for people with intellectual disabilities, which also involves life skills. I have participated in some of the classes, and they enable residents of Montrose and surrounding areas with intellectual disabilities to enhance their skills in a way that enables them to take part in everyday life, as do people without intellectual disabilities.

I pay tribute to all the nameless, numberless people in my electorate, many of whom I met while doorknocking, who quietly and heroically take care of family members with disabilities, often behind closed doors but also in the community. They ask for little return — they do it out of great love, the love that only family members can provide. They are grateful for the help they get, but undoubtedly they could do with a great deal more.

Finally I mention a constituent I will just call Bernie, who is one of the much-loved characters in Croydon. He lives in one of the nursing homes and suffers from a profound intellectual disability. He lives a happier life than many other people. He comes down to Croydon every day and does the rounds of the main street. He goes into many businesses and shops, including my office. He collects key rings, which he keeps in a drawer in his nursing home. If any honourable members have spare key rings, I would be happy to collect them for Bernie. He can recognise every one of his key rings and will not accept one he already has. He has thousands of individual key rings — there is not one repeat, and I am looking for more key rings for Bernie.

In my other portfolio responsibility area of the arts I pay tribute to the arts project in Northcote led by Cheryl Daye. Grants for the arts have moved away from being

made to artists on the margin and are being made more often to artists who are considered mainstream, some with exhibitions at major commercial and public galleries in Victoria, two or three of whom have been invited to exhibit their works overseas. Some have their works hanging in private collections. Arts projects are among the most valuable contributions we have in both the disability area and in mainstream art in Victoria. They do a wonderful job.

Mr BATCHELOR (Minister for Transport) — I am pleased to join the address-in-reply debate. In doing so, I congratulate the Governor of Victoria on his excellent ongoing work on behalf of the people of Victoria and I reflect on the speech His Excellency gave when Parliament was opened on 3 November. In particular, when again reading his speech today in preparation for my contribution to the debate, I focused on a key part of it in which the Governor said:

The government's first priority is to restore public confidence in our democratic institution. The government believes that Victorians demand and deserve a government with a real commitment to democratic practices.

The Governor of Victoria was talking about the incoming Labor government's priorities, the first being to restore public confidence in our democratic institution. It was a prophetic comment because what has followed since has been an outflow from Victorians to acknowledge the democratic expectations they felt the incoming government would bring with it. That clearly manifested itself in the two recent elections — the Frankston East supplementary election, which resulted in an outstanding victory to the Labor Party, and the recent Burwood by-election, when an outstanding and sensational Labor victory occurred.

That caused me to reflect on what has happened, why the changes have come about and why so few people saw them coming. It was similar to a tsunami raging across the democratic process in Victoria and catching many people off guard. But I do not think it caught the citizens of Victoria off guard because they delivered the message.

Mr Mildenhall — They are driving it.

Mr BATCHELOR — They are driving it. They were not surprised. The community wanted change. It deliberately and consciously delivered change at the election, as it did at the Frankston East supplementary election and certainly at the Burwood by-election. I shall address the result in Burwood in greater detail.

The house will remember that Felicity Kennett, the wife of the former Premier, after the election, complained

that she could not understand the election result because she did not know anyone who had voted for the Labor Party. Notwithstanding that, a large electoral turnaround saw the previous government and Felicity's partner, the former Premier, thrown out of office. However, her circle of contacts and friends was such that she claimed she knew nobody who had voted for the Labor Party notwithstanding the sensational swings to Labor achieved not only in rural Victoria but across the remainder of the state.

One wonders how isolated the Kennett household had become when it found itself in a situation where the partner of the then Premier did not know anybody who had voted for the Labor Party. Perhaps she knew people who may have so voted but had not spoken to them. That is conceivable in the aftermath of the general election, but she needs to assure herself about what has happened. She needs to ask her friends and neighbours, because the result in Burwood means the Kennett family is living in a Labor Party electorate as a result of the democratic processes so poignantly referred to by the Governor in his speech.

I repeat: the former Premier and his family live in a Labor electorate; a Labor member is looking after the Kennetts' electorate. It is not as though the Kennett family at its private residence was cocooned in a Liberal enclave at one end of the electorate. That is far from the truth because the swings in the Burwood by-election were across the electorate. It signals that a significant change is occurring in middle Melbourne. Opposition members of the Liberal Party who hang onto their seats by margins of less than 10 per cent are worried. They know that the mood for change is zeroing in on them. They will be the next to go.

The Kennett residence was not cocooned: one need go no further than to talk to the friends and neighbours of the Kennett family or go to their local polling booths to realise that. I understand a new polling booth was established especially for the election and was used again at the by-election. It was known as the Chatham South booth and was located at the Church of Christ in The Avenue, Surrey Hills — only four or five doors away from where the Kennetts live. I am told the Labor Party vote at that booth at the election was 41 per cent, but at the by-election the two-party preferred vote was 50.6 per cent. Mrs Kennett need do no more than walk out into the street to hear that. She does not need to ask the garbage collectors who they voted for because their answer would be predictable. She should ask the well-heeled people in that electorate who they voted for. It's odds-on that every second person voted for the Labor Party.

With that in mind, one has to query what happened in the Kennett household. On the law of averages, every second adult person in the Kennett household voted for the Labor Party. Felicity Kennett simply has to look in the mirror to determine who, on the law of averages, voted for the Labor Party in her household. If it was not her, then who? On the law of averages, it appears on the results of the polling booth four doors away from where the former Premier lives that he voted Labor!

The result in the Burwood electorate was a positive outcome for the Labor Party, with the new member for Burwood rightly sitting on the government side. The constituents of Burwood are used to having a member in government, although there has been a change of government, it is ironic that they still have a member of Parliament sitting on the government benches.

It is in that context that the Liberal Party is now encountering organisational problems. The by-election result has opened up longstanding wounds between sections of the Liberal Party. There is the fight between the Kroger forces — that is, Michael Kroger — and the 104 forces. Of course, 104 is the name given to the command bunker occupied by Peter Poggioli and Joy Howley. They operate out of 104 Exhibition Street and have just finished running the worst by-election campaign in Victoria's history. They are now clinging onto their jobs by their toenails. One would have thought that the once great Liberal Party would have acted more decisively and got rid of those people who ran such a disastrous campaign.

What did they do? They forgot basic fundamental election techniques because they did not have the skills of those who know how to run an election campaign, and they stand condemned. The longer the Liberal Party hangs onto these people the worse it will be.

The Liberal Party decided to hang onto a candidate who was an absolute disaster not only from day one but right throughout the campaign, although it was not the fault of the candidate.

Mr Leigh interjected.

Mr BATCHELOR — Obviously you sided with the Kroger forces and are opposed to 104! The honourable member for Mordialloc has felt the wrath of indignation of head office and was thrown out of his prime seat in Malvern to the seat of Mordialloc. The 10 per cent swing throughout the seat of the former Premier in Burwood is the same swing that will unseat the honourable member for Mordialloc.

During the campaign everybody understood what a disaster the Liberal candidate was. She had many

problems, one being a financial dispute with the Commonwealth Bank. How did that information become known in the public domain? Because those at 104 tipped off the media. It did not come from the Labor Party; it came from the Liberal Party campaign organisers who were out to destroy, undermine and sabotage the candidate. Having lost the candidate of first choice, Helen Kroger, they systematically set out to dud the campaign and undermine Lana McLean.

She has said it was a disaster and was absolutely stunned by the result. Perhaps if she realised some of the problems she was experiencing during the by-election campaign, not only her misdemeanours but the exposition of those misdemeanours by the Liberal Party headquarters — they telephoned the journalists about the problems she was having with the Commonwealth Bank — she could have done something about it.

Other classic blunders were organised by 104, none more fundamental than the postal vote cards organised for the election campaign. Labor Party members have not sighted one, and there is plenty of anecdotal evidence to suggest that none were sent. Many people telephoned the Labor Party's campaign office saying, 'Mr Kennett used to organise postal votes for us, but we haven't got anything from him. Can you help us?'. One of the Labor Party's fundamental repertoire of campaigning activities is to issue postal vote cards. The ALP's two-party postal vote was 30 per cent, but at the by-election that increased to 50.7 per cent. Not only did it increase by some 20 per cent but the Labor Party also won the postal vote count. That is something the ALP has not done for many years, just as it has never won the seat of Burwood before.

The win is a direct result of the infighting between those on the ground who wanted a particular candidate as opposed to those bunkered at 104 Exhibition Street who wanted somebody else. Clearly those at 104 took the attitude that it is their party and they will cry if they want to. They ran the campaign the way they wanted to even if it meant undermining the candidate. They could not give two hoots.

On the day of the draw for the order of the ballot paper the Liberal Party candidate was sent to a small strip shopping centre instead of being at the place where the media was assembled. One can conclude that the Liberal Party organisation was either trying to hide the candidate or alternatively wanted to undermine and sabotage her campaign. Knowing the media were assembled in a certain part of the electorate they sent her to the other end of the electorate where there was no media, no shopping, nobody at all. That was the general

thrust of the whole campaign. Nevertheless, the voters of the electorate could see through it.

On the day the Liberal Party started running the Asher advertisements, 'Tell Labor what you think of dirty politics', Deiter Lehman was ringing state political journalists urging them to investigate why the Labor Party candidate had not included in his CV the fact that he had trained for the priesthood.

That was a low, shabby act of political treachery on the part of the Liberal Party. That was indefensible and disgraceful. That it was organised out of the office of the Leader of the Opposition is equally disgraceful. At no stage since then has the Leader of the Opposition sought to apologise for that disgraceful act.

The time in this community when Catholics were lined up and vilified is long gone. Catholic members of our society deserve to be able to get on with their religion without the staff of the Leader of the Opposition trying to use that faith to undermine people standing for office who happen to be of or from the Catholic faith. I find that one of the most despicable acts I have ever seen in public life. The government demands that the Leader of the Opposition justify and explain what he did and why he sought to do that.

Mr SAVAGE (Mildura) — I begin my contribution to the address-in-reply debate by recording the appreciation of all Victorians of the dedication and integrity of the Governor and Lady Gobbo. The way they discharge their responsibilities brings credit not only to themselves but to the office.

It is tempting to take the office of Governor for granted. Indeed the previous government contributed to that tendency by talking about the Governor's role as being, at least in part, that of a roving trade commissioner. However, recent events in this state are a reminder that on occasion the need for an impartial umpire is critical. Even the very best of people can behave like constitutional vandals in desperate times.

That Victoria has negotiated its way through the extraordinary and unexpected circumstances encountered without even a hint of political instability is due in part to the Governor. His reputation is such that those who might have been tempted to abuse the system gave the matter a second thought and the average Victorian had confidence that political stability would be assured and the constitution upheld.

One did not need to wait for the Burwood by-election to dismiss the idea that Victorians, particularly regional Victorians, did not really intend to vote the previous government out in September. While such a proposition

may have brought comfort to those who caused many regional Victorians to turn their backs on lifetime habits and vote for Independents or Labor, it is wishful thinking.

The Governor's speech gives regional Victoria hope that change is on the way: that we have in Spring Street a government that now recognises that whatever gains Melbourne has made in recent years, the rest of Victoria has stood still at best, and gone backwards at worst. It is true that the economic fashion does not favour regional Victoria. However, governments have exacerbated our plight. Regional Victorians have witnessed school closures, railway line closures and reductions in police numbers. Melbourne did not escape unscathed, but the impact fell disproportionately on regional Victoria. If a school closed in a Melbourne suburb, others were not far away. Such was not the case where I come from.

The feeling of isolation and neglect was reinforced by a feeling of being disenfranchised. Feelings ran high over the former government's forced amalgamations of councils, especially as the coalition when in opposition had promised it would not amalgamate councils without community support. It is difficult to overstate the lasting impact of council amalgamations on rural Victorians especially.

I know the argument that many councils were inefficient and that ratepayers were getting poor value for money. However, if the case for amalgamations was so overwhelming, why did the previous government not rely on persuasion rather than compulsion? Many rural communities felt a loss of identity when their councils disappeared, especially when that followed hot on the heels of school closures and other declining services. But such sentiments fell on the deaf ears of economic rationalists.

To compound matters, in a case of Melbourne knows best, compulsory competitive tendering was imposed on us. Far from creating local jobs, in some cases it destroyed them. It created not only an artificial market as small councils sought to tender out services to non-existent competitors, but also a layer of unnecessary, expensive bureaucracy for smaller, lean, efficient councils.

That we-know-best arrogance eventually caused the previous government to become sensitive to criticism and antagonistic to anyone in a position to challenge it. Thus the Auditor-General found himself in the firing line when the commercial-in-confidence defence proved effective against all other demands for information. The state saw the forerunner of the fate

that befell the Auditor-General when the Director of Public Prosecutions had the audacity to suggest that no citizen is above the law.

Against that background, I note the following statements in the Governor's speech:

The key to the government's approach will be inclusiveness. The government believes that Victoria is more than an economy — it is a society, and that economic prosperity is not an abstract goal but a social objective. The government will seek to share the benefits of prosperity among all Victorians.

I also welcome the references to the forging of a new partnership with local government as a key priority and the belief that participation in grassroots democracy is vital to a fully engaged citizenship. Similarly I commend the government's intention to act immediately to rebuild our regional and rural communities.

On this note, the government's acting quickly to abolish compulsory competitive tendering for local councils is a sign of its intention not only to talk differently but also to act differently. In that context I highlight the amendments the minister made to the Local Government (Best Values Principles) Bill. Honourable members would recall that the bill originally allowed the minister to publish codes containing detailed provisions concerning the implementation of best-value principles. Those codes will be binding on councils. While the minister assured everybody of his intention to consult councils in developing the codes, his willingness to amend the bill to make it mandatory for him and his successors to do so provides a tangible sign of a new style of operation — of a government that is not only willing to respond to community concerns but prepared to signal the importance it places on community views by making consultation mandatory.

The speed with which the minister indicated his intention to establish a representative task force to advise him on the development of the codes provides another reason for hope that things have taken a turn for the better. The minister's agreeing that it ought to be mandatory rather than optional that councils take into account the retention and growth of local jobs when applying best-value principles is not only another positive response to community concerns but also a recognition by the government of the importance of jobs in regional Victoria.

The importance the Independents have come to place on open, transparent and accountable government as a result of our increasing anxiety about recent trends in government is well known. Consequently we welcome the promptness with which the government has

honoured its promises to restore the community's faith in the government by enshrining the appointment, removal and terms of both the Auditor-General and the Director of Public Prosecutions in the constitution.

Perhaps more important, given that it only requires absolute majorities rather than referenda in both houses to change the constitution, is the restoration of the Auditor-General's complete control over all aspects of audits he initiates. Also welcome, as an indication of consistency, is the increase in the Auditor-General's accountability to the Parliament.

I know common wisdom has it that Independents cannot be effective as members of major parties. Indeed, it used to be said they could not be effective at all. I merely observe that since the election of the honourable member for Gippsland West and me our electorates have been the subject of greater attention from governments, for fair reasons or foul, than they have been for many years.

So far as the broader picture is concerned, I merely state for the record that the bipartisan commitment seen in recent weeks to more open, transparent and accountable government is a direct result of the unwanted influence the Independents have been able to exert in the peculiar situation in which we find ourselves.

Speaking for myself, I hope the present situation is as transitory as the experts assume it will be. However, for those who think the two-party system is part of the natural order, I remind everybody that that has not been obvious to the electors of Queensland or New South Wales. They do not think having Independents to moderate the major parties is a recipe for disaster or instability. In those states electing Independents has not been a novelty from which voters ran at the first opportunity. All major parties need to be aware of that.

An economic realignment is occurring in Australia. The only people who seem unaware of that are the federal Treasurer and some of the people he mixes with. Dr Bob Birrell, the director of Monash University's Centre for Population and Urban Research, has just released the results of his latest research demonstrating that a much higher proportion of non-metropolitan than metropolitan households receive an income that puts them in the lowest quartile. For 1996, 31.1 per cent of non-metropolitan households fell within the lowest quartile, compared with only 22.6 per cent of metropolitan households.

The uncomfortable truth for the major parties is that the economic circumstances of most regional Victorians are closer to those of traditional Labor voters than to

those of the Liberal voters who exert most influence over the Liberal Party. The rationales forming the Liberal and Labor parties have long ceased to be relevant. Neither party has been able to adopt new philosophies to accommodate its broad following, but each must disguise that fact from the supporters to which it appeals.

The National Party was the first to get caught in the crossfire. Its parliamentary representatives seem to think their interests are best served by carving up the spoils with their Liberal mates. National supporters, however, are increasingly aware that Liberal Party policies, which National Party representatives accept as the price of coalition, are not in their interests. Worse, the Liberal economic policies, which might suit the banks and big business, do not advance the interests of regional Australians. The Nationals must know that politically their enemy is the Liberals, not the Labor Party. They lost Warrnambool to the Liberals, not to Labor.

The decision of the honourable member for Benalla to continue to represent his constituents after he resigns as parliamentary leader is not only right in principle but right politically. However, while it gives the National Party some time, it does not solve its fundamental problem.

In my first contribution to an address-in-reply debate I said there is no such thing as a safe seat. Four years on, the realisation still has not hit some honourable members. The National Party will not survive if it enters into arrangements that might be comfortable and personally rewarding for the parliamentary representatives but do not promote the interests of its constituency.

Unless the National Party accepts that reality, the privilege of representing regional Victorians will pass to others willing to accept the responsibility.

Debate adjourned on motion of Mr MAUGHAN (Rodney).

Debate adjourned until later this day.

JOINT SITTING OF PARLIAMENT

Victorian Health Promotion Foundation

Message received from Council acquainting Assembly that they have agreed to joint sitting to elect members to the Victorian Health Promotion Foundation.

GAS INDUSTRY (AMENDMENT) BILL

Second reading

Debate resumed from 8 December; motion of Mr BRACKS (Treasurer).

Mr PLOWMAN (Benambra) — It gives me a great deal of pleasure to speak on the bill, which I certainly support, as does the opposition. I take pleasure in commending the government on its desire to continue the commitment made by the previous government to the deregulation of the retail gas industry in Victoria and to the introduction of a contestable system.

The contestable system is being introduced progressively in four stages, known as tranches. There has been some uncertainty about the timetable for introduction of the system, particularly the first and second tranches. The original timetable was a bit inconsistent. There was a difference between what was publicly announced and what appeared in the legislation.

Contestability — the opportunity for customers to choose their gas distributors and gas suppliers — was to be introduced for the larger consumers in September 1998, and it was hoped customer choice would be available to even the smallest of customers by September 2001. Unfortunately, however, due to some delays in the introduction of the regulatory regime, the first two tranches had to be deferred. That is what this amending bill is all about.

Customers in the first tranche were given contestability on 1 October this year, and the second tranche is scheduled for 1 March 2000. That represents a delay of four or five months. It is understandable that the government might want to clarify its position before the second tranche becomes contestable. That is what the bill sets out to achieve.

The second area of this small bill amends the definition of a non-franchised customer to include a group of new customers who the Regulator-General is satisfied will use more than 100 000 gigajoules of gas by the relevant date. Of course the legislation has not been tested yet, but clearly it will be the responsibility of the Regulator-General to determine whether the customer who is not yet connected but who will be connected prior to 1 March 2000 will use in excess of 100 000 gigajoules — which is quite a lot of gas!

The opposition supports the introduction of contestability in the industry because it will help keep prices down. That is commendable. It will help keep all energy prices down because natural gas is used by all

the energy industries, and all other energy suppliers compete with the gas industry. The introduction of competition into the industry will lead to the lowest possible gas prices across Victoria. That will make Victoria more competitive. It will lead to increased profitability in the industries that use gas, which in turn will lead to an increase in the number of jobs and employment opportunities.

I ask the Minister for Community Services, who is representing the Minister for Energy and Resources in another place, why clause 3 provides for the insertion of proposed subsections (iii) and (iv) in section 6B(1)(c) of the principal act instead of merely replacing subsections (i) and (ii) of that section. I will quote the explanatory memorandum to the bill:

Clause 3 amends the Gas Industry Act 1994 to add to the class of non-franchise customers persons who have purchased not less than 100 000 GJ of gas in the 12 months before 1 March 2000 and persons who, if the supply point is new, will purchase that amount of gas during a 12-month period in the three years following 1 March 2000.

I would have thought the explanatory memorandum makes it clear. I cannot understand why the amendment provides for an insertion of the two proposed subsections into the principal act instead of replacing subsections (i) and (ii) of section 6B(1)(c). Section 6(1)(c)(i) states:

the person had purchased not less than 100 000 GJ of gas from that supply point, or an ancillary supply point, during the period of 12 months immediately preceding 1 September 1999 or the commencement of the supply, whichever is the later.

The proposed subsection is almost exactly the same. It states:

the person had purchased not less than 100 000 GJ of gas from that supply point, or an ancillary supply point, during the period of 12 months immediately preceding 1 March 2000 or the commencement of the supply, whichever is the later.

The two provisions are exactly the same except for the dates. I cannot see why one provision should not replace the other rather than being inserted. It seems strange to me. Section 6B(1)(c)(ii) of the principal act states:

the supply point is new and ORG is satisfied on reasonable grounds that the person will purchase not less than 100 000 GJ of gas from that supply point within a period of 12 months during the 3 years next following 1 September 1999 or the commencement of the supply, whichever is the later.

Proposed subsection 6B(1)(c)(iv), which is to be inserted, states:

the supply point is new and ORG is satisfied on reasonable grounds that the person will purchase not less than 100 000

GJ of gas from that supply point within a period of 12 months during the 3 years next following 1 March 2000 or the commencement of the supply, whichever is the later.

To my mind the two provisions are exactly the same in intent and almost exactly the same in words, again except for the date. Given that the subsection proposed to be inserted refers to a date subsequent to the date in the principal act, I cannot see why the existing provision is not simply replaced by the proposed subsection.

I ask the Minister for Community Services to ask the Minister for Energy and Resources in another place why the bill does not provide for the deletion of the relevant subsections in the principal act and the insertion of the two proposed subsections instead of creating duplication.

The draft amendments were discussed with the industry during August, through the Victorian Gas Contestability Steering Committee, which is responsible for facilitating the overall retail contestability project. Its broad nature is reflected by its membership. It comprises representatives of each of the three incumbent Victorian gas businesses, two non-incumbent gas businesses, Vencorp, the Office of the Regulator-General, the Gas Users Group of Australia, the Australian Industry Group and the Department of Treasury and Finance.

The extraordinarily broad nature of the committee brought about the contestability in both the most efficient and cost-effective way. During August 1999 the committee discussed the legislation with industry and achieved its acceptance.

The customers considered in the amendment are users of over 100 gigajoules of gas a year — estimated at between 110 and 120 users in this area — who use between \$500 000 and \$2 million worth of gas. It is also interesting to note that the amendment includes 10 to 12 additional new customers who will, to the satisfaction of the Regulator-General, be using more than 100 000 gigajoules of gas worth in excess of \$10 million.

If one uses that criteria to determine approximately how much gas the 100 to 120 customers will use, I suggest it will amount to more than \$100 million. We are talking about a lot of gas in this tranche of the introduction of the contestable and competition aspect of the gas industry. The gas users would be larger industries; for example, the food processing industry; large hospitals, which use a lot of gas for heating, sterilisation and many other uses; and large hotels.

When one considers that we are looking at over 100 users and more than \$100 million worth of gas a year, it will make a big difference to the cost-effectiveness of those industries and will make them more competitive. I hope a fair share of those industries will be in country Victoria, because I want to see the opportunities provided for industries to come to country Victoria and have available to them energy resources at a competitive rate so they can compete equally with their city or metropolitan counterparts. I am sure many of the 110 to 120 customers will be located in country Victoria.

It is also interesting to note that 8 of the 35 customers in the first tranche changed their suppliers. The gas suppliers for the big gas users would have put forward attractive offers. That clearly illustrates that the contestable nature of the industry now means that it is very competitive, and it is performing as it was anticipated when it was first introduced. It has now become a competitive industry and a competitive source of energy for Victorian industries.

I will also highlight the other major benefits of gas industry reform, which provided the opportunity for the government to retire debt. I refer to the Auditor-General's report, *Victorian Government's Finances 1998–99*, page 89 of which states:

... the state received total gross proceeds of \$6.28 million for the sale of the 3 'stapled' gas businesses (including the associated Gasmark business) and Transmission Pipelines Australia.

That compared favourably with the book value of the assets sold and valuations obtained prior to sale.

It further states at page 94 that in November 1998 the state entered into a number of agreements for the sale and development of the underground gas storage facility in the Port Campbell area for a total of \$58.5 million, comprising \$31.6 million for the storage facilities and \$26.9 million for the acquisition of the rights to the Iona reservoir gas reserves.

The price received for the sale of the Ecogen energy business, which included the Newport and Jeeralang gas-fired power stations, was around \$1 million higher than the most optimistic valuations placed on the business by the government's advisers.

That comes directly from the Auditor-General's report, and I think his recommendation indicates the success the government had in transferring those gas industries from public ownership into private ownership. Not only did it introduce competitiveness into the industry and thus drive down prices, it also translated into a

reduction of \$6.28 billion worth of state debt, which I think was a remarkable achievement in the gas industry and, as reported by the Auditor-General, far exceeded anything the government expected or its advisers suggested would be achieved.

It is also interesting to note that while all that was happening the former government was prepared to continue with expenditure to make the gas industry more secure. All honourable members know the background to that and I do not need to go into it in this debate. However, while the system was being made competitive, while contestability was being introduced and while the business was being transferred from public to private ownership, the government was still giving direction and making major expenditure to ensure that the industry was secure. The reason was that Victorians could not go into another winter with the lack of security they faced last year. I refer again to the Auditor-General's report, which states that during 1998–99 Gascor spent around \$51 million on the upgrade of the New South Wales Interconnect pipeline, the completion of the south-west pipeline, the installation of certain additional equipment and the performance of certain new gas supply contracts.

Interconnect can be found in my area of Benambra. It means not only that the north of the state will have security of supply from other sources such as New South Wales or even the Moonee fields in Queensland but that the gas can be transferred right through the state and, if necessary, stored in some of the underground facilities being made available through the other projects initiated by the former state government.

Finally, I commend the privatised gas industries in the Benambra area. The industries have gone from Gascor to Stratus and now to Boral. I commend those industries right across Victoria for their endeavours to push forward with the connection of more country towns and districts. I know the honourable member for Bellarine will speak about that later so I will not talk about that area. Since the first term of the Kennett government progress was made that proved to be a real breakthrough. Instead of being constricted by a uniform tariff, the then minister — who shall remain nameless — replaced the uniform tariff system with one that enabled capital costs to be amortised. Gas pipelines connected areas that previously had not been connected because of the constrictive nature of the uniform tariff.

That initiative more than any other enabled gas to be introduced into country areas, including the southern areas of New South Wales. That was of enormous value to the Victorian food industry. It affected not only

Victorian food processing industries that export through the port of Melbourne but towns in southern New South Wales that produce and process a large amount of food that is also exported through that port or processed in plants in northern Victoria.

It is wonderful to see gas being introduced into many towns to assist industries to develop and to attract other industries close to the supply. If food exports are to increase, infrastructure must be provided, and that includes gas. I am delighted that the bill assists that process for the benefit of processing industries that are important to the economy of the state.

I commend the bill to the house. I also commend the government for its continuation of the policies of the past government. It is good to see a single approach to the gas industry, which is so important to Victoria, and certainly important to the food processing industries in rural Victoria.

Mr LENDERS (Dandenong North) — I also support the Gas Industry (Amendment) Bill. As with many of the bills debated in the recent past this bill has vigorous bipartisan support. The time for heated and emotional debates about changes to the gas industry have passed. Honourable members are now dealing very much with a proper and prudent housekeeping piece of legislation to make the industry work.

No discussion on gas can take place without reflecting on the past and remembering that just over a year ago the Longford crisis occurred. During that time if I walked down the streets in my electorate of Dandenong North, my constituents could have told me an enormous amount about Longford 1, 2 and 3, the Port Campbell project, the north-west shelf and a range of other things. Debating this bill is almost like taking a sedative: it is amazing that in such a short time the discussion has moved on.

However, that does not in any way take away from the importance of the bill being passed promptly and its relevance for the Victorian gas industry. I read with some interest that the bill attracted seven or eight speakers in the Legislative Council, plus the Treasurer's second-reading speech in this place on 8 December. There are probably only two vague areas of contention between the parties, certainly not enough to endanger the bipartisanship that clearly exists. I will address those issues later in my remarks.

Any discussion of the bill must start with questions about its purpose. What is the Gas Industry (Amendment) Bill? What is it about and why is it before the chamber today?

Clearly the purpose of the bill is to overcome the inconsistency between the timetable for retail gas competition as announced by the former government immediately after the Longford disaster and the timetable that is currently provided for in the Victorian legislation.

Retail competition is scheduled to be introduced in four stages, or tranches as they are known in the industry. The first customer tranche on the unannounced timetable was given a choice on 1 October 1999. The bill addresses the inconsistency relating to the second tranche of gas customers, who are anticipating choice of retailer from 1 March 2000. There is no problem of inconsistency with the third and fourth tranches, which are scheduled for 1 September 2000 and 1 September 2001 respectively.

The bill is designed to enable all second tranche customers — that is, customers whose gas consumption is at least 100 000 gigajoules per annum, equivalent in value to at least \$400 000 per annum — to purchase gas from a range of competing retailers. Currently there are approximately 120 such customers in that category in Victoria.

The ability to exercise choice enables gas customers to enter purchase arrangements that best suit their price and service needs. However, a subset of intended second tranche customers who meet the consumption threshold at 1 March 2000 may miss out because the current legislation defines eligibility for that tranche with reference only to 1 September 1999.

It is a technical matter dealing with a small subset of consumers. Accordingly the bill adds to the current definition of second tranche consumption by including reference to 1 March 2000. As per the existing approach to defining eligible consumption in the legislation, the bill refers to both the 12-month period prior to that date and, in the case of the new customers, to a relevant future 12-month period. Failure to pass the bill in these sittings will mean that a small portion of the anticipated second-tranche customer group will not be able to exercise choice until September 2000 — that is, when the third contestable tranche commences.

In conjunction with the Office of the Regulator-General, the government, major gas users and the gas industry are working cooperatively toward introducing choice of retailer according to the announced timetable. If the eligibility anomaly remains, industry and customer commitment to the overall retail competition project will be harmed.

All stakeholders in the project of introducing retail gas competition are supportive of the bill. It seeks to honour the announcement of the former government by providing access to the competitive retail gas market for the full set of second tranche gas customers.

I could go through the bill clause by clause, but I do not want to take away from speakers on this side who are raring to go with the juicy bits of the legislation. However, I will reflect on where the bill fits into the picture and on the fact that the debate in the house today has been uncontroversial.

From what I can detect from the speeches of opposition members in the other place, the two main questions were: why bother with an amendment that affects such a small subset of 120 second tranche customers; and why has the government taken so long to introduce the bill, which now requires a truncated parliamentary process to enable it to be passed in this sessional period? They are both minor points.

The reason we need to bother with the amendments is to add certainty to a process that we are all agreed on. In most areas we can often get by without them, but the legislation adds certainty to the industry, which is important to both sides of the chamber. The answer on the second point is that the legislative agenda has come a long way and the bill will be passed in sufficient time for second tranche customers to take advantage of it.

I turn to the issue of gas usage. The community expects a lot from the government, and in my electorate of Dandenong North many people have expressed views about gas availability. As I said, the Longford disaster occurred barely a year ago. It focused attention on gas across my electorate. Everyone seemed to know an enormous amount of technical detail about the gas industry because it was affecting people's daily lives. They had a harsh dose of reality every morning when they turned on the shower and the gas was not there to heat the water. It is not surprising that people were focused on the issue. The tragedy of Longford and the associated issues have been well and truly canvassed, and it is not appropriate to discuss them today.

I turn to the big issue of the ownership of gas industry regulation and competition. The bill dots the i's and crosses the t's. The big picture debates were all held at another time, and I will not go into them because I might take away from what other speakers might want to add.

I have had the privilege in the past year of talking to and spending a fair amount of time with three of the major stakeholders in the industry — Santos, AGL and

Esso. I have had discussions with representatives on where the industry is going, the bottlenecks and other issues. Victoria as a state got through many crises last year. We had reliable gas supplies throughout the winter, and that is a tribute to the cooperative effort of an enormous number of people — workers in the industry, the companies involved, the patience of consumers and the previous government, to which I give credit for its determination to fix the problem.

In the spirit of bipartisanship I say that it is a tribute to all concerned, but particularly to Victoria, that we managed to cope with the terrible tragedy at Longford. The gas industry, through a great amount of juggling, delivered supplies throughout winter last year.

In one sense the bill is unfortunate, because it continues to regulate an industry that in my view should never have been sold. However, that is history. Certainly it is necessary for business, and it is a good thing that there is bipartisan support. I commend the bill to the house.

Mr SPRY (Bellarine) — I am pleased to support the bill. As has been said on more than one occasion in the house in this sessional period, gas is a hot issue in Bellarine. In north Bellarine we wish that gas was perhaps even generating a little more heat right now. I am sure it will come later. The history of gas on the Bellarine Peninsula is interesting. If time permits I will detail some of it in my contribution.

The essence of the bill is expressed in the second-reading speech, which details its two principal objectives. The first purpose of the bill is to overcome inconsistencies between the announced timetable for retail gas competition and the timetable that already existed in the legislation. Secondly, the bill will enable new gas customers who meet the criteria referred to — customers that have no gas consumption history — to take advantage of the competitive environment that has been created.

The need to amend the act arises from the delays during 1998 in finalising the regulatory regime. The first and second tranches, or stages, were deferred, and they will now be finalised in accordance with a new timetable. Under the original timetable gas consumers in tranche 1 — that is, organisations that use 500 gigajoules or more — were to be enabled to take advantage of the competitive climate on 1 September 1998. Those customers have come on stream.

The second tranche, which the bill deals with in some detail, was due to come on stream on 1 September 1999. As the second-reading speech points out, those customers will now come on stream in March 2000.

The third and fourth tranches are not affected as they will come on stream in September 2000 and September 2001 respectively.

The former government initiated the changes, the reason for the bill, after conferring at length with the Victorian gas contestability steering committee, which has been mentioned by the honourable member for Benambra. He mentioned the representatives on the committee. They were the three existing Victorian gas businesses, the two non-incumbent gas businesses, Vencorp, the Office of the Regulator-General, the Australian gas users group, the Australian Industry Group and the Department of Treasury and Finance. I shall concentrate on one of those representatives — that is, the important Office of the Regulator-General.

As honourable members are aware, in the absence of a competitive environment not only in the gas industry but in other industries — that is, where there is some form of monopoly — the Office of the Regulator-General acts as a surrogate competitor. The role of the Regulator-General is vital because of his ability to insist on a competitive price structure in the delivery of services. The steering committee was and still is responsible for implementing gas contestability at consumer levels, and it supports the bill.

The second-tranche customers I mentioned earlier who are affected by the bill are those who consume more than 100 000 and fewer than 500 000 gigajoules of gas a year — that is, the customers who fall into tranche 1. The worth of the gas used ranges from about \$400 000 to \$2 million a year. That is a huge amount of energy for any organisation or business to consume, and the users include such organisations as large hotels and hospitals, food processors and similar industries.

The benefits of contestability in this energy sector are already demonstrated by the bigger first-tranche customers who consume 500 000 or more gigajoules — in other words, \$2 million or more worth of gas — being given the opportunity to shop around as of 1 October 1999. I understand 8 of the 35 customers have already taken advantage of the new arrangements and have changed suppliers. Already the benefits are beginning to bite and, as opportunities flow down to the smaller customers through the third and fourth tranches, the benefits of competition from and through privatisation will become more apparent to an increasing number of Victorians. I look forward eagerly to that date — 1 September 2001 — because then fourth-tranche customers will have the opportunity to shop around and perhaps use other than the franchisees they already use.

When the previous government was at the helm and the ALP in opposition was deriding the concept of competition through privatisation, the advantages to consumers were becoming much better. Whether it be in the power and energy sector — including gas — or even in the public transport sector, the advantages of competition policy were becoming apparent.

Mr Nardella interjected.

Mr SPRY — Regardless of the interjections from the government benches, and no matter how strident government members may be or how often the government may say it, the advantages are undeniably uncontestable. I ask the house to contrast that position with, for example, the electricity industry in New South Wales where Pacific Power is still held in public hands, no doubt for ideological purposes, or Energex in Queensland, which is in the same position. Those two organisations have lost sums amounting to billions of dollars, depending on the way the losses are calculated, through being quarantined in the protected public sector. New South Wales and Queensland taxpayers will ultimately be required to foot the bill for those losses.

The gas industry, by comparison with other traditional energy sectors throughout Australia, has a history — at least in other states — of private sector ownership. Although our previously publicly held distribution and retail gas services remained in public ownership, they, like the companies in New South Wales and Queensland, were in danger of exposure to intense private sector organisations.

Mr Nardella — Rubbish.

Mr SPRY — That is fact, despite the honourable member's interjection. He should examine the facts rather than yelling across the chamber. Then he would become aware of the situation. Victorian taxpayers could have been liable for losses similar in magnitude to those incurred by Pacific Power in New South Wales and Energex in Queensland had Victoria's gas company remained in public ownership.

I relate the bill to the situation in my electorate.

Mr McArthur interjected.

Mr SPRY — I thank the honourable member for Monbulk for his acknowledgment — it is an excellent electorate. As has been said in the past few weeks in this place, the history of gas supplies on the Bellarine Peninsula is interesting. As gas supplies, including natural gas from Gippsland, were extended throughout regions to Geelong they were gradually supplied to

Ocean Grove and to large consumers at, for example, Leopold. Queenscliff, at the end of the line, was already in a unique position through having had its own coal-burning gas generation facility. Queenscliff had a totally independent gas industry. It already had a network of distribution pipelines and it was a simple task to extend gas supplies to Queenscliff.

But it was a different story when gas was to be supplied to the Clifton Springs and Drysdale areas. Members of the government who were aware of the situation at the time may remember that gas supplies were extended to those two towns through a controversial decision just before, I think, the 1985 election when the Labor Party was desperately trying to hold on to the local seat. It succeeded.

Now the same sort of behaviour has been repeated in the north Bellarine area when, prior to the election, an announcement was made that gas supplies would be extended to that area. If as the member for Bellarine I precipitated that decision through competition in some way or other I would be delighted, because I have been working on the issue since 1993.

The announcement was finally made and reinforced in the house a couple of times by the responsible minister, and again today during question time, that that area of the Bellarine Peninsula would receive natural gas supplies. I was the most pleased person in this place to hear that that decision had been taken.

The question of access by third parties, and therefore contestability into that area of north Bellarine, exercises my mind and, no doubt, after gas supplies arrive there that same question will exercise the minds of consumers. I have been discussing the issue with officers from the Office of the Regulator-General to try to get a handle on how that will happen; I am grateful for their explanations.

It is clear that although the distribution pipeline will be subsidised by the government through the new Regional Infrastructure Development Fund, the model already established in such places as Mildura in relation to contestability for the retailing of gas will take effect in due course in the north Bellarine area.

If the model is adopted, I have no doubt that the residents of north Bellarine will have the advantage of contestability after 1 September 2001. I shall continue to press the issue with the government, and will be delighted to see it come to fruition.

Providing for contestability is a complex issue that has continued throughout the process of transferring gas from public to private ownership. The ultimate benefits

to consumers are undeniable. The passage of the bill will achieve the ultimate goal for Victorians, a goal the former Kennett coalition government initiated. It will lead to more competitive prices and better service for the industry. I commend the bill to the house.

Mr NARDELLA (Melton) — I support the Gas Industry (Amendment) Bill, which is part of the legislative framework arising from the Kennett government's privatisation of the gas distribution network of the former Gas and Fuel Corporation. That government split the retail and distribution arms and put in place a regulatory system with the Office of the Regulator-General overseeing the privatisation process in the interests of Victorian consumers.

It is unfortunate that such legislation must be introduced. When in opposition the Labor Party strenuously opposed the breaking up of the former Gas and Fuel Corporation. It was a profitable organisation owned by every Victorian. When extensions to the system were introduced they were paid for by every Victorian within that network.

As the honourable member for Bellarine said, the legislation allows for the second tranche of customers, be they existing or new customers, to benefit from contestability. The honourable member for Bellarine forgot that any extension of the network into country Victoria will require an up-front subsidy from the state government and the Regional Infrastructure Development Fund. Honourable members opposite tend to forget good-news stories.

The subsidy will come from the state government, either for customers in the 100 000-gigajoule category and above or individual households that may want gas. Unless the private sector receives the subsidy and there is a profit in it, the gas network will not be extended into country areas or areas such as Rockbank. Rockbank in my electorate does not have sufficient customers or the potential to reach the 100 000 gigajoule usage that would attract a distribution pipeline.

Discussions have taken place between the Melton Shire Council and distributors, but the private sector does not wish to provide infrastructure where there is no profit up-front or likely in future. That is a problem not only in the Bellarine Peninsula but in my electorate. It is 35 to 40 kilometres from the city with no gas supply because privatisation will not allow it. It should have been provided by past governments, not only the former Kennett government but the previous Labor government.

The legislation is part of the second tranche. Many of the hospitals and hotels that come within the ambit understand that it will cost about \$400 000 before companies will benefit from contestability and the procurement of contracts through the retail network. Although that means benefits will flow to some of the major customers who use the gas network it does not take into account the fact that the family farm was sold. The Labor Party strenuously opposed the selling of a major asset that was returning good dividends to the Victorian government. That is why I continue to oppose such measures. The honourable member for Bellarine did not achieve reticulation for the rest of the Bellarine Peninsula during the term of the coalition. The government is concerned about how the existing legislation will benefit consumers who are still paying about \$50 for bottled gas because there is no reticulated system. The private operators will not provide gas if there is no profit in it. On that basis, I support the bill.

Mr WELLS (Wantirna) — It gives me pleasure to join the debate on the Gas Industry (Amendment) Bill. I acknowledge the points made by the honourable members for Dandenong North, Melton, Bellarine and Benambra. The purpose of the bill is to amend section 6B of the Gas Industry Act 1994, which contains a definition of ‘non-franchised customers’. The earlier definition embodied the proposed timetable for gas deregulation and contestability in Victoria in December 1997 when section 6B was enacted.

The section reflects a method of determining contestability, by reference to consumption in the 12 months immediately preceding a given contestability date. A framework is set out. The problem was that the time frame was too tight and unrealistic. On 27 November 1998 the previous government announced a revised timetable for retail contestability for gas users, which is the purpose of the bill. The users of 100 000 gigajoules of gas will be able to join the contestable market by 1 March 2000.

The agreement of the opposition was required for the bill to be passed this session. If not for that agreement — the opposition insisted the normal two-week procedure be followed — the bill would not have been passed this session and consequently would not have been passed until the start of the autumn session next year. That would have made it difficult for a number of industries to negotiate new contracts with gas companies for the supply of gas.

As the honourable member for Benambra mentioned, a number of industries will benefit enormously from the new legislation. Companies that need 100 000 gigajoules of gas a year include very large hospitals and

food processing companies. Such industries are important in developing industry in rural areas. In the Goulburn Valley big food processing companies rely extensively on a reliable supply of gas in order to remain productive and competitive in the world market. It is important that gas be supplied at a cheaper rate so export potential can be boosted, which obviously leads to further investment and greater growth.

Most people would remember the Longford gas crisis; everyone in Victoria was affected by it. I supported the previous government’s view that industry in Victoria needed to be kept going, even if many domestic customers were disadvantaged by that. Keeping industry moving in Victoria enabled jobs and investment to be maintained and ensured the supply of food and other products to overseas customers was maintained.

The Auditor-General’s investigation, reported in *Victorian Government’s Finances 1998–99*, revealed that after the Longford gas problem arose a number of steps were taken. Gascor incurred expenditure of around \$51 million associated with the upgrade of the New South Wales interconnect pipeline, the completion of the south-west pipeline, the installation of certain additional equipment and the performance of certain new gas supply contracts. If another problem like the Longford situation arose a connection to New South Wales gas supplies could keep Victorian industries and emergency services going. However, no-one would wish that situation on anyone again. Conversely but equally importantly, Victoria has a reasonable gas supply that could be used to supply New South Wales.

The Auditor-General also pointed out that in November 1998 the state entered into a number of agreements for the sale and development of an underground gas storage facility in the Port Campbell area at a total price of \$58.5 million, comprising \$31.6 million for the storage facility and \$26.9 million for the rights to the Iona reservoir gas reserves.

The result achieved by the state for the sale of the Ecogen Energy business, which included the Newport and Jerralang gas-fired power stations, was around \$100 million higher than the most optimistic valuation placed on the business by advisers.

The honourable member for Melton raised concerns about the privatisation of gas and mentioned that gas companies were achieving good dividends. A huge debt needs to be serviced — in other words, interest must be paid. In terms of the state’s finances, retiring that debt through the sale of gas companies results in a better net cash flow than that which could be achieved from the

dividends paid by gas companies. That is an important point, as a better cash flow allows more operating revenue to be spent on hospitals, health and other vital services.

It is important that the private sector be involved in service provision as that will enable additional investment to be put in place and more money to be spent. The private sector can provide additional capital and more focused marketing ideas that will lead to a more efficient supply of gas because it is in the business of making a profit and responding to shareholders. In return, the customer demands a high level of service. Introducing competition between gas companies will ensure a reliable supply of gas.

The bill will provide greater benefits to Victorian industry by opening the contestable market. I wish the bill speedy passage through the house.

Mr LANGDON (Ivanhoe) — A few more members would like to speak on the bill, so I will not speak for a long time. I advise the house that my gas hot water service has never been the same since the Longford crisis. When the pilot light for the hot water system has gone out the night before and I face a cold shower in the morning, I vividly recall the cold showers of September last year, and on occasions still have them!

The timetable for retail gas competition was announced by the former government in November 1998 and provided for in the legislation, which amends the Gas Industry Act 1994. As mentioned to the house, retail competition is scheduled to be introduced in four stages, with the first stage being introduced in October 1999.

The bill addresses an inconsistency relating to the second tranche of gas customers, who will have a choice of retailers from March 2000. There is no problem with the third and fourth tranches scheduled for September 2000 and September 2001 respectively.

The bill enables all second-tranche customers — those whose consumption is greater than 100 000 gigajoules, equal in value to at least \$4000 per annum in gas costs — a choice of gas retailers. The basis of privatisation is to allow people greater flexibility in buying products and hence, theoretically, cheaper prices for that product.

A previous speaker mentioned the great benefits of privatisation. I interjected, saying that I am yet to see them. Many members hold their own judgment of privatisation. What is good in theory is sometimes yet to be seen in practice. Allowing gas customers to purchase from the retailer of their choice to suit their

purposes and needs is the primary purpose of the changed arrangement in the gas industry. If the legislation is not passed, some customers eligible to choose a supplier from March 2000 may miss out. Clearly the bill is required to arrange things the way they should be. A failure to pass the bill would cause customers who would otherwise fall into the second tranche a great deal of heartache and difficulty, and that is why the bill should be passed through both houses this session.

Opposition members have commented that it has taken some time for the bill to come before the house. It should be noted that, while it was mentioned in November 1998 by the previous government, an autumn session, an election and a government in caretaker mode have followed. The government is only now into its 50th-odd day — I think it will be 57 days by the end of this week. It has acted with a great deal of haste in putting this amending legislation through the house. Clearly, it will now be passed in the spring session, as it should be.

That is what it was designed to do, even though somewhat later than some people wanted. The government has recently had a heavy work schedule meeting all its promises and commitments within 100 days. I commend the bill to the house and look forward to its passage.

Mr MULDER (Polwarth) — It is with pleasure that I take this opportunity to contribute to debate on the Gas Industry (Amendment) Bill.

The bill provides that the government will monitor the progress of the gas industry and the supply of gas to all Victorians and further supports the previous government's stance on energy reform. It also supports the previous government's stance on contestability for the energy industries and the flow-on benefits to Victorians that result from its proactive energy reform policies and measures.

It is now history that this amending legislation was necessary because the Longford disaster affected the announced timetable for the delivery of retail competition to the gas industry.

Victorian residents and industries expect energy to be distributed in a contestable manner that will ensure best value for money and a competitive marketplace. Contestability will encourage business and industry and will enhance development in rural and regional Victoria. The opposition will closely monitor the effects of the legislation on rural and regional Victoria.

In the energy industry monopolies of any sort produce inefficient services that are overpriced and laden with interruptions and malfunctions. Most honourable members know that in many other states gas is handled by the private sector. For the government of Victoria to remain as a supplier of gas would eventually have placed the state's gas industry in an uncompetitive situation against suppliers from other states, who would eventually have pushed for access to our markets.

Contestability brings true accountability to the marketplace and longstanding benefits to all Victorians. A contestable industry should be high on the government's agenda because of the positive benefits it can deliver. The previous government spearheaded the contestability initiative when it disposed of the gas industry. The initiatives outlined in the bill reflect the benefits made possible by the previous government. Any service provider, no matter what area of service is being provided, performs at its best when there is contestability, resulting in better outcomes for the end users. The legislation will allow some customers who do not have a gas consumption history to have access to cheaper gas.

Competition in the gas supply industry, initiated by the previous government, encourages the industry to explore further possibilities for the extension of pipelines to further areas of regional and rural Victoria. In my city we run on tempered liquefied gas, but a spur has now been constructed on the gas main passing through the district and contracts are in place to connect natural gas to the city by June 2001. I am sure the citizens of the city will welcome natural gas and enjoy the fact that the industry is contestable.

In country Victoria gas consumers are currently being hit hard by liquefied petroleum gas prices, which have doubled in the past 12 months. The government must support country Victoria in this matter.

No-one can access gas unless there is a pipeline. I therefore ask the government not to stop with this amending legislation, but to continue with reform of the gas industry until it is able to deliver gas to all Victorians. I commend the bill to the house.

Mr KILGOUR (Shepparton) — It gives me great pleasure to rise in support of the Gas Industry (Amendment) Bill, which is designed to address the uncertainty in the previously announced gas retail contestability timetable and enable necessary preparatory work by industry stakeholders to continue.

Mr Acting Speaker, I am pleased to see you in the chair while I speak on this bill. Among country Victorians

you are one person who knows full well what can be done through the introduction of natural gas to industries and homes in a country electorate, and I know you have been strongly in support of the proposal to introduce natural gas to the Murray Valley.

I am lucky to be in an electorate where natural gas has been part of the scene since the 1970s, from which time we have progressively converted our households and industries and seen some remarkable performances, particularly by local industries. They have reduced their energy costs and improved exports of products made and processed in the Goulburn Valley.

Not until an enormous disaster such Longford do we fully realise how much we depend on gas as a reliable energy source. I know the disaster affected many people; but there were some very serious situations to deal with in my electorate when the gas ceased to flow, not least being the situation in the dairy industry. Tatura Milk Industries, a magnificent dairy product factory and processing plant in my electorate, was completely reliant on gas to run its boilers. It had to find another fuel source within three or four days, and the cost was enormous. The factory will be paying for that for a number of years. When the gas came back on, however, it was immediately able to switch back to natural gas.

Private members of the community also became acutely aware of how reliant their households were on gas; they used it for cooking, for hot water, for heating and so on. My youngest daughter had her 21st birthday celebrations on the weekend of the disaster, and we had planned to have a barbecue using our new, natural-gas barbecue. It was going to be used for the first time. In the event, however, I had to go out and borrow an old bottled-gas barbecue from my local service club.

After the Longford disaster everyone understood the many uses of natural gas and how much we rely on it. Industries in my electorate such as SPC and Ardmona need natural gas to fire up their boilers, run their plants, process the peaches, pears, apricots and tomatoes and make those magnificent products that are exported to some 90 countries around the world and ensure that the Goulburn Valley is the food bowl of Victoria. Campbell's Soups at Lemnos is another factory that relies heavily on gas. It makes a magnificent range of soups. I was at the plant the other day to look at the manufacture of Kettle chips. The factory is now able to cook those chips because of the availability of natural gas.

Local dairy industry companies such as Ducats Milk and Dairy Farmers, which produce what is called local market milk and other products that are distributed

around Australia, are heavily reliant on gas. Tatura Milk is also heavily reliant on gas. Furphys foundry, which is well known in Shepparton, as it has been around for 130 years, uses natural gas in its day-to-day operations. Goulburn Valley Health also uses natural gas. Gas is certainly an important part of today's lifestyle.

Contestability in the gas market comes to the fore for big users. Nowhere is the need for contestability more evident than in the liquefied petroleum gas market. People have complained to me for some time about the cost of LP gas for motor cars. I have received complaints about the cost of LP gas from people in Numurkah, which is in your electorate, Mr Acting Speaker.

When I contacted the supplier of LP gas I was advised that the company sets the price according to what it believes it can get. The supplier in Bendigo believes that because no-one else is in the marketplace it can charge country consumers — in fact it rips off country consumers — higher prices than Melbourne consumers. The price of LP gas is something like 20 cents a litre lower in Melbourne than in places such as Numurkah. Contestability in that market would help the consumers of country Victoria, and we will see more contestability in the gas market as a result of the passage of the bill.

The bill addresses some housekeeping issues in the gas industry, and will be of value for all Victorians. I will be happy to see the bill passed and the continuation of contestability in the gas market throughout country Victoria. I commend the bill to the house.

Mr STENSHOLT (Burwood) — I support the Gas Industry (Amendment) Bill. It is a technical bill that fixes a minor deficiency. It refers to the second stage of customer choice under the privatisation contestability regime.

The bill deals with consumers wishing to purchase not less than 100 000 gigajoules of gas a year. The bill is a good example of the openness and willingness of the government to fix anomalies. Openness and accountability is a hallmark of the government, and that is what the electors of Burwood voted for in spades last Saturday.

The bill is intended to address the uncertainty in the gas industry about the previously announced gas retail contestability timetable. It covers a few potential or existing customers and is a good step toward reversing the uncertainty in the industry. My constituents in Burwood would be more than happy to remove any uncertainty, just as they did last Saturday — they

certainly voted to remove uncertainty in Parliament and government. They gave a ringing endorsement to the Bracks Labor government.

As other speakers have said, gas is a critical service for all Victorians. It is of concern to the people of Burwood, many of whom are older people — Burwood has a higher than average proportion of elderly citizens. A demographic shift has occurred in Burwood over the past few years and many young families are now making it their home. That trend is continuing, which means more mothers and children in the area will be relying on the supply of gas for hot water, heating and cooking.

Many people have been worried about the changes to the supply of gas, particularly during the Longford disaster last year. They have also been worried about the changes as a result of privatisation. The government did not support those changes, but it is happy to remove the anomalies and uncertainties. I commend the bill to the house.

Mr MAUGHAN (Rodney) — I will speak briefly on the Gas Industry (Amendment) Bill. It is a small bill that addresses some housekeeping issues in the gas industry. As previous speakers have explained, the bill tidies up a couple of anomalies that are the result of the Longford gas explosion. However, I do not want to deal with that, I wish to speak in general terms — —

The ACTING SPEAKER (Mr Jasper) — Order! I trust the honourable member will refer his comments to the bill before the house.

Mr MAUGHAN — I certainly will, Mr Acting Speaker. The bill is about gas industry reform, so I will address my remarks to that. I thank you for your advice.

I will set the scene of gas reform by speaking about what the previous government did to reform the electricity and gas industries. The benefits of electricity reform are clear. The reforms divided the generators from the distributors and introduced a contestable market. Victoria now has a competitive, contestable market that carries on the reforms initiated by the previous government.

I commend this government for continuing with those important reforms. The benefits will flow on not only to household consumers but, more importantly, to the major industries such as the food processors that Victoria, particularly country Victoria, relies on.

It is now happening with gas. It is critical that gas and electricity supplies are reticulated to rural areas at prices that are competitive across the state. Gas industry

reform enables gas to be reticulated to the most remote parts of the state.

As the honourable member for Murray Valley you, Mr Acting Speaker, were heavily involved in gas being extended to the Murray Valley area. One of the first things I was able to do when I was elected to Parliament was to have the gas line extended to Tongala and Echuca. I can talk of the benefits that has brought to those two towns and the food processing industries of Nestlé, Bonlac, Murray Goulburn Cooperative in Rochester and Cedenco Foods in Echuca, which probably would not have been established there if gas had not been laid on. Gas generates industry and creates wealth and jobs, and is therefore most important.

The honourable member for Shepparton spoke of the importance of the supply of gas to the food industry. A large portion of the Goulburn Valley is in the electorate of Rodney. I remind the house that the very important food processing plants of Bonlac, Murray Goulburn Cooperative, Heinz, Nestlé, Henry Jones (IXL), Simplot and Cedenco Foods are all in the Shire of Campaspe and the electorate of Rodney.

As you were involved in the negotiations, Mr Acting Speaker, you will be well aware that the Central Murray Regional Development Corporation negotiated with the then Gas and Fuel Corporation to supply gas to a number of towns in the Murray Valley and southern New South Wales, and the corporation agreed to supply gas to 19 towns, including Nathalia, a town in my electorate. The switch-on commenced in 1996. The very first town to be reticulated was Howlong in New South Wales and since then connection of the gas supply has moved down the river to Yarrawonga, Cobram, Numurkah and a whole range of towns in the Murray Valley electorate.

Since that arrangement was entered into, which meant a common tariff in all those towns, including Deniliquin and Mathoura in New South Wales, the federal government has enacted legislation that has done two things: firstly, it has raised the cost of distributing gas from Longford to, in this case, Numurkah by adding incremental charges as the gas moves along the pipeline — from memory, it has increased the cost by \$1.30 a gigajoule; and secondly and more importantly national competition policy has required, in this case, Boral or its subsidiary Envestra to ensure that every section of the project meets an economic feasibility test. At the moment Nathalia, Deniliquin and Mathoura do not stack up.

My concern is for those towns that rightly believed they were part of the original deal to provide gas to them and all the towns in the area at a common price but who now find the rules have changed and they have been left out. The government should make up the difference. It talks about helping country Victoria — I believe it is sincere in that, and I welcome those initiatives. Assurances were given specifically to Nathalia, and it will be seeking additional funding from the Victorian government to ensure that the pipeline is extended to Nathalia as originally planned.

As I said, it is a minor piece of housekeeping legislation. I support the bill and commend it to the house.

Ms CAMPBELL (Minister for Community Services) — The few points I raise on the bill concern the importance of providing benefits to all gas consumers. In particular I refer to the community service obligations that gas suppliers are obliged to provide.

About 14 000 Victorians are disconnected from their gas supply each year. A recent report from the Office of the Regulator-General states that there are approximately 1.4 million domestic retail gas customers, of whom 36 per cent receive concessions. The energy industry ombudsman, Ms Fiona McLeod, has expressed concern about the number of gas disconnections and the apparent use of disconnections as a tool of first rather than last resort in the industry's approach to credit management.

The gas company credit management practices that affect low-income households must be a matter of high priority for the industry. In my department the concession unit has worked closely with the gas industry to improve its credit management and debt recovery practices with the focus on early identification of debt problems and the provision of timely information about payment options and the utility relief grant scheme (URGS).

The ACTING SPEAKER (Mr Jasper) — Order! I will allow the minister to continue but I remind her that I would like her to relate some of the comments she is making back to the bill before the house. Some flexibility has been provided to previous speakers so the flexibility will continue, but I would like her to make some reference to the bill.

Ms CAMPBELL — I am delighted to do that. I will tie it directly to the bill. Many concession card holders will find that in time, with the wonderful life opportunities provided by the Bracks Labor

government, their economic circumstances will improve dramatically. Before long — one never knows — they will become contestable customers. It is therefore extremely important that the goodwill the energy industry has with its customers is maintained. I am sure you, Mr Acting Speaker, would endorse those comments.

I particularly wish to highlight the fact that my department's concessions unit has worked closely with the gas industry to improve its credit management and debt recovery practices. Those expectations have been incorporated into the community service obligations contracts entered into with the gas retailers. One impact of that work is the growth in the utilisation of the URGS by the gas industry. It appears from time to time that basic customer service standards are not adhered to and customers are not provided with the opportunities to enter into payment plans or have access to utility relief grants, with disconnection the result. As I said, it is very important for the gas industry to remember that customers who currently use such grants could in time become far more expansive users of gas and may therefore have a feeling of goodwill towards their supplier. I encourage the gas industry to ensure that the benefits of privatisation are extended to all Victorian citizens.

The ACTING SPEAKER (Mr Jasper) — Order! There is no requirement for the minister to close the debate, but if she wished to close it she could make some comments.

Ms CAMPBELL — There is no closing speaker.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

RAIL CORPORATIONS AND TRANSPORT ACTS (MISCELLANEOUS AMENDMENTS) BILL

Second reading

Debate resumed from 8 December; motion of Mr BATCHELOR (Minister for Transport).

Mr LEIGH (Mordialloc) — It is somewhat ironic that with the Labor Party now in government the bill has been introduced by the Minister for Transport, the honourable member for Thomastown. The bill effectively winds up the franchise arrangements entered

into that provided for the establishment of the various train and tram companies and other organisations.

Having researched the bill, I was interested to discover the role the Labor Party and its Minister for Transport played. Listening to the minister give his second-reading speech the other night I thought I was hearing the honourable member for Mornington. Had the Kennett government been re-elected the bill would have been read by the honourable member for Mornington. The bill winds up what honourable members on the other side call privatisation but what I call franchising arrangements for Victorian rail and tram networks.

During the lead-up, the Labor Party, as I will show in the next few minutes, ran a reasonable scare campaign around the state about various aspects of the franchising arrangements. Interestingly enough, in November 1996 the current minister said, as recorded at page 1382 of *Hansard*, that the opposition did not oppose the bill. He did not oppose the bill, yet when one reads his speech one realises that he knew it would lead to private companies being involved in Victoria's public transport system, freight hauling operations, Victrack and the like.

The bill repeals the statutory corporations of Met Train 1, which is Bayside Trains; Met Train 2, which is Hillside Trains; Met Tram 1, which is Swanston Trams; and Met Tram 2, which is Yarra Trams. A number of provisions also repeal the section that establishes V/Line Passenger Corporation as a statutory corporation.

The bill also transfers the powers of enforcement across to the Department of Infrastructure, so the policing powers of the public transport system in particular are still in operation and still controlled by the government, which was always going to be the case.

The Labor Party has made many irresponsible, irrational, erratic and silly statements. Earlier today in the grievance debate the Minister for Manufacturing Industry said the Kennett government sold Victoria out because all the trains will be built overseas and it will be difficult to get trains built in Victoria. That is not true. Unfortunately some people have wax in their ears and it is necessary to repeat things a few times.

Labor members should understand that they are supporting the Kennett government's arrangements for privatisation of the public transport system. The government is agreeing to the final arrangements. On 28 May the honourable member for Thomastown said:

The Australian Labor Party has expressed its opposition to the break-up and fragmentation of the public transport system and its subsequent privatisation.

The bill —

the forefather to the bill before the house —

will set in place the last mechanisms to tear our public transport asunder by introducing a set of institutional arrangements under private ownership that are even more fragmented than was originally anticipated.

Who was scuttling out to the Box Hill tramline the other day? The Minister for Transport and the Premier. Just 40 days in power and already they had announced new tramlines to Box Hill! They scuttled out to claim the credit, but unfortunately for them even the media did not fall for it because they got almost zero press coverage. It was a bit hard to believe that in 40 days the new government could achieve so much.

The honourable member for Thomastown further stated:

The government has decided not only to privatise public transport but also to set up arrangements that will work against the future interests of public transport. The government has put forward a bizarre concept driven by ideological arguments coming from the Department of Treasury and Finance, and not one driven by transport needs with arguments coming from the Department of Infrastructure ...

In a clause-by-clause examination of the bill we find that it allows each corporate entity that will make up a bidding consortium to be declared a train or tram operator. That provision typifies the ultimate break-up and fragmentation of our public transport service ... The institutional set of arrangements being put in place today are almost the same as those that operated in Britain for the privatisation of its public transport service.

I am not suggesting the government should break the contract, but today we see enthusiastic support from the Labor Party for the new arrangements for the public transport system.

The point I make in the debate and will continue to make is that the Labor Party in opposition said one thing because it thought it was a good idea and it sounded good to people. As the Parliamentary Secretary to the Cabinet in the upper house recently said in his inaugural speech, 'What you say in opposition and what you do in government are two totally different things. They do not have to bear any relationship to each other'.

On 28 May the honourable member for Thomastown further stated:

Instead of going from an integrated, coordinated public transport network of trams and trains with single

ownership — owned by the people and to serve the people — to a private company setting with the train network run by two train companies and the tram network run by two tram companies, franchised corporate identities being the only ones with special transport privileges, the government is going one level below that. Individual companies and entities that put up bids will have those privileges bestowed upon them. That is exactly the same as the model used in Britain ...

The government has finally succumbed to putting in place the institutional arrangements that will allow the misappropriation of public wealth to take place. The opposition believes that proposal is totally unacceptable and ought to be rejected. People have seen in glorious detail what was done in Britain. Many of the companies to which the government will give our public transport system away will be overseas companies that would be familiar with what happened in Britain and with the huge profits made. A rolling stock leasing company bought from the government in November 1995 for around \$528 million was sold in February 1997 for \$826 million — huge profits! That is just one component of what is being set up here.

That is the sort of drivel thrown around by government members when in opposition. Unfortunately for the Labor Party we have a new world, and we can be open and honest and change our view about everything and not worry about it. There is another agenda operating in the Labor Party, to which I think the train and tram companies should give serious thought.

The honourable member went on:

Further, those changes will go to the other secret agenda of the government, which is to systematically and deliberately undermine the multimodal nature of the ticketing system. Through changes effected previously, the government will now facilitate and allow private companies to issue their own tickets.

What are transport companies doing? They are all using the system because they think it is a good idea to do so. A couple of very good questions can be asked: what has happened to the orchestrated vandalism of the public ticketing system prior to the election? Is it still going on? The answer is, 'No, it is not'. It stopped immediately after the election.

I make no allegation about the matter, but the minister often appeared during a Labor Party television commercial on the news late at night. The Minister for Transport would often turn up about 5 minutes after a machine had been vandalised, so he had good intuition about which machine was going to be vandalised. He would rock up with the cameras to talk about the situation.

The tram issue is interesting. Recently I asked representatives from the system, including the department head, Mr Taylor, whether the system was making more or less money without the conductors, and they told me a funny thing. They said they were

collecting more money than when the conductors were around. I find that incredible!

In the old days the tram conductors only got interested in what was happening when they were under threat. The Bracks government has promised to introduce 100 new conductors. I can tell honourable members that companies will be saying to the government, 'Fine, we are happy to have the conductors but, look fellas, you will have to pay for it, not us'. Government members must realise that if they think just because Labor Party policy said there would be 100 tram conductors — —

An honourable member interjected.

Mr LEIGH — That is right, the unions said it.

The minister continued his remarks about the ticketing system:

The provisions ... will result in the multimodal nature of the ticketing system ... being sabotaged.

It has not been sabotaged. All the companies want the system to continue because they see it as in their interests for it to do so.

On 28 May the minister, then the shadow minister, further said:

Clause 34 allows private tram and train companies to operate their own lost property systems. It also provides exemptions from the Environment Protection Act and the Local Government Act.

The minister is unhappy about that. Now that he is a minister he thinks everything is hunky-dory and he need not worry any more. He can go out to Box Hill or, even better, he can go to Hillside Trains, as he did the other day, and announce that new services will be created. That has nothing to do with the government, yet those train and tram companies were established. Government members should understand they are now regarded as keen supporters of the private tram and train operators in Victoria.

Mr Lenders interjected.

Mr LEIGH — You support the franchises and will vote that way. In a press statement dated 17 April the honourable member for Thomastown, now the Minister for Transport, said:

... privatisation would destroy Victoria's integrated public transport system.

A public transport system needs to be fully integrated, coordinated and have a uniform ticket system that can be used on trams, trains and buses.

The government is taking a good public transport system and breaking it up into separate parts which will be sold off to different owners.

Having different train, tram and bus companies will lead to confusion and uncertainty for passengers. It will be harder to coordinate services and could result in a loss of patronage.

Mr Lenders interjected.

Mr LEIGH — If you ever bother to read the contract you will find it says that unless the companies get more people on the trains, they will not make money. The objective was to have a company such as Bayside Trains get to the point of saying, 'A whole lot of people daily travel by car, one per vehicle, down the Nepean Highway to the city. If we have a safe, good-quality safe train system to carry people to and from the city each day, they may say, "It could be a good idea to use the train and not become impatient on the roads, to save time through travelling by train"'. As I understand it, the system has not collapsed — it still seems to be operating!

The minister said new services are available under the new organisations, yet the next day he could not help himself because in another press release he said:

The Kennett government's decision to privatise our public transport system will lead to higher prices and less frequent service.

A privately operated system will be less likely to cater for the needs of the elderly, the young, off-peak travellers and the geographically isolated as profits are put before passenger services.

The break-up of the public transport system in eight different train, tram and bus companies will simply lead to confusion and uncertainty for passenger and freight customers.

It doesn't make sense that Victorians will still be required to pay millions of dollars in subsidies for the transport system but they will no longer own it.

I went through the library and found a mountain of stuff. I picked out the best and the silliest.

Mr Lenders — What about the bill?

Mr LEIGH — I know what the bill says and what is required, according to the second-reading speech.

On 19 August 1997, under the heading 'Government commits transport vandalism' the honourable member's press release states:

... the government's privatisation of the transport system would lead to a fragmentation of services and a lack of coordination between the different train, tram and bus companies.

He went on and on with his drivel. Then the opposition found a buddy to conduct a study to show why the system would not work. The principal consultant of Andrew Sykes Consulting, John Andrews, did the job; I hope he was a member of the faction of the honourable member for Dandenong North! The study showed that the Kennett government's transport model was flawed. On 25 August 1997 the then honourable member for Thomastown released a press statement which states, in part:

In Singapore and Hong Kong where a single organisation runs the entire metro rail service under close scrutiny by the government, there is no partitioning of the metropolitan system ... It cannot work.

Then I started to look at what would be done in the country. Under the franchising arrangements private citizens in the country would be worse off. On 13 January 1998 — the silly season — the honourable member issued a press statement about the Ballarat train service. It states that an internal memo shows that the reduction of speed restrictions and lack of maintenance on the bridge could lead to a disaster on the country rail system and that:

The government is treating country rail passengers as second-class citizens by trying to avoid fixing safety problems.

It is all everybody else's fault!

Then he turned to deal with V/Line. I thought it would be a good idea to talk to the people who will be affected by the bill. I do not need to have the minister's permission to consult a private contractor.

Mr Lenders interjected.

Mr LEIGH — No, I don't get free trips. I am here to make sure you are not here for long.

I spoke to representatives of Bayside and Hillside trains, V/Line and the tram companies, and V/Line passenger services. They told me some interesting facts. Victorians may be interested to know that the new \$25 million Ballarat fast-train service that was promised during the election campaign has suddenly become the subject of a feasibility study. We are talking not only about the Ballarat line, because if you add some noughts to a couple of million dollars — and that's only for Ballarat — the \$20 million becomes a trickle.

Mr Lenders interjected.

Mr LEIGH — I don't. Members of the Labor Party are saying one thing at one time and another thing at

another time to suit them. They are a bunch of frauds who have misled the public.

Mr Holding interjected.

The ACTING SPEAKER (Mr Jasper) — Order! The honourable member for Springvale has just entered the chamber and is being disruptive with his interjections.

Mr LEIGH — Goebbels, the Nazi propagandist, used to say, 'Say it enough times and they will believe it'. The Labor Party trumpets that line. A former Prime Minister, Bob Hawke, used to say, 'If you can't govern yourself you can't govern the country'. Although the warring factions in this place may have united temporarily, they do not like each other. They do not support country residents. The honourable member for Springvale and others belong to warring factions and now face a different set of circumstances because the party has had a few provincial members elected. Before the election the Labor Party had only the honourable member for Morwell. It made him the Minister for Agriculture because he was the only Labor country member.

On 7 August 1998 the honourable member for Thomastown, in a press release headed 'V/Line Freight sell-off the beginning of the end for country rail services', said:

Country Victorians have nothing to gain from the break-up and sale of our country rail services.

We have already witnessed the contempt the Kennett government has for the public transport needs of people in rural and regional Victoria with the closure of five country railway lines in 1993.

I am glad the Minister for State and Regional Development is in the house because I can suggest to him a project — —

Mr Brumby interjected.

Mr LEIGH — You say you've got the country running! You could spend \$4 million for a bridge on the Wangaratta rail line and you could open it up for passengers. You could then restore the service. I will give you that idea for free, Minister. You said you would do it but now you're in government, things change.

An opposition media statement of 9 September 1998 states:

Kennett's transport reforms go off the rails

Mr Batchelor said the 300 customer service officers on the transport system should be redeployed to assist in selling tickets, provide travel information and improve safety.

The opposition expects people to buy a ticket when they travel on public transport but the system has to be user friendly to give people every opportunity to purchase tickets.

Each morning during the federal and state election campaigns, I did not witness people having problems buying their tickets at the station. Whenever machines ran out of money attendants ensured that change was available for people to continue using the machines. I stood at every one of the railway stations in my electorate and nobody complained.

The Labor Party said the tram system would not work, yet the department said the system is now making more money than when conductors were employed. I can only believe what departmental officials tell me. The opposition's 1999 state budget press release on transport states:

'The state budget reveals that the privatisation of public transport will cost taxpayers more money without an increase in patronage', the state opposition said today.

This is a \$9 million waste of taxpayers' money. The Kennett government is hell-bent on privatisation regardless of the costs and regardless of the benefits.

It is now clear that the privatisation of trams and trains is going to cost us more. If it is cheaper to keep them in public ownership why flog off our trams and trains?

Mr Kennett's transport privatisation is obviously based on voodoo economics — they will sell our trains and trams and it will cost us more.

It will not cost more. The department says, 'Minister, we understand that when in opposition you have one view but in government you have a different view'. It is what they call open government, but it is a little different from my perspective.

Bayside Trains will introduce 62 new trains worth \$400 million and spend \$70 million on fleet refurbishment. Swanston Trams will spend \$175 million on 59 low-floor trams, but will not have conductors. V/Line Passenger will build 58 high-speed Sprinter trains worth \$158 million and provide 135 extra rail services. Hillside trains will spend \$350 million on new rolling stock and probably another \$50 million on refurbishing existing trains. Some 29 new six-carriage trains will be built. Most of Hillside trains will probably be built at Ballarat and the components for Bayside Trains will be sourced in Victoria. However, the train structures will be built overseas.

The same cannot be said for the trams. The establishment costs associated with building a handful of trams in Australia would be too high. Tram components will be made here but the trams themselves will be built overseas.

The Labor Party makes a big deal about the fact that the trams will not be built here. However, the Holden motor corporation sells engines to Germany for its Opel cars. It also sells entire cars to Saudi Arabia. That shows many different arrangements are entered into.

Mr Holding interjected.

Mr LEIGH — Senator Robert Ray's chihuahua, the honourable member for Springvale, said we forgot to put it in the contract. It makes good business sense that significant components of the trains and trams are made in Australia. I shall give the new members the telephone numbers of the companies that wish to participate. It is important to remember that train and tram construction is costly, but those companies wish to play a part. The Labor Party is ideologically opposed to everything the companies are doing.

I spoke with a union representative who said the unions intend to ensure that the tram and train companies fail so that the state government will take them back. They want the Jim Kennan — the self-appointed QC — model. When he was minister all the trams were banked up in Bourke Street because the government could not get people to work on them. It is no surprise that the unions behaved that way when one looks at the way the former Labor government treated them.

There are many stories about how the Minister for Transport said that everything was being flogged off. During the election campaign the current Minister for Transport said people would have to pay to park their cars at railway stations. When I was at a departmental briefing I asked, 'Are any arrangements put in place to charge people for parking at railway stations?'. They said, 'No, it will not happen'.

Mr Holding — You don't know what you're talking about.

Mr LEIGH — The honourable member says that I do not know what I am talking about. At the briefing Mr John Taylor and other departmental officers who run the system informed me of that situation. I believe what they say, not what the honourable member for Springvale says. On 15 September the *Age* reported:

Labor's transport spokesman, Mr Peter Batchelor, said the 'gaping holes' in the contracts 'confirmed every commuter's worst nightmare' that unprofitable routes would be closed and 'massive' car parking fees introduced.

'Victorian commuters can rightly assume that any stations that do not deliver a considerable profit to private operators will be bulldozed,' Mr Batchelor said.

What nonsense! I do not believe anybody I spoke with on the railway stations believed him. Peter Batchelor has been a few different people. He was secretary of the Labor Party; Peter Batchelor private citizen; Peter Batchelor in the Nunawading affair; Peter Batchelor supporter of the Rail Corporations Bill; and so on. In 1996 he said the opposition did not oppose the bill. Peter Batchelor, the honourable member for Thomastown, is against privatisation.

The ACTING SPEAKER (Mr Jasper) — Order! The honourable member for Mordialloc should refer to the minister by his correct title.

Mr LEIGH — The other week the Minister for Transport protested about the honourable member for Mornington reading his speech.

Where are we now? The Minister for Transport sat in the house the other week, pretending he was the honourable member for Mornington when delivering the speech. It was that member's speech. The Minister for Transport did not even deliver it as well as the honourable member for Mornington would have delivered it.

On 19 June the minister talked about Yarra Trams, last year valued at \$152 million. That was described as a huge giveaway to the private sector, but that is not quite true. In Labor's policy statements it is said that Labor opposes the fragmentation of our public transport system but recognises that the Kennett government has completed the privatisation of the system. At this point Labor scuttles across from the position of opposing all to saying — as the Parliamentary Secretary to the Cabinet said in the other house — one thing in opposition, another thing in government. That is open and honest government, according to the Labor Party.

From all I have seen of it, Victoria now has a terrific public transport system. Previously a giant bureaucracy did not respond to anybody's calls until it was put on the blocks. Now Victoria has a series of private companies that, if they do not perform, will not have their franchises renewed. Those companies have a serious reason to look after the transport needs of the community and to ensure people get a better service. As I said to the Minister for Finance, who is at the table, lines such as the Wangaratta line could be reopened if \$34 million were spent on the bridge on that line. The Labor Party faces other rail infrastructure issues.

The bill has ensured that Victoria is about to enter the golden age of rail again. Labor members should understand that if Victoria had not gone along that course, the state would have had to do one of those other sneaky leasing deals. It should be remembered that this arrangement means the state does not have to enter into the Rob Jolly deals of the 1980s that saw some crazy deal being done on 30 June that went through the window. This arrangement shows the Kennett government did not forget areas like Ballarat. It will have a huge infrastructure input. Large amounts of money will be spent in that area, and that is terrific. The Premier and the Minister for Transport will scuttle up there saying, 'The Bracks government has done this for us' — never mind that the contracts establishing that it had to be done were signed two years ago. The same could be said of the tram route — the contract said we had to do it.

When someone complains to the minister, he will say, 'It is not my fault. I only listened to what they said', despite the head of the department still controlling what happens. The former Kennett government ensured that those tram and train companies will continue to operate but at the same time the minister has a responsibility to be involved in ticketing, change of routes and any other changes that take place. The minister says it is not him but his department head who is responsible. Presumably the department head can say one thing and the minister can say, 'I do not agree with that but you can go ahead and make that change'. The approach is to say, 'Let's not make a decision'.

The Bracks government is slowly identifying itself as a government that does not make the decisions but lets somebody else do it — whether it is a department head considering accepting a 550 per cent pay increase or whatever else, somebody else can make that decision. In his many comments on changes to the legislation the minister said that private companies were to control the enforcement provisions of the legislation. Under this bill sourced from the Kennett government, the Department of Infrastructure is made responsible for the policing mechanisms of the department. It is another example of the fantasies of the Labor Party prior to the election campaign.

Labor now faces a significant issue. Private companies will try to do their best to increase patronage, whether it be railway or tram companies. In the case of Met Tram 1 and Met Tram 2, disability provisions are put in place. I want to see what the Labor Party will do. An arrangement is put in place for 20 years out. New low-level trams will require significant changes to tram stops, and that will cost a lot of money. Unfortunately, none of those tram stops will take a wheelchair side on.

They are not wide enough to take a wheelchair. A ramp for a wheelchair cannot be run straight up onto the tram because of the risk of somebody being hurt. The tram companies are not responsible for that situation. The low-level trams will require the widening of intersections and hence the expenditure of perhaps \$100 million in and around Melbourne on changing intersections. One tram company is also going to put in super stops.

Intersections will have to be altered to take account of wheelchair provisions required if disabled people are to have access to trams. If that is not done, disabled people who use the public transport system will have to enter trams via a ramp that runs straight onto the tram from the road. There is a serious danger that someone in a wheelchair could be flung back into the traffic.

Honourable members interjecting.

Mr LEIGH — Some Labor members of the Parliament might see that as a joke, but it is a significant issue in the public transport system, especially to people who are disabled. What is the government going to do about it? The provision will last for 20 years, as I understand it, but I believe the Labor Party will be forced to make a quicker decision on this because already some elements in the party are saying they want something done, and not in 20 years time. They want it done, and they want it now. They can see all the biscuits in the cookie jar, so they want to spend them. Since getting into government Labor has said not one word about growing the cake — only how it can eat it.

The trickle into this place from the Labor Party, from the pet camp in Senator Ray's office, is made up of people who have only worked there and never had a real job in their lives. They might have worked three months in a real job. The honourable member for Springvale lives in a post office box in Noble Park. I can understand that a chihuahua does not need a big area to live in.

The ACTING SPEAKER (Mr Jasper) — Order! Will the honourable member for Mordialloc use the correct titles of members and not provoke the government benches!

Mr LEIGH — I won't be mean. I know it is Christmas, so I will buy him a bone.

The government supports the bill. The opposition supports the bill. It is not saying it does not oppose the bill but that it actively supports the bill because it will advantage Melbourne and Victorian passengers using the public transport system. The whole system helps the

freight industry to a large degree. The project will result in a terrific injection to industry in our state.

Whether Hillside Trains does the whole project in Victoria or whether Bayside Trains builds huge components — some components will come from my electorate, I have no doubt — this will be of benefit to Victoria. The sad irony is that we have the Labor Party and the Minister for Manufacturing Industry in particular saying how difficult it would be to negotiate with those people. What rot!

Honourable members interjecting.

The ACTING SPEAKER (Mr Jasper) — Order! The honourable members for Springvale and Dandenong North are testing the Chair.

Mr LEIGH — Different arrangements exist between those companies and other international companies. Victoria must make sure it is good at the things it does, whether it is making the whole of something or part of something. Either way, there is a benefit to us. Is the minister saying he is opposed to, for example, going to Opel in Germany to get the engines? I do not think so. Victoria is producing whole cars as well as sections of cars.

From the opposition's point of view the bill is terrific legislation that will be of great benefit to Victorian tram and train passengers. Sadly, however, so far as I can see, elements of the Labor Party associated with the unions will wreck the system if they get the chance. That is already happening behind the scenes in sections of the public transport unions. They can see only one way of doing things, and that is by wielding a fist and controlling everything. They want to have only one corporate group to deal with, because then they can take effective control. I believe that situation would not be in the best interests of Victorian commuters.

Real competition will come out of this legislation. I invite Labor members who ridiculed similar legislation presented by the former government to remember what they said at the time. I suggest they go to the library and read what their party said about the concept. Remember, honourable members on the other side, you are voting for legislation you did not agree with. Some of you must be choking, because you do not support the concepts of privatisation and franchising arrangements. Well, choke on it and then vote on it, because your leader, who says he is not a socialist, is telling you it is a good idea, and for the moment you will have to go along with him.

I predict that in 18 months from now the unions will make a concerted attempt to take over control of the

system, and that will be a sad thing. As shadow Minister for Transport I will do my best to make sure that our transport system works for the future in the way we have set it up to work, because then it will be of benefit to everyone in the state.

The opposition understands it is in opposition, and honourable members on this side of the house must live with that. The government, on the other hand, has not yet learnt that it is the government and there is nothing to attack, nothing to carry on about.

I wish the bill a speedy passage and look forward to the new system from which Victorian passengers, manufacturing industries and others will derive great benefits.

Mr CARLI (Coburg) — After the incoherent diatribe of the honourable member for Mordialloc I would like to bring honourable members back to the bill. The Minister for Transport hit the jackpot when he got the honourable member for Mordialloc as shadow minister!

This technical bill constitutes a form of spring cleaning. It cleans up the legislation currently in place. The honourable member for Mordialloc seemed to be saying the government was being inconsistent. There is nothing inconsistent about the government's position. The Labor Party went into the election committed to honouring contracts, and that is what it is doing. The bill is an expression of that commitment.

The bill completes the transfer of public transport businesses into the Public Transport Corporation and eliminates the statutory corporations existing at the moment. In 1996 the former government, through its Rail Corporations Act, divided the public transport system into seven statutory corporations that subsequently became —

The ACTING SPEAKER (Mr Jasper) — Order! The time has arrived for this house to meet with the Legislative Council in this chamber for the purpose of electing members of Parliament for the Victorian Health Promotion Foundation. The joint sitting will conclude at an appropriate time for the dinner adjournment. I propose to resume the Chair at 8.00 p.m., when the honourable member for Coburg will receive the call.

Sitting suspended 6.16 p.m. until 8.02 p.m.

Mr CARLI — As I was saying prior to the dinner adjournment, the Rail Corporations and Transport Acts (Miscellaneous Amendments) Bill is very narrow — despite the ranting of the honourable member for

Mordialloc — and is essentially about spring cleaning and organising the statutes to ensure they meet the needs of the franchised rail corporations.

From the government's perspective the changes are necessary because the five transport corporations — Bayside Trains, Hillside Trains, Swanston Trams, Yarra Trams and V/Line — are now essentially shells, but because of current legislation they still have boards and skeleton staff. That means money is still being paid to employees and to boards that have no function, because the entities have been franchised to private companies.

The bill is the result of the fragmentation of public transport under the Rail Corporations Act 1996, which broke the transport corporations into seven parts: two train corporations, two tram corporations, Victrack, V/Line passenger and V/Line Freight. Subsequently, in May this year V/Line Freight was sold and an earlier amendment to the act abolished that statutory corporation. The state is now left with five statutory corporations which have no real reason to exist. The bill eliminates them and allows the government to clean out the books so that any residual assets and liabilities of the statutory corporations will pass on to the Public Transport Corporation.

The intention is that just one statutory corporation will be left — namely, the Public Transport Corporation, which will be responsible for carrying out the provisions of this bill, to wind up all assets and cover any of the liabilities of the existing five statutory corporations. The savings made over the next couple of months as a result of the legislation will amount to around \$100 000, because wages are still being paid by the corporations which have statutory obligations to maintain their boards and a basic level of staff.

Regardless of what the honourable member for Mordialloc said earlier, this bill is not about the government changing its most publicised views on the fragmentation of public transport; it simply removes the shell companies and ensures that a spring cleaning of the statute books is undertaken so that legislation is in place that acknowledges the reality of the situation — that is, five franchises operate public transport in this state. That does not mean the government supports any fragmentation of the system. The government is doing everything possible to ensure the system works as an integrated whole and that the transport ministry and the Public Transport Corporation maintain the role of overseeing the entire public transport system.

The bill contains minor but nevertheless important changes which ensure that we get on with the job of

running the public system. The bill also contains other minor amendments which deal with enforcement. As a result of the privatisation of the transport system the government is changing the provisions covering staff who can be authorised to deal with ticket offences so that those staff can be assigned by the Secretary to the Department of Infrastructure and no longer need to be employees of the Public Transport Corporation.

The bill deals with necessary changes as a result of privatisation. The provisions covering the powers of enforcement officers will remain the same. Another important point is that any revenue collected by the enforcement officers will go back into the public purse because the government does not want fines to be used to provide funding for the private companies or as a way of raising revenue. The government wants to ensure that enforcement officers concentrate on the efficient running of the system and compliance by passengers without adopting a storm-trooper approach to enforcement which will turn people off using the transport system.

The changes are important but are of an administrative nature. The bill contains a series of important technical changes which show that the government is getting ready to do its job; it is clearing out the residual impediments to good government by freshening up the statute books and getting on with the business of providing good government to this state.

The house heard a diatribe from the honourable member for Mordialloc, who suggested that the bill was somehow evidence of the government changing its political stripes. To suggest that the government is no longer committed to a good, well-coordinated transport system is a load of rubbish. The government is committed to honouring all contracts, just as it was in its policy documents before the election.

The Bracks Labor government realises the Public Transport Corporation has been broken up and franchised. It intends to make those franchises work effectively and in the interests of the public. It also intends to address all the danger signals such as fragmentation and the failure to invest in the system that the government identified when in opposition so that those possibilities do not become reality. The government will be vigilant in ensuring that Victoria has the best possible public transport system.

During the past few days evidence has begun to emerge of the former government's neglect. For example, even though Victoria has a long tradition of building rolling stock and the state has the expertise to do so, the former government made no commitment to build rolling

stock. Clearly the former government did not consider it an issue worth facing, and so the present government has to clean up the mess.

The bill is about getting on with the job of ensuring that Victoria has the best possible government and the best possible public transport system. It wants the franchises to be used but not to go off in separate directions. To that end the government will maintain a level of coordination and integration to provide a system that will be the envy of the rest of Australia. That was the commitment of the Labor opposition and it is now the commitment of the Labor government. The government has not changed its stripes; it is committed to providing a great public transport system.

The bill is minor and of a technical nature. It makes a series of changes, most of which deal with the ending of five public statutory corporations, the transfer of those assets and liabilities to the Public Transport Corporation, and some minor changes as a result of privatisation that deal with the provision of enforcement officers in the transport system. While minor, the changes show that the government is getting on with the job; it is providing a net saving for the state that will go back to general revenue, and provide better services to Victoria.

Mr CLARK (Box Hill) — As other honourable members have said, the bill carries forward the process of reform and private sector franchising of the formerly public Victorian rail system. The bill has two main components, the first of which is the abolition of a number of statutory entities that are no longer needed as a result of the franchising that has taken place. The second component empowers the Secretary to the Department of Infrastructure to authorise departmental officers to exercise certain enforcement powers, which currently will be exercised only by the Public Transport Corporation or former PTC staff, and substitutes a definition of 'relevant employee' to allow various enforcement powers to be exercised. There is also an amendment to the definition of rail transport service to pick up a reference to the Spencer Street Station Authority.

It is worth noting that the bill provides for the Public Transport Corporation to become the successor in law for each of the abolished corporations. That means that should there be any outstanding legal procedures, liabilities or similar matters on foot, a legal entity is available to handle them. That is in some respects similar to the way the so-called SECV shell was used by the previous government to hold the residual assets and liabilities of various entities, first of all in the

electricity sector and subsequently for some of the regional ports in relation to their privatisation.

As other speakers have said, the opposition supports the bill because it carries forward the process of reform embarked upon by the previous government. It is interesting to observe the way speakers opposite — the honourable member for Coburg and the speakers from the government side in another place — approach the bill. They are faced with some difficulty in determining their attitude to the bill because although they can say they are simply inheriting a reform measure that was put in place by the previous government and that it is in line with their undertaking to honour existing contracts, they have also to reconcile the fact that they are continuing with that system in the light of remarks they made that were critical of the privatisation process when it was being enacted by the previous government.

When one revisits some of the comments made at that stage and compares them with where we are now and with the fact that the present government introduced the bill, one realises that some of the things said back in the days when the present government was in opposition sound foolish and to date have certainly not been vindicated by experience.

That poses a dilemma for the present government. It wants to appear to be tough and to be driving a hard bargain on behalf of the taxpayers, wringing various concessions out of the private operators. The Minister for Transport certainly put on a theatrical performance to that effect in the house earlier in the day. What has to be borne in mind is that the changes are at the margin. They are minor adjustments, refinements and nuances, built on the very solid structures established by the previous government.

Were it not for all the hard work of the previous government and of the many capable and diligent public servants and private sector advisers who assisted in that process, the present government would not be in a position to put on the displays it is putting on at the moment about what it has been able to achieve. Were it not for that work, the new government would still be wrestling with a public transport system in the state of disarray that the Kennett government inherited. Victoria was spending more per capita on transport services than any other state. Public transport was one of the major areas in which the state was spending more on services than any other jurisdiction. Further, that spending was not reflected in better services but in higher costs.

Some honourable members will recall the anecdotes related by the first Minister for Transport in the former Kennett government, the Honourable Alan Brown. He

illustrated some of the work practices involved in changing light bulbs at various country stations and the purchasing practices that applied to scratch tickets.

The previous Labor government did not address the appalling levels of service. Former Minister for Transport Peter Spyker was very big on graffiti drives, which were good for getting him a spot on the television news. He was not so capable at managing the system in a way that saved dollars for taxpayers.

The Honourable Alan Brown took the service and restructured it very effectively in public ownership. Honourable members will recall the good arrangements he negotiated, firstly with the tramways union and then with the other rail unions, to bring about massive productivity improvements in the system, thus saving taxpayers' dollars and providing an enhanced service to users. That process was then carried forward by the franchising embarked on by the previous government following the 1996 election, a process that has been enormously successful for passengers and users of the rail freight system, and thus for taxpayers.

The concept that was brought to the restructuring of the freight system was so straightforward that it was obvious, and one wonders why it was not thought of before. Previous thinking had been that you had an integrated system with one entity running both the track and the freight trains that went up and down that track. As a matter of logic why shouldn't you have a system that is more analogous to the roads? Just because the state owns and provides the roads does not mean it has to own and operate every truck and car that travels up and down those roads.

That exact concept was picked up in the reform of the rail freight system, with one entity running the track system, controlling the signalling and the slots and making sure there is space available for the different trains to run at different times, but within that system there should be no obstacle to anybody who has the capacity to do so running a train along the system.

That concept has proved enormously successful both in Victoria and in many other parts of the world. Traditionally the United States of America has had a very high component of private sector involvement in its train system. The United Kingdom similarly had a privately operated system for many years before it was nationalised, and that system has now been returned to the private sector.

There were massive improvements in service standards, cost reductions and a return to profitability in New Zealand when the freight system that was losing

millions of dollars in public ownership was transferred to the private sector. I saw the first of those benefits that came through in the way Victoria's rail freight system was integrated with its ports. By way of example, Patrick stevedores began to run its own train service between the port of Melbourne and Adelaide, so there was an alternative for people shipping containers and other products. The goods could stay on the ship and go to Adelaide or they could be off-loaded in Melbourne and sent by rail to Adelaide. The situation was similar with goods moving in the other direction. The train that Patrick stevedores got up and running was very successful and more companies have joined in that concept.

Victoria is seeing the benefits in improved rail services for the grain industry. We have seen it with Vicgrain, another entity privatised under the previous government. It has a large terminal at the port of Geelong, where much of its grain is received by rail. Grainco is constructing a new facility at the port of Melbourne that is likely to be able to draw grains not only from across Victoria but also from southern New South Wales using the new rail freight system, which is both more reliable and more cost-effective than the service that was previously available.

Massive improvements have been seen in the freight sector. People are talking about the need to do things to help rural and regional Victoria. The improvements to our rail freight system are a concrete example of how services to rural and regional Victoria are being improved.

Mr Steggall interjected.

Mr CLARK — The honourable member for Swan Hill refers to passenger services, and he is dead right. We saw that originally with the privatised passenger service to Warrnambool. The operators of that service were able to lift its profile by organising special tourist trains to travel to Warrnambool for the whale watching and other attractions.

The operators of the service have a real passion, commitment and love of trains and a dedication to providing a better service to Victorians. They have succeeded dramatically in that aim. There is now every likelihood that the new private rail passenger operator for the bulk of the remainder of the Victorian non-metropolitan system will achieve similar gains.

One of the most exciting aspects of the reforms relates to regional cities, particularly Ballarat, Bendigo and Geelong. Geelong has been more or less within commuting distance of Melbourne for some time, but

there have been delays, particularly in the North Melbourne–Spencer Street rail yard, which have made the service less reliable and slower than it could be. I am sure the honourable member for Bellarine and other honourable members representing the Geelong region will appreciate the potential for a more reliable and faster service between Melbourne and Geelong, which will not only allow people from Geelong to travel to Melbourne more quickly but will also open up opportunities for business in Geelong to have customers and workers travelling there from Melbourne.

Ballarat and Bendigo have been just beyond commuting range, except for the most committed of passengers. However, if a faster passenger service is provided to both centres it will build a strong link with Melbourne, which could bring about dramatic change to the dynamics of the economies of both provincial cities.

It is interesting to note that the Bracks government has tried to capitalise on the initiatives by putting out stories over the past few days implying that a faster train service to the provincial cities will be brought about by the present government. The reality is that these reforms were foreshadowed by the private rail operators under the previous government as a direct result of the franchising arrangements put in place by the former government. It has nothing to do with what the present government is doing. It is as a result of the logic of the franchising and privatisation undertaken by the previous government that operators are coming in who are hungry for business and keen to provide service to passengers and thus to earn themselves some return as well.

The private operators are free from many of the shackles that dog public sector enterprises, no matter how great the effort to run them well. These benefits flow from the reforms undertaken by the former government.

I shall now deal with a further reform that is particularly relevant to my electorate of Box Hill. When I was first endorsed as the candidate for the then seat of Balwyn one of the first issues raised with me by constituents was the potential to extend the tramline service that currently ends at the intersection of Whitehorse and Union roads through to the Box Hill shopping centre.

It is a logical and appropriate extension because it will allow people in Balwyn, parts of Canterbury, Mont Albert and Surrey Hills who do not live close to rail transport — and to go even further towards the city,

people in Kew — to gain access to the Box Hill centre, the hospital, the TAFE college and to what will, we hope, be a lively cinema and entertainment precinct in the next few years. Similarly, for people seeking access to those inner eastern suburbs of Melbourne travelling from suburbs further to the east, there will be a direct link via the railway line to Box Hill and the tramline towards Kew and the city.

As I said earlier, that issue was first raised with me when I was endorsed in 1988 as the Liberal candidate. The previous Labor government was not able to achieve that, nor could the coalition government afford it with the system being in public ownership because the capital cost of the extension was considerable. However, it could afford it through the franchising process. The new franchisee was committed by the franchise arrangements entered into by the previous government to extend the tram service to Box Hill.

It was galling the other day to have the Premier travel to my electorate — perhaps he confused Balwyn with Burwood — to announce purportedly as an initiative of his government the extension of that tramline service. I assure the Premier that the citizens of Box Hill and Balwyn were under no misapprehension as to where the credit for that extension rests — that is, with the previous government and the transport minister of the time, the honourable member for Mornington.

For all those reasons, the bill is a welcome continuation of the reforms undertaken by the previous government. It is good that the idea of the Spencer Street Station Authority is to be continued and that a number of the extreme claims made by the former shadow minister about the damage that would be done through franchising have not come about: instead the reverse has come to pass. It is for those reasons that I have pleasure in supporting the bill.

Mr HOLDING (Springvale) — I am pleased to contribute to debate on the Rail Corporations and Transport Acts (Miscellaneous Amendments) Bill. I have listened carefully to the contribution of the honourable member for Box Hill. Although I do not agree with everything he said, his contribution was thoughtful. It canvassed comprehensively all the issues raised by the legislation. Certainly the contribution of the honourable member for Coburg was learned and thoughtful, and in contrast to my sentiments on the contribution of the honourable member for Box Hill, I agreed with everything the honourable member for Coburg said.

That brings me to the contribution of the honourable member for Mordialloc. He continued his tradition of

coming into the house and making irrelevant rantings and speeches that do not address the fundamental issues. Instead he canvassed extraneous issues that have little to do with the bill. However, he raised one issue that is relevant to the privatisation of rail corporations and the necessary ancillary arrangements — namely, the issue canvassed prior to and during the last election of free car parking at suburban railway stations. There can be few better examples of the incompetence of the former government's election campaign than its management of and dishonesty on the issue of free car parking at railway stations.

Before the election the shadow minister — now, thankfully, the Minister for Transport — raised the issue of some privatised rail companies introducing car parking fees at suburban railway stations. Labor candidates and members appropriately campaigned on the issue and brought it to the attention of commuters so they would be aware that if they re-elected the Kennett government they would face the prospect of privatised rail corporations introducing car parking fees at suburban rail stations. Liberal candidates in many electorates, including mine, were quick to deny the assertion.

In a document that I am thankful he took the time to distribute, the then Liberal candidate for Springvale, Mr John Campbell, attempted to clear the air. He distributed the document under the heading 'Rail patrons'. It states:

Please be advised that free car parking will continue to be available at this station.

An accompanying letter from Mr Campbell went into details about the arrangements under which car parking at suburban rail stations would be handled. It states:

Dear rail patrons

Recently Labor MPs and candidates have been spreading misinformation in relation to the public paying for car parking at railway stations, particularly in metropolitan Melbourne.

He was quick to point out that the campaign was dishonest.

Mr Perton interjected.

Mr HOLDING — The honourable member for Doncaster reiterates that the campaign was dishonest and there would be free car parking at suburban railway stations. The document further states that it:

... clearly sets out the government's position on this matter.

Free car parking at metropolitan train stations will definitely remain when the system is privatised;

franchisees could only impose a parking charge if they acquired new parking areas or made significant improvements to existing car parks —

What would be ‘significant improvements’? The government’s position was made clear —

improvements would include such things as improved security, lighting and added amenities;

private operators would not be allowed to charge fees on more than 50 per cent of existing car parks on the metropolitan rail system and then only with the permission of the director of public transport who reports directly to the Minister for Transport, Mr Cooper.

He said that, under the proposal adopted by the previous government, 50 per cent of car parking spaces at metropolitan railway stations could have parking fees imposed if the private operators felt that way — a fact confirmed by the information provided by the Liberal candidate.

I was grateful that the Liberal candidate for Springvale distributed the material in my electorate. Many of my constituents have been under the impression that the Labor Party was spreading misinformation and that there were no proposals to introduce car parking fees at suburban railway stations.

Then enterprising journalists contacted the railway station operators, Hillside Trains, which was quick to rule out, if I remember correctly, any introduction of car parking fees at suburban railway stations. However, Bayside Trains, the line covering my electorate, was unwilling to rule it out, obviously hoping to keep the issue of car parking fees as an option.

Signage started to appear at stations as a consequence of our public information campaign. The signage, under the auspices of Bayside Trains, said that free car parking would continue to remain available at stations. Upon further inquiry it was clear that because fees could be applied to only up to 50 per cent of car parking spaces, the signage was appropriately placed. That dealt with the matter in a transparent and obvious way, even though Liberal candidates were travelling around insisting that free car parking would remain and pretending that because only up to 50 per cent of spaces could have fees attached, that should in some way satisfy the minds of electors. I carried out a passenger survey and found that rail patrons were against the notion of paying a fee of any description to park at a railway station.

Mr Leigh interjected.

Mr HOLDING — The honourable member for Mordialloc interjects to say that they are not, but

obviously he did not read what the candidate for Springvale said on the matter, which was:

Franchisees could only impose a parking charge if they acquired new parking areas or made significant improvements to existing car parks.

He went on to say:

Private operators would not be allowed to charge fees on more than 50 per cent of existing car parks ...

For the honourable member for Mordialloc to suggest there was never a government option to allow private operators to introduce car parking fees at public railway stations shows how misinformed he is on public transport matters. Not only were rail patrons concerned about the prospect of the introduction of car parking fees at suburban railway stations, people living in the vicinity of suburban railway stations were also concerned. They could see there would be a preparedness on the part of railway patrons who drive to suburban railway stations to avoid the car parking fees by parking in suburban streets that did not have parking restrictions. That would cause traffic congestion and chaos on local streets. There would have been a flow-on effect and local councils would have been petitioned by local residents to introduce car parking restrictions because of their reduced access when driving home or when family and friends visited.

The honourable member for Mordialloc based his contribution on the notion that the Labor Party had in some way run a misinformation campaign prior to the last election on the matter of free car parking at railway stations. He should speak to his local Liberal candidate who was distributing information confirming that the government would allow private operators to introduce car parking fees.

The Honourable Maree Luckins ran Mr Campbell’s campaign and boasted to me about it at a function. If Mr Campbell wishes to run again I encourage him to espouse honesty in politics. It is important that candidates articulate government policy because I do not think the current shadow Minister for Transport is providing honest information about free car parking at railway stations. The opposition does not have anything to say to commuters about free car parking, and did not like it when the truth was told about the plans of the previous government.

The shell statutory corporations that remained after the privatisation of former public sector corporations, particularly those in relation to Bayside Trains, Hillside Trains, Swanston Trams, Yarra Trams and V/Line Passenger Corporation, will be abolished. Cost savings to the budget will result as a consequence. The bill

amends the enforcement provisions of the Transport Act to ensure that staff of the Department of Infrastructure have the ability to exercise the functions, powers and enforcement responsibilities of the former employees of the Public Transport Corporation regarding infringement notices on public transport. That is an important measure. Although government members are not thrilled about the developments that have led to the introduction of the bill, they recognise that the egg cannot be unscrambled because those arrangements were put in place by the previous government. As a consequence ancillary arrangements should be introduced.

Mr SPRY (Bellarine) — It is with pleasure that I join the debate on the Rail Corporations and Transport Acts (Miscellaneous Amendments) Bill. Firstly, I shall comment on what the honourable member for Springvale said about private operators charging car parking fees in some of their operations. He missed the point. It has been made perfectly clear that the four private public transport operators can charge for car parking at their facilities only if the facilities are significantly upgraded, and that must be approved by the Director of Public Transport. I do not believe the honourable member for Springvale mentioned that.

The bill consists of two major parts. Part 2 amends the Rail Corporations Act 1966 and part 3 amends the Transport Act 1983. They are both logical consequences of amendments to the respective rail corporations and transport acts introduced by the former coalition government in May last year to give effect to the privatisation of the metropolitan train and tram service and the country service known as the V/Line Passenger Corporation. The former coalition government introduced significant reforms to the public transport network to deliver savings to the people of Victoria.

I shall speak not only about metropolitan Victoria where the majority of the public transport system operates but also about regional and country Victoria where the public transport service is also germane to people's lifestyles.

Part 2 of the bill abolishes Met Trains 1 and 2, Met Trams 1 and 2 and the V/Line Passenger Corporation as well as the positions of directors and chief executives of those organisations. It transfers all the functions to the Public Transport Corporation under the Public Transport Act 1983.

Part 2 amends the Transport Act 1983 and extends enforcement powers, in particular the power to arrest suspected offenders, to the Department of Infrastructure

officers authorised by the secretary of the department as well as to the Public Transport Corporation and former PTC staff. That is contained in clause 10. Clause 11 contains the power to remove offenders. Those two clauses are significant because of their impact on the safety and comfort of the travelling public of Victoria. They will make public transport more attractive, as was described in the coalition's pre-election policy.

Most of the objectives in the bill were formulated by the former coalition government. To a large extent they coincide with the logical objectives of anybody trying to improve public transport and strike a balance between public and private transport in a city and state that is as intricate, complex and complicated as Victoria.

In the coalition's public transport policy dated September 1999 it was stated that the new agenda was safer roads and better transport. A commitment was made to better public transport. The coalition was continuing sweeping reform to the public transport system, essentially aimed at reducing subsidies while improving services, cleanliness and safety — in many respects that is the same as improving safety and comfort.

The next step foreshadowed by the coalition was state train and tram franchising initiatives, which were aimed at saving taxpayers an estimated \$1.8 billion over the franchise period. Victoria's public transport users would have been the beneficiaries, with a total of \$1.6 billion to be invested in new transport infrastructure. That process is under way, as you would be well aware, Madam Deputy Speaker, with works going on in your seat of Essendon right now.

The new operators of the two metropolitan train networks, Hillside Trains and Bayside Trains, as well as the V/Line Passenger Corporation and the two metropolitan tram companies, Yarra Trams and Swanston Trams, have undertaken to implement a major upgrade of passenger fleets. In addition they are committed to undertaking major refurbishment of station and platform facilities, including improved security measures at all stations. The essence of the public transport policy is embodied in what the private operators are undertaking right now.

In addition users of V/Line passenger routes will benefit from an additional 135 rail services a week, with an allocation of \$158 million foreshadowed by the former coalition government. I notice some of that foreshadowed commitment has been taken up by Labor but, I fear, slightly less will be provided. Take, for example, the improvements to the Melbourne–Geelong

rail link. From memory I believe Labor has committed some \$20 million to that objective, whereas the coalition had committed a significantly higher amount than that.

The implementation and planning for the provision of those changes is continuing. At the same time Labor has been critical from the sidelines throughout the entire privatisation exercise. I suspect the objective of the criticism has been to protect the entrenched union-dominated monopoly that has characterised public transport in this state for many years.

Honourable members might ask why the government would want to protect that union-dominated monopoly. The federal Labor government initiated the national competition policy. That policy embodied the very elements of competition which the former coalition government in Victoria was so intent on implementing but which were so vehemently objected to and resisted by the ALP in opposition and now in government.

It is comforting again to reflect on the remarks of the honourable member for Springvale. I have forgotten how he put it — he is not here to help me now; he has vacated the chamber — but he implied that privatisation was already a fait accompli; that that was the end of the story.

Let us look at what I am saying in detail. I refer to the Labor Party policy, as espoused prior to the election. I have no doubt it is still part of the ALP platform. Under the heading 'A responsibility to the travelling public', the ALP states:

... it remains a responsibility of government to make sure that service delivery standards are safe, fair and responsive.

The opposition has no argument with that sentiment. The policy statement continues:

For this reason Labor opposed the privatisation and fragmentation of our public transport system.

The government certainly opposed that while it was being driven through. Again I remind the house of the contradiction — that that embodies the very essence of the national competition policy.

In addition to that essential attitude of Labor, let us look at some of the then shadow minister's press releases, which have already been referred to by numerous speakers on this side of the house. It does not hurt to remind honourable members exactly what was said. I go back to a media statement dated 17 April 1997 and titled 'Private transport system won't work'. It quotes the shadow Minister for Transport at the time as having said:

Mr Batchelor said privatisation would destroy Victoria's integrated public transport system.

There is only one response to that statement — wrong! It has been subsequently proven how wrong the statement was.

I turn to a state opposition media statement dated 7 August 1998 and headed 'V/Line Freight sell-off the beginning of the end for country rail services', which states:

'Country Victorians have nothing to gain from the break-up and sale of our country rail services', Mr Batchelor said.

Wrong again!

Mr Cameron — Jobs were lost.

Mr SPRY — We are not talking about that. We are talking about trying to provide a safe, efficient transport service — not system — to the people of Victoria.

I turn to a press release dated 19 August 1997 and headed 'Government commits transport vandalism'. The then shadow Minister for Transport, now Minister for Transport, is reported as stating:

The best aspect of Melbourne's public transport system is the fact that it is an integrated system run by a single entity.

I question that statement. In other words, he was saying that Labor would prefer the service, the system, to be quarantined from genuine competition — the very essence of what the coalition government is all about, not only in public transport matters but in other aspects of state government responsibility as well.

I have spoken about power generation, gas distribution and the whole gas industry. The very element of competition the coalition tried to introduce to those monopolistic bodies was to give Victorians a better deal in the long run.

In that statement of 19 August 1997 the former shadow Minister for Transport went on to say:

It doesn't make sense to break up and sell off the different parts of the system. The public transport system will be diminished and Melbourne will be the poorer.

Wrong again! Competition stimulates service delivery and price competition.

In response to the government's budget statement earlier this year again the then shadow Minister for Transport issued a press release headed 'Privatisation of trams and trains to cost taxpayers more'. He is reported as stating:

Under the Kennett government's plan Melbourne's trains and trams will be sold off around June this year.

He is correct at least in that statement. He continues:

This is a \$9 million waste of taxpayers' money. The Kennett government is hell-bent on privatisation regardless of the costs and regardless of the benefits.

The then shadow transport minister completely ignored community service obligations. To put it in different terms, the former government of Victoria had acted responsibly. He continues:

This government has already sold off over \$32 billion in community assets.

Is it not quaint that that happens to equate to the debt the Kennett government inherited in 1992, when Victoria's credit rating had absolutely plummeted?

Let us contrast those statements made by the then shadow Minister for Transport during the lead-up to the state election with what he has had to say more recently as minister. We will find a completely different attitude. His press release of 7 December is headed 'Minister announces extra train services for Melbourne commuters'. It states:

The Minister for Transport, Mr Peter Batchelor, has announced passengers travelling to and from Melbourne's eastern and north-eastern suburbs will have a choice of an extra 18 train services each week day, including 8 express trains, from next week.

It continues with Minister Batchelor's own words:

Hillside Trains will introduce the new morning and evening services as part of its contract with the Victorian government to improve the level and quality of public transport services to the community.

Suddenly there appears to be a complete change in the complexion of the public transport landscape, and the garden is rosy!

In his press release of 7 December the Minister for Transport confirms the new, optimistic attitude of the government to transport. In response to a dorothy dixer from the honourable member for Ivanhoe in the house on 7 December, the minister, no doubt reinforcing his press release, confirmed that over the next four years the Bracks government intended to work with private operators to uphold its election commitments to upgrade public transport services right across Victoria. The minister had adopted the attitude, 'Yep, this is a good thing'.

What is happening in metropolitan and country transport represents a sea change. The old, entrenched attitudes of the former opposition are gone and the new

government is pursuing policies and objectives that will, according to the minister's statement in the house on 7 December, deliver the very best in public transport outcomes.

I am mindful of the fact that I am fast running out of my allotted time.

Mr Paterson interjected.

Mr SPRY — I appreciate the suggestion by my colleague the honourable member for South Barwon that an extension might be appropriate. I will not take up the suggestion but I thank my colleagues for the encouragement.

The Bellarine Peninsula is serviced by buses, as is the centre of Geelong.

Mr Paterson interjected.

Mr SPRY — Yes indeed, Benders bus line is one of the best bus companies operating anywhere in the state. It has an excellent reputation for good service delivery and a good attitude to the public, and it is a very benevolent company.

Mr Paterson interjected.

Mr SPRY — Indeed, the company contributes generously throughout the Geelong district to public life.

Bellarine is dependent on its public transport connections with Melbourne, principally the Melbourne–Geelong rail link. That link is operated by two companies, V/Line, whose parent body is National Express, and West Coast Railway, in the proportion of about 20:3. The service is clearly dominated by National Express. It is the opposition's intention to encourage the government to stick to its commitments to a reduction to about 45 minutes in travel times on that line, if that is possible, and to improve intermodal exchanges on the outskirts of the city.

My time is finished. I wish the bill a speedy passage through the house. It represents an extension of the actions of the former coalition government.

Mr Batchelor — You can hasten the bill by sitting down.

Mr SPRY — I commend the interjection of the minister, strangely enough, and his foresight in bringing the bill before the house.

Mr LANGUILLER (Sunshine) — I am happy to add my voice to the debate on this bill. The previous

Liberal government, in its attempts to advance its ideological agenda of privatisation of public assets and instrumentalities, transferred transport services from the statutory rail corporations to the new, private sector operators.

The primary purpose of the bill is to abolish the five statutory corporations previously operating public transport in Victoria and to transfer any residual assets to the Public Transport Corporation. It is intended that the PTC will continue as the only publicly owned statutory body for transport and that it will be responsible for winding up the affairs of the rail corporations as provided in the bill.

The honourable member for Mordialloc referred to privatisation and the ideological agenda of the Labor Party. As a matter of fact it was the previous government that was truly committed ideologically. Like a group of true ideologues the Kennett government was quite determined to do away with public assets and instrumentalities — and one of the biggest ideologues was the honourable member for Mordialloc. It was part and parcel of the Liberal ideological agenda that everything private was good and everything public was bad.

The Bracks government, by contrast, while fully committed to the public sector, is very pro-business and recognises the significant role of the private sector in a range of areas. It is not ideologically driven.

The government recognises that the private sector has a significant role to play in a range of areas. However, the government is not ideologically driven against the public sector — quite the opposite. The government believes the public sector plays and will continue to play a significant role in addressing a variety of the needs of the people of Victoria.

I repeat, the government does not believe everything that is privately owned is good or everything that is publicly owned is bad. The government is committed to working in partnership with both sectors. It recognises the importance of public assets and instrumentalities because it respects the history of this place and the many generations of Australians who built the public sector. The government believes they should be taken into account. If I had been in this place when the opposition was in office I would have unashamedly put on the record my opposition to privatisation for the sake of privatisation.

However, the government will adhere to every commitment it made before the election and the contractual arrangements made by the previous

government. That is precisely what this bill does — it adheres to the previous contractual arrangements made before the election. By the same token the government will also honour every other agreement and promise made to increase the number of beds in hospitals, restore democracy and ensure that Victoria has an appropriate education system.

This government, unlike the previous government, recognises its responsibilities in ensuring that every Victorian has access to public transport. It is the right of every Victorian, particularly students, to have access to public transport. Provision needs to be made to ensure that all Victorians, irrespective of the regions they live in or their backgrounds, particularly their socioeconomic backgrounds, which the honourable member for Mordialloc unusually takes into account, have that access. The government must ensure that every student has access to public transport. Pensioners should also have access to public transport. The government will do everything it can to ensure that adequate provision is made for people with disabilities because their rights have not been recognised in the past.

Given the mandate delivered to the Bracks government at the Burwood by-election I am confident that it will not only adhere to the contractual arrangements entered into before the state election but do everything it promised before the election. I reiterate my strong support of the government's intervening to ensure that the private corporation that manages the Public Transport Corporation meets its commitment to provide adequate services to all Victorians.

I refer to the environmental aspects of the bill. I have driven along the Monash Freeway on numerous occasions and have noticed that there are now four lanes and a transit lane. The advantages of using the transit lane are obvious. It is good that an increasing number of drivers and passengers are travelling together by car, because that will be of significant benefit to the environment. The government will continue to encourage the practice of many good families and drivers travelling by car, but would it not be wonderful to have public transport carrying not dozens but hundreds of commuters. There are numerous examples around the world — in Europe, particularly in Paris and Milan — of good, integrated and coordinated public transport systems being used efficiently by the citizens, which diminishes the damage done to the environment.

The abolition of the five statutory corporations will bring about cost savings because it will eliminate the requirement under the current legislation to appoint boards and chief executive officers. Cost savings were

promised before the election, and the government is committed to that promise. The government will introduce employment programs for people in need. The previous government had employment programs in place to put their top executive mates on high salaries at the expense of ordinary Victorians.

Mr Leigh — On a point of order, Mr Acting Speaker, the bill does not refer to employment contracts; it simply concerns rail corporations. I suggest that the honourable member for Sunshine is straying from the content of the bill by referring to cars and employment contracts. Now that he has wavered a bit I ask you, Mr Acting Speaker, to bring him back to the bill.

Mr Carli — On the point of order, Mr Acting Speaker, we have heard a wide-ranging debate on the bill, the scope of which was initiated by the honourable member for Mordialloc when he discussed a broad field of issues. The honourable member for Sunshine is highlighting both the previous government's policies and the comments made by the honourable member for Mordialloc.

The ACTING SPEAKER (Mr Phillips) — Order! I do not uphold the point of order. I agree it has been a wide-ranging debate, which the honourable member initiated. Given that fact, it is a bit precious of the honourable member for Mordialloc to ask that the debate be confined to a specific issue. However, it has been pointed out that the honourable member for Sunshine must relate his comments to the bill. A bit of latitude has been allowed by previous Speakers, but I suggest that the honourable member for Sunshine should refer to the bill as much as possible.

Mr LANGUILLER — I referred to the cost savings achieved by eliminating the need for boards and chief executives. That step is welcomed by the people I represent in Sunshine and by all Victorians who voted the government into office, because it made a commitment to generate cost savings wherever possible. Although it may be argued that it is not much — it is estimated that the government will save something in the order of \$500 000 during the course of the year — the government will continue to pay attention to detail because it made a commitment to be an accountable government open to scrutiny. The government will do everything it can to achieve not only large cost savings but also smaller ones.

The other purpose of the bill is to amend the enforcement provisions of the act to authorise officers of the Department of Infrastructure to exercise certain

important powers previously only able to be exercised by staff employed by the Public Transport Corporation.

The government also intends to intervene and assume responsibility for ensuring that the revenue generated from infringements and penalties will be used for the public good, a practice not common to the previous government and not one which the honourable member for Mordialloc can relate to.

The key to a good public transport system is good integration, coordination and frequency of services. In the context of the bill the amendments are on track, although parts of them were derailed by the previous government. It has been put back on track to ensure that ordinary Victorians, particularly pensioners, students, people with disabilities and low-income earners, can retain the right of access to a good public transport system so they can move around the city as freely as possible.

The changes to the Rail Corporations Act are a step in the right direction, and I commend the bill to the house.

Mr McINTOSH (Kew) — This bill, which according to the honourable member for Sunshine was derailed by the opposition, was prepared by the previous government to implement one of the most effective and far-reaching transport policies anywhere in the world.

I was somewhat bemused when the honourable member for Sunshine talked about the employment scheme for top executives. He has forgotten that in 1992 the previous government inherited an unemployment rate of 11 per cent, but through its employment practices it transferred to the new government an unemployment rate of 6.8 per cent. If the new government can match that and reduce unemployment to 2.8 per cent I will be the first to applaud — I will look forward to that.

With respect to matters mentioned by the honourable member involving the environment and transit lanes on freeways, I was again somewhat bemused as to what that had to do with public transport.

Rest assured, public transport in this state has improved dramatically. If public transport patronage increases as it has by some 10 per cent since 1992, that has to be good news for the environment as well. I therefore take the honourable member for Sunshine to be unashamedly endorsing the previous government's transport policies.

Mr Languiller interjected.

Mr McIntosh — Not by 10 per cent. The bill carries the process a step further. It abolishes the five statutory transport corporations that have effectively been made redundant by the franchise agreement between the government and the private transport operators. Further, the Public Transport Corporation becomes the successor of all the assets and liabilities of the previous statutory transport corporations, which means they are now effectively shell corporations.

One of the points made in the second-reading speech is that administrative costs will be reduced. I understand the Honourable Geoff Craigie in the upper house said the abolition of the shell corporations may result in savings of as much as \$500 000. If that is the case, it is certainly good news for Victoria as well.

The other aspect concerns the transfer of the assets and liabilities to the Public Transport Corporation, which means that liabilities or assets as they exist at the present time will have a successor, and people making claims against any of the statutory corporations can continue to proceed against the Public Transport Corporation without any fear. As I said, that is another legislative step in one of the most dramatic and effective transport policies anywhere in the world.

The policy was commenced during the time of the Kennett government and has been adopted by the current government. What I have just described is a legislative step to document what is actually in operation at the present time.

The most important thing to ask oneself is: who has been made better off under the current transport system? It may not necessarily be the bureaucrats and it is certainly not the transport unions; it is the public. The customers, the clients and the hundreds of thousands of daily transport users all around Victoria have been made better off by the transport policies. Members of the public are the true beneficiaries.

What criteria would one adopt to measure such a statement? Simply the criteria I mentioned before. Patronage is up on 1992 figures by 10 per cent; some 300 000 Met cards are sold each day to facilitate more than 1 million individual trips in Victoria each day. Those are tremendous figures and reflect the quality of the policy.

Further, the public of Victoria will benefit because the existing public transport subsidies will be reduced by hundreds of millions of dollars. At the same time, although the government will spend substantially less on public transport than it has in the past, the quality and number of services will still increase.

One can bleat as much as one likes about how things may be worse off under the private sector, but at the end of the day something must be working because patronage is up. I will tell you what that something is. Services have increased rapidly. For example, Sunday services increased as from July this year, and 61 new premium stations are staffed seven days a week from the first train to the last. Compare that to 1992, when only 35 stations in the metropolitan area were staffed first to last. There has also been a dramatic improvement in the quality of station facilities such as toilets, customer service facilities and car parking. The honourable member for Springvale mentioned the possibility of the introduction of fees for car parking. That just does not happen. The facilities are provided free of charge to allow people to commute.

The services are more punctual. The previous Minister for Transport, the Honourable Robin Cooper, introduced a charter of service that required the Public Transport Corporation and now requires the five franchised operators to adhere to 10 clear points in providing a service to the commuters and Victorian travellers. Fares are stable; trains and trams are cleaner and safer; and closed circuit television and emergency services were introduced.

All that means people find the service better and more reliable than before. Therefore they are voting with their feet and travelling on public transport. For example, until I came into this place I used to commute regularly by train. The one thing a person who travels morning and night by train wants is reliability and punctuality. In my experience rarely were those two qualities missing in the train service that was provided to me. On a more personal note, I have a three-year-old son I have taken on Puffing Billy and other things, but for \$4.40 I can get the best half day's entertainment one could ever imagine. We get on the train, travel around the loop, go to a few outer stations and come back again, and that provides half a day of absolute entertainment for my son. Again, that is a reflection of an improved service that is of benefit to the entire community.

What can we expect with the new private operators? First, they are obliged to increase the patronage even further. If they do not their financial viability will be in jeopardy, because it depends on increasing patronage. And it has been estimated that that patronage — they will be bound by this figure — across the five private operators will increase by some 50 per cent over the next 10 years. That has to be good news for Victoria and good news for the environment, which seems to concern all of us in this house, but particularly the honourable member for Sunshine.

The government currently pays a subsidy of \$330 million, which will reduce over the length of the private operators' contracts leading to savings of \$1.8 billion. Spread over 15 years that funding can be applied to other areas that are important to the people of Victoria. That saving will benefit the people of Victoria. Meanwhile, it will not reduce the quality or the standard of the service one iota.

Mr Leigh — It improves it.

Mr McINTOSH — Indeed. As I said, the private operators are required to maintain the standard and level of service. If they do not, they will be penalised in the amounts of subsidies provided. They are required by contract to provide punctual and reliable service and if they do not, it will impact on them. Further, the private providers are always required to invest in Victoria, and they do so in a couple of important ways. They have to invest in the rolling stock, in the provision of new trams and trains over a period, and also in the provision of new stations and car parks. The government does not pay for those things; the private operators do.

Investment in infrastructure will also be a collateral benefit to the people of Victoria. Not only will it provide a better service, it will also provide employment elsewhere. It will probably provide a pool of engineering talent and expertise that could develop into something new and remarkable, perhaps even an export industry. That pool of talent and expertise is a major part of the benefit.

Most importantly, what we have now as compared with what was inherited in 1992, what was so radically transformed for the betterment of the people of Victoria, is quite clear. We now have an opportunity to develop the issue even further. All Victorians will be better off with a more reliable, cheaper and more effective service. Private operators will invest in the provision of services to the people of Victoria, and thus in Victoria's future.

The bill is one part of a matrix that makes up a radical, dramatic and effective public policy development by abolishing the redundant statutory corporations. The bill is a step in the right direction, and I commend it to the house.

Ms BEATTIE (Tullamarine) — It does not give me great pleasure to speak on the bill because it is the soil on the coffin of public transport. It is essentially a housekeeping bill.

I have listened to other honourable members relate great, complicated stories about what is a relatively

simple bill. The aim of the bill is to bring public transport authorities under one umbrella in an attempt to tidy up the mess created by the former government. The purpose of the bill is to abolish the five statutory corporations that previously operated the public transport system in Victoria and transfer the residual assets and liabilities to the Public Transport Corporation.

Other honourable members have referred to what has happened in their electorates and to how wonderful public transport has previously been. It must be a very selective process because certainly in my electorate public transport has not been wonderful and it has not been the alternative that it should have been.

In Tullamarine we have the imposition of City Link tolls. There will be no effective way for residents to avoid the tolls, except by undertaking lengthy trips. The public transport infrastructure had not been established in Tullamarine by the former government, so there is little I can say about public transport in my electorate. The previous government gave us City Link, and we will pay for that.

Honourable members interjecting.

Ms BEATTIE — Members of the opposition are getting quite animated about the issue, and it is good to see they care.

The Public Transport Corporation will continue to be the only public transport statutory authority, and it will be responsible for the winding-up of the affairs of the rail corporations that will be abolished by the bill. The abolition of the five statutory authorities will secure cost savings by eliminating the need for the appointment of boards and chief executives, as is required under the current legislation.

Although there is a temptation to go into the broad-based issues other honourable members have sought to go into, I shall resist the temptation.

The other purpose of the bill is to amend the provisions of the Transport Act to enable officers of the Department of Infrastructure to be authorised to exercise certain enforcement powers previously able to be exercised only by staff employed in the Public Transport Corporation. I shall make some brief comments on those powers because I hope the culture of the enforcement officers can be changed. Certainly under the previous administration some enforcement officers tended to be overenthusiastic in their efforts to please the government of the day. I shall provide an example to illustrate that point.

A constituent telephoned me about a month before Christmas last year. It was during the period when the previous transport minister had supposedly granted an amnesty on imposing fines. The constituent received a phone call from her 12-year-old daughter asking her to come home because the daughter was feeling very ill. The mother left her workplace in the city and jumped on the first available tram in an attempt to get home to her ailing daughter. The woman did not have change of a \$50 note. She asked other passengers and the tram driver if they could change the \$50 note but they were unable to do so.

At North Melbourne some enforcement officers got on the tram and asked the woman if she had paid her fare. She explained that she did not have change. They asked her why she had not noticed the sign on the front of the tram saying that it was a coin-only tram. In her urgency to get home to her daughter my constituent had not noticed the sign on the tram. The enforcement officers then asked the woman for money. She said that she did not have change of the \$50 note, and the customer service employees did not have change either. It is strange that people called customer service employees did not have change. The poor woman could not pay the fare — —

Mr Richardson — On a point of order, Mr Acting Speaker, I can understand the sense of social injustice the honourable member is portraying, and such issues are perfectly relevant in certain circumstances. However, they have no relevance to a bill that is essentially a mechanical bill that repeals some acts of Parliament relating to the organisation of the rail system. The bill has nothing to do with what I am sure is a genuine injustice being pointed out by the honourable member. It is getting late and I would have thought that brevity and relevance is the essence of the exercise tonight. If I have to sit here and listen to honourable members' contributions, I want to get it over and done with.

The ACTING SPEAKER (Mr Phillips) — Order! I do not uphold the point of order on the basis that previous speakers have been allowed licence in the debate. It is difficult for the Chair to now rule the honourable member is not being relevant. The honourable member for Tullamarine was referring to enforcement officers. However, all honourable members are reminded that they must relate their contributions to the bill.

Ms BEATTIE — I thank the honourable member for the urbane charm with which he delivered his point of order.

Mr Richardson interjected.

Ms BEATTIE — I see we are all getting into the Christmas spirit!

The ACTING SPEAKER (Mr Phillips) — Order! The honourable member, on the bill.

Ms BEATTIE — I was talking about the enforcement powers in the bill. To continue the story: the poor woman did not have change of the \$50 note. The customer service employee did not offer change because he said it was not his duty to provide that service and that he would send her an invoice for the fare. Imagine her shock when the week before Christmas she was presented with a \$100 fine for the fare from the city to Essendon! A culture change is needed in the enforcement officers' role, and I hope the bill will deliver that change.

It is also intended to transfer certain enforcement staff from the Public Transport Corporation to the Department of Infrastructure to continue carrying out transport infringement enforcement functions, and it is appropriate to enable departmental staff to be authorised if necessary.

The bill seeks to do those things as well as bring all the previous authorities under the umbrella of the one authority. It is with sadness that I commend the bill to the house, because opposition members have talked about the ideology of public transport as though it is a shameful thing. I proudly declare that I am wedded to a public transport system that provides transport for not only those who want to rush to work but also for students to travel to school or for older people to travel to various places. We should keep the public transport system up and running, and not allow it to go the way of the British system.

I heard the honourable member for Mordialloc telling the house he had spoken to one union official who told him certain things. I have spoken to dozens of union officials who have studied the privatised British rail system. The British sold the tracks, the rolling stock and the stations separately. One unfortunate woman was hit by a train in England; about 14 trains ran over her before the system could be shut down. We should not seek to change the system if that is an example of what can happen under privatisation.

As the honourable member for Forest Hill said, it is getting late and we should get on with it. I wish the bill a speedy passage.

Mr KILGOUR (Shepparton) — It gives me delight to contribute to debate on the Rail Corporations and

Transport Acts (Miscellaneous Amendments) Bill. I am sorry that the honourable member for Tullamarine felt that way about the public transport system because the bill tidies up a variety of matters that benefit my electorate through the privatisation of the rail line between Shepparton and Melbourne.

I do not have the urbane charm of the honourable member for Forest Hill, so I will try to be brief. As has been the case with debates on other bills, I am looking forward to what will be the highlight of tonight's debate — the contribution by the honourable member for Forest Hill.

As was stated earlier, the bill is a housekeeping measure that abolishes the five statutory corporations that previously operated public transport in Victoria and transfers the residual assets and liabilities to the Public Transport Corporation. I used to have trouble in having the constituents of my rural electorate use the four trains that run daily between Shepparton and Melbourne — two services each way. From the early 1990s patronage was dropping off. When Alan Brown, then Minister for Transport, made changes I quickly came into his office to tell him that we could provide a decent amount of patronage between Shepparton and Melbourne and that we were able to arrange the privatisation of the Shepparton–Melbourne train. I am pleased that Hoys road lines, a formerly well-known Wangaratta bus operator, won the tender to operate the train service between Shepparton and Melbourne. That company has done an excellent job.

I was pleased to travel on the train early in the piece to compare the difference between the operations of Vicrail, or whatever it called itself, and Hoys after that company took over the line. I noted the trains were cleaner and the staff were more interested in the customers; they smiled. They provided a good service on the train and gave advice to people about, for example, where they should go when they departed the train in Melbourne or how to get out of the station at Spencer Street. They provided hot and cold snacks and free cups of tea or coffee as well as complimentary copies of the morning newspapers. That was quite a surprise compared with the way the train service had been operated in the past.

Since Hoys has taken over, patronage on the train has increased by more than 10 per cent. That demonstrates that people are prepared to travel on a train that has been looked after. They will not mess up the train; they will look after its interior; they will not slash the seats and so forth. Hoys has spent \$70 000 on Shepparton station, apart from making sure the rolling stock is in good condition. In Shepparton Hoys has erected a bus

shelter for passengers who arrive at the station by connecting buses from Kyabram, Strathmerton and Numurkah. The company has restored the function room and the station residence so that some of its staff can live at the station. It has also restored the refreshment rooms.

One of the best things about the changes is that the private company has provided part of the old parcels office for the use of the Goulburn Valley model railway club, which displays its model railway collections there. On many occasions during the year the club holds open house so people can visit and see the model railways. Members of the club are enthusiastic and do a good job. They have cooperated with the Hoys company to ensure a good service operates from the station.

People are pleased about a train link to Melbourne in the morning with a return service to Shepparton in the evening. Patronage is up because the previous government brought together the privatisation of the rail service. We have stopped the old unionists who for so long, quite frankly, kept down the good operations of the public transport system. When we went into the privatisation of that service we found the people working on the train were able to clean the train, but if a person used a long-handled broom he or she could only sweep the train corridors. That person could not use a short-handled broom — somebody else had to do that — so the public was up for twice the cost of employing a cleaner. We had to be careful about those people.

Now we have a contract cleaner who moves in when the train arrives at Shepparton. He and his wife come in with the vacuum cleaners; they don't worry about short-handled or long-handled brooms! The train carriages are cleaned beautifully.

I walk to the train first thing in the morning, sit in a carriage and read the newspaper on the delightful trip to Melbourne. I congratulate Hoys for the way it operates the private train. I also congratulate the previous government for ensuring that it gave bus operators, for example, the opportunity to branch out and do something different. They took a gamble that has paid off handsomely. I commend the bill to the house.

Mr Richardson — Mr Acting Speaker, I direct your attention to the state of the house.

Quorum formed.

Mr RICHARDSON (Forest Hill) — The Rail Corporations and Transport Acts (Miscellaneous Amendments) Bill is relatively simple. It is extraordinary that there has been such an enormous

amount of carry-on about extraneous matters that relate in a distant manner to what the bill is about. It is essentially a mechanical and housekeeping bill that ratifies arrangements put in place by the previous government.

As has been found over the past few weeks, the government is essentially putting in place legislation that was drafted by the previous government. If it continues to do so it will have relative success. The worst thing it could do is to do something. The bill repeals certain sections of the Rail Corporations Act of 1996.

Mr Batchelor interjected.

Mr RICHARDSON — No, I thought you were asleep. So long as it is established that it is the minister who is asleep and not me; I do not talk in my sleep!

The bill allows the privatisation arrangements relating to the transport system to proceed. The previous government's privatisation program was completed with the transfer of the public transport businesses from the statutory rail corporations to the new business operators, and the government has agreed to honour the contracts entered into by its predecessor. The bill gives effect to those undertakings.

It is interesting to read a media statement the Minister for Transport made when he was shadow minister. In 1997 the minister, then the opposition spokesperson on public transport, is reported as having said:

'The Kennett government's decision to privatise the public transport system will lead to higher prices for commuters and a less frequent service', the state opposition said today.

The shadow Minister for Transport, Mr Peter Batchelor —

He is a most distinguished gentleman in this place who has had a bad hair and beard day for some years. There is an excellent barber down the road who has looked after parliamentarians for many years. I would be happy to take the minister to meet him. The hair and the beard are terrible — something needs to be done.

Mr Langdon — On a point of order, Mr Acting Speaker, the honourable member should come back to the bill.

Mr RICHARDSON — On the point of order, Mr Acting Speaker, it is a frivolous point of order and contrary to the spirit of the house and of the way in which the standing orders are meant to operate.

The ACTING SPEAKER (Mr Phillips) — Order! Members have been given some latitude, but I remind

all members to ensure that the Chair is not put in a difficult position. They should relate their comments to the bill.

Mr RICHARDSON — I diverted briefly because there is reference in the opposition media statement of the day to the then shadow Minister for Transport, Mr Peter Batchelor, who is now the Minister for Transport. He attracted my attention. I have known the honourable member for a long time. Now that he is in a position of public significance there is a need for a hair and beard job. In 1997 the then shadow Minister for Transport is reported as having said:

The Kennett government has no mandate to break up the public transport system and sell it off to foreign owners.

He said that with unaccustomed passion. He also said:

The government has announced that it will privatise the whole public transport system by the end of next year but it has failed to provide any details about how this will occur.

Mr Batchelor said privatisation would destroy Victoria's integrated public transport system.

A government member interjected.

Mr RICHARDSON — I heard a shrill voice! I continue to hear voices, and I am feeling more like Joan of Arc than ever. The then shadow Minister for Transport said:

A public transport system needs to be fully integrated, coordinated and have a uniform ticket system that can be used on trams, trains and buses.

I thought that is what has happened. I hear more shrill voices. It is the most amazing, strange thing! Shrill voices are coming out of the ether. I thought the former government had in place all the things he said were needed.

Debate interrupted pursuant to sessional orders.

ADJOURNMENT

The SPEAKER — Order! The time appointed by sessional orders for me to interrupt business has arrived.

Victorian Concert Orchestra

Mr JASPER (Murray Valley) — I raise for the attention of the Minister for the Arts the need for funding support for the Victorian Concert Orchestra. The orchestra is a great success story, providing cultural entertainment for people across country Victoria. The Victorian Concert Orchestra had its origins in 1926. I thought government members would be interested to

know that its first president was Arthur Calwell, who was then employed in the Lands Department and later became federal Leader of the Opposition.

The concert orchestra has been supported by successive premiers over a long period. It operated as a concert band in earlier years.

Honourable members interjecting.

Mr JASPER — You will learn something if you listen. The orchestra provided great entertainment over a long period. It was supported strongly by Sir Henry Bolte, for instance, when the band was changed to a fully fledged orchestra in 1970. Harold Badger conducted the orchestra from 1975 to 1989. Many members would have heard of or know Harold Badger.

In recent years the orchestra has experienced financial difficulties, particularly since the early 1990s, when the former Labor government reduced funding to it. The orchestra had to look to outside funding if it was to continue providing entertainment, particularly to country people. Under the previous government funding continued to be reduced. Last year it was difficult for the orchestra to continue operating because of the lack of funding from the previous government.

I put it to the minister that consideration needs to be given to funding support for the concert orchestra. I remind the house that the aim of the orchestra is to provide good music for rural Victoria. The volunteer orchestra is made up of retired professionals, gifted amateurs, music teachers and music students, and it has three professional operatic singers. It has been operating with the support of the Department of Premier and Cabinet and recently Arts Victoria.

As I said, continued funding support is needed to enable the orchestra to continue to provide a high standard of cultural entertainment for people in country Victoria. Approximately 18 performances a year are presented.

Occupational health and safety: aluminium processing

Mr TREZISE (Geelong) — I raise with the Minister for Workcover a major health and safety concern that has arisen at the Alcoa aluminium plants in Geelong and Portland. On 1 December Alcoa's Victorian general manager wrote to past and present employees warning them of a relationship between prolonged exposure to coal pitch and an increased risk of lung and bladder cancer.

Coal pitch is used in aluminium processing plants throughout Australia in making carbon blocks that are in turn used to heat smelting pots. I congratulate Alcoa on being the first employer in the aluminium industry to warn employees of its concern. Alcoa has introduced stricter health and safety procedures, ensuring that employees and contractors wear protective safety masks.

The information on which Alcoa has based its warning originates from Alcan in Canada. It shows that workers who have worked with coal pitch for more than 20 years in an environment that is above the acceptable standard for Australia and the United States of America — that is, 0.2 milligrams of coal pitch per cubic metre of air — have an extra 1 per cent chance of developing bladder and lung cancer. Especially at this time of the year, that news has been a shock to those people and their families.

I ask the minister responsible for Workcover to monitor the situation and ensure the matter is referred to the National Occupational Health and Safety Commission for action.

Forest industry: Otway Ranges

Mr MULDER (Polwarth) — I raise with the Minister for Environment and Conservation the matter of protesters in logging coupes in the Otway Ranges. When I raised this matter with the Minister for State and Regional Development in the house last week he replied:

Under the Conservation, Forests and Lands Act, the minister has introduced specific regulations that support the timber industry and prevent protesters from damaging machinery, blocking roads or otherwise interfering with legitimate legal activity.

What is occurring is a clear breach of regulations, for which the penalties are quite severe, providing for fines of up to \$20 000.

On Monday I visited the coupes with contractor Chris Wheeler. Protesters have blocked roads with vehicles, climbed into trees in the coupes and halted work. The contractors have been advised by the Department of Natural Resources and Environment that under the direction of the Minister for Conservation and Environment they are not to arrest protesters but just monitor the situation — monitor law-breakers while innocent contractors and workers go broke!

Why is the Minister for Environment and Conservation aiding protesters while they are engaged in illegal activities that are endangering the lives of workers in the Otways? Furthermore, the protesters are occupying

the catchments without sanitation arrangements and creating a health hazard for the end users of water gathered in the catchments, much of that water being used in the Geelong area.

A Victorian Workcover Authority inspector who visited the site stated:

People in Melbourne would not believe this. What we have here is a totally unacceptable, unsafe workplace.

That workplace was created by a Labor government and a Labor minister. Do it in Melbourne at a building site and see how you go. We have Labor in drag. What you see is not necessarily what you get from this government. The Minister for Conservation and Environment stated in the house that the regulation was designed to stop any scrutiny of logging practices.

Today I have been notified that the protesters who are scrutinising the Otways at the instigation of the minister are lighting fires on a day of total fire ban. At the invitation of the Minister for Environment and Conservation protesters are sitting around campfires on a day of total fire ban. The lives of contractors are at risk. How long ago did Ash Wednesday occur? After that day on my way to the townships of Lorne and Anglesea I passed the charred remains of cars and homes. It is disgusting and stupid that this is allowed to happen in the Otway Ranges.

We need a permanent police presence and full replacement and enforcement of the regulations the minister repealed, leading to firebugs in the Otways being allowed to light fires. As I speak fires are burning out of control.

Bushfires: power industry preparedness

Mr LONEY (Geelong North) — I raise for the attention of the Minister for State and Regional Development, representing the Minister for Energy and Resources in another place, the bushfire preparedness of privatised power companies throughout Victoria — an important issue that affects the Otway Ranges at this time of year.

Documents released by the Office of the Chief Electrical Inspector under freedom of information provisions earlier this year showed that at this time last year in the lead-up to Victoria's bushfire season there were problems with the bushfire readiness of the privatised power companies operating in both the western and eastern parts of the state.

In the Eastern Energy service area those audits found a high number of large tree branches hanging over lines

and in need of trimming. In the western part of the state, the Powercor area, the situation was even more alarming. A report dated 24 November prepared for the Office of the Chief Electrical Inspector states that Powercor had altered its policy on asset inspection from a three-year inspection cycle — the industry standard — to a five-year cycle. Powercor reported that 4 per cent of power poles, more than 13 000, no longer met the industry standard for preparedness. The auditors concluded that a higher than normal fire risk existed in the Powercor area. The auditors also considered that Powercor could be in breach of its licence conditions as a result of the change in the inspection schedule, which was made without the endorsement of the Chief Electrical Inspector.

On 28 December 1998 the Office of Chief Electrical Inspector wrote to Powercor saying it had been unable to determine whether the risk of bushfire started from company assets had increased as a result of those policies and requesting further information. Correspondence went on until 1 March of this year, when Powercor was finally ticked off as bushfire prepared.

I ask the minister to provide a report on the state of bushfire preparedness of the energy companies this year and a guarantee that in future the practices of the Kennett government, including allowing bushfire preparedness to be delayed until the end of the summer, will be reversed.

Goulburn Valley: land clearing

Mr KILGOUR (Shepparton) — I raise with the Minister for Energy and Resources in another place, through the Minister for Local Government, problems with remnant vegetation in the Goulburn Valley.

Some people are, for various reasons, clearing remnant vegetation without a permit. Last week local members of Parliament visiting the City of Greater Shepparton and speaking to council members found that one of the serious local concerns is the inadequacy of penalties being levied on people who remove trees without a permit. Bad situations were described, such as people bulldozing a lot of trees along river banks and removing vegetation critical to the survival of the local ecology. The city was extremely concerned that those practices would continue unabated unless penalties could be imposed that would stop people doing the wrong thing by the environment.

Most people are responsible; they come and talk to the council about it. Then, if a certain number of trees need to be taken down for the development of an orchard, a

building or something similar, an arrangement can be made. Perhaps new trees can be planted close by or in another appropriate area to make up for the vegetation lost.

In some areas, however, developers and others wishing to sell land, in the belief that the land will be more saleable when it has fewer trees on it, take it into their own hands to cut down magnificent grey box and red gum trees. They certainly should not do such things, but they often do not bother to go to the council to get permits. On most occasions the council is happy to work with people wishing to get rid of some trees and to help them to do it in a manner that will not completely wreck the environment.

I ask the minister to review the penalties to see whether something might be done to create a proper deterrent so that people do not wreck our environment willy nilly. The trees they are cutting down belong to our children and grandchildren. I ask the minister to see what can be done.

Ballarat Begonia Festival

Ms OVERINGTON (Ballarat West) — I ask the Minister for Major Projects and Tourism to offer specific support for the Ballarat Begonia Festival. As all honourable members will know, my electorate is home to the begonia festival, Victoria's premier artistic, cultural and horticultural event. It is very close to my heart. Activities are centred around Lake Wendouree, in the heart of my electorate. In addition, I have had a longstanding personal involvement with the organisation of the events and was chairperson of the festival committee for the three years preceding my election to this house.

I draw the attention of the minister to the special nature of the Ballarat Begonia Festival. Each year it draws more than 100 000 visitors to Ballarat from across Victoria and Australia and from around the world. It is a true community event that derives its success from the support it enjoys from the local community, including local government, business and volunteers.

The minister will be aware that the lifeblood of festivals of this type is the group of ordinary people who give up evenings and weekends as volunteers to make the events a success. Our begonia festival is supported by more than 400 Friends of the Festival.

The economic benefits to Ballarat and regional Victoria coming from the festival are enormous and have been conservatively estimated at \$5 million to \$7 million for last year alone. The festival does more than simply attract visitors to specific events; it is a catalyst that

draws people to Ballarat and regional Victoria in huge numbers.

Unfortunately the previous government did not recognise or support major events in regional Victoria. It did not want to know about events that could not be seen from the window of the Premier's office in Treasury Place. In contrast, a new commitment to regional events is being shown by, for example, the Premier's acceptance of an invitation to open next year's Ballarat Begonia Festival.

I also invite the minister and other honourable members to visit the Ballarat Begonia Festival for a festival experience they will not forget quickly. Given its commitment to regional events, I ask the minister to investigate how the government might support the Ballarat Begonia Festival to be held from 3 to 13 March 2000.

Echuca: performing arts complex

Mr MAUGHAN (Rodney) — I ask the Minister for the Arts to intervene in a matter concerning funding for a performing arts complex in Echuca. The minister is aware of letters dated 26 October and 30 November from the chief executive officer of the Shire of Campaspe, Mr Phil Pearce, to Mr Ian Rogers of Arts Victoria. The letters set out the details of that proposal and request support for a performing arts complex in Echuca. The innovative project to build a performing arts complex to replace the existing outdated Paramount Theatre at an estimated cost of \$1.675 million will involve the shire, a private developer, Davey and Williams, and the state government.

Echuca has a wide diversity of performing arts, including live theatre, which is performed by a number of companies and very well patronised, ballet, music, film and a variety of other activities. The Paramount Theatre has served Echuca well for many years, but it is now totally inadequate because Echuca has grown significantly and the interest in the arts has increased. The cost of renovating the existing theatre is considerable and its seating capacity is limited to approximately 150.

The council has put forward an innovative proposal involving the building of a 400-seat complex by a private developer and a council contribution of \$675 000. Arts Victoria has thoroughly assessed the project and has recommended that some of the backstage works be upgraded to provide even better facilities, which will increase the cost of the project by about \$100 000. The cost of the project will now exceed the provisional amount allocated by the council,

so it will be beyond the council to complete the project. The council has requested Arts Victoria to increase the financial support to a total of \$1.1 million.

I ask the minister to give favourable consideration to that innovative and important project to provide a venue for the performing arts in country Victoria — in this case Echuca. I seek her support by approving the funding to enable the Shire of Campaspe to build that important arts complex in Echuca.

Hume: Sunbury plebiscite

Ms BEATTIE (Tullamarine) — I ask the Minister for Local Government to investigate methods of conducting a plebiscite to ascertain whether the majority of the residents of Sunbury want that area to separate from the City of Hume and form a stand-alone municipality of Sunbury.

Since the forced amalgamation of councils by the failed Kennett government many residents and local groups, including the Sunbury Residents Association, which is a well-known community group in the area, have not been happy with the shotgun marriage of the former Shire of Bulla and the City of Broadmeadows. The then opposition leader, who is now the Premier, gave a commitment to the Sunbury Residents Association that on the election of a Bracks Labor government a plebiscite would be held. Many residents of the area want that plebiscite to take place — indeed they are agitating for it to take place. That commitment has stood for 12 months, and I ask the Premier whether any progress has been made on the matter.

Roads: Wantirna upgrades

Mr WELLS (Wantirna) — I ask the Minister for Transport to inform me of the status of a number of promises about road upgrades in the Wantirna area.

The first commitment I refer to is for the duplication of High Street Road between Cathies Lane and Gallaghers Road; the second is for the duplication of Kelletts Road between Taylors Lane and Stud Road; and the third is for the duplication of Stud Road between High Street Road and Burwood Highway.

On 28 May the previous government gave a commitment that High Street Road would be upgraded from Gallaghers Road to Cathies Lane. That proposal was estimated to cost some \$12 million. The information given to the opposition is that the funding for the proposal was part of the forward estimates in the budget. The proposal included the construction of a new bridge over Dandenong Creek and the upgrading of the 2.9 kilometre section of High Street Road to four

lanes. That part of High Street Road is important because it is used by 24 000 vehicles a day.

The other road I mentioned was Kelletts Road, about which the previous government made an announcement on 7 May. Once again the opposition believes Kelletts Road, which is used by 19 000 vehicles a day, had funding of \$3 million attached to it in the forward estimates and that Vicroads had made the commitment that design on the road would commence in 1999–2000 and construction would be programmed in the next year. The money was put aside for design and construction of the road.

The opposition is most concerned about the roadworks it promised during the election campaign — the duplication of High Street Road from Stud Road to Burwood Highway — which were to cost \$3.8 million. Work was to commence in 2000–01 and was expected to be completed in 2002–03.

I ask the Minister for Transport to outline the status of those three sections of road — two that were announced seven or eight months ago, and the last one, High Street Road, which was announced during the election campaign. The roads in Wantirna carry an enormous amount of traffic.

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

Drugs: safe injecting facilities

Ms Asher interjected.

Mr HOLDING (Springvale) — I note the interjection of the honourable member for Brighton. Members of the opposition have a fascination with dogs. The previous Premier wanted to run his dog in the Mitcham election!

The SPEAKER — Order! The honourable member should ignore interjections and raise his matter.

Mr HOLDING — I ask the Minister for Health to address the provision of information and education on illicit drug use in our community. Honourable members would be aware that over the past couple of days there has been some controversy about safe injecting facilities in our community.

I am disappointed that the Prime Minister has chosen to take the stance he has in relation to the proposal for safe injecting facilities in the ACT, New South Wales and Victoria. He has shown he is intent on ensuring there will be no real solution to the problems of illicit drug use in our community. His stance means that my

constituency of Springvale will continue to have one of the highest rates of non-fatal overdoses anywhere in Victoria; it means there will continue to be nine non-fatal overdoses somewhere in Victoria every day. More than 300 people have already died of heroin overdoses this year — each death being preventable, and the problem will continue to be a blight on our community with no real solutions being offered by various governments.

I ask the Minister for Health to take into account the sterling work done by the Australian Drug Foundation. The minister and I had the opportunity of attending the recent celebration of the 40th anniversary of the foundation. I was very pleased that awards were presented to people who had made outstanding contributions to tackling illicit drug use in our community.

In particular, I take this opportunity to acknowledge the award to Mr Andy Hamilton, the principal of Heatherhill Secondary College in Springvale South, for outstanding leadership in school-based drug education. The award was well deserved. The college has been at the forefront of innovative education programs and is a credit to the local community. It has provided good, health-based education programs to the school community. I commend the school for providing a positive outlook for other local schools in the electorate of Springvale, and I ask the minister to provide whatever information he can on education programs regarding illicit drug use.

Distance Education Centre

Mr WILSON (Bennettswood) — I raise for the attention of the Minister for Education the Blackburn South site of the former Forest Hill Secondary College which has now been vacant for a long time. The previous coalition government made a significant financial commitment for the relocation of the Distance Education Centre from Albert Park to Blackburn South. I have been advised by concerned residents that the Australian Education Union, along with the new government, is trying to torpedo the shift from Albert Park to Blackburn South and is arguing for the centre's relocation to the northern suburbs — namely, to Moreland Secondary College.

The relocation of the Distance Education Centre to Blackburn South would be a significant economic and educational advantage to the local area; it would mean extra local construction and maintenance jobs. I ask the minister to intervene to ensure that good public policy prevails over short-term union demands.

Responses

Ms DELAHUNTY (Minister for Education) — In answer to the last matter raised by the honourable member for Bennettswood about the Distance Education Centre, the honourable member is right — that is, the government is examining the most satisfactory and efficient location for that centre. One suggestion is that it might be moved to Blackburn South.

He is correct in the first part of his question but he is totally incorrect in the second part. He provided absolutely no evidence. I do not know where he gets his fantasies from and the notion that the Australian Education Union (AEU) is somehow intervening in the education policy of this state. Where did that idea come from? Is it some sort of fantasy that has popped out of the honourable member's brain? I will be happy to let the honourable member know when a decision has been made about the most effective location for the education centre.

I remind the honourable member that the previous government wanted to privatise the Distance Education Centre and flog it off to the lowest bidder. Now the honourable member comes into the house and suggests that the AEU is driving the government's education policy. Please, get the facts right. It is not and it will not, and the government will save the Distance Education Centre. It will move it to the most effective location after the options have been carefully considered.

The honourable member for Rodney referred to the Echuca performing arts centre development. The idea is innovative. As he said, it is a united complex proposal involving the Campaspe Economic Development Board and Southern Star Enterprises. The proposal is for a multiscreen cinema and a 450-seat performing arts venue. The estimated cost of \$4.2 million will be provided by the commercial developer and the council. I am advised that the Campaspe Shire Council has requested \$1.1 million from Arts Victoria through the regional performing arts centre program for the construction and fit-out of the venue.

It is innovative because, as I understand it, the proposal involves a sell-back of the venue to the council upon completion of the construction work. That sounds like a PPI, with which the Minister for State and Regional Development and the Minister for Finance are familiar. Arts Victoria is currently evaluating the proposal from the Campaspe shire and will look sympathetically at it in light of the government's policy commitment to a

new regional arts infrastructure fund. I hope to have a result on that very shortly.

I saw the plans last week. Although the proposal is exciting because of the amount requested it will be necessary to consider the budget bottom line. However, I will get back to the honourable member for Rodney as soon as a result is to hand.

The honourable member for Murray Valley related the glorious tale of the country concert orchestra, which has provided popular entertainment by playing good music to appreciative audiences all over regional Victoria for at least half a century. It was supported by successive governments of all political colours for 38 years — until the last government. An examination of the files reveals that, inexplicably, its funding support of about \$45 000 a year was suddenly chopped off at the toenails by the former Minister for the Arts. It was a mere \$45 000 a year! How did the former Minister for the Arts operate his arts policy? I will give the house a bit of an idea. I refer to the *Australian* of 3 November, which states:

‘There was a photograph on the front of the *Australian* ... on New Year’s Day of the Sydney Harbour Bridge and the fireworks, etc.’, Mr Kennett said in January.

‘A wonderfully spectacular photograph’.

What did he go on to say?

I want that photograph next year to be the bridge over the Docklands ...

That is now known as the Bolte Bridge. He said it was up to Victoria to give the editors something worth while to photograph. He then went to the Melbourne International Festival of the Arts, saying in effect, ‘As Minister for the Arts and Premier of this state, I want fireworks over the Bolte Bridge on New Year’s Eve. I want the biggest bang in the Southern Hemisphere and it has to happen on the Bolte Bridge on New Year’s Eve’.

Never mind, Mr Speaker, that there was already a budget shortfall for those celebrations, which the Premier and Minister for the Arts jolly well knew about. The sponsors were not at the time interested in supporting the millennium party. How much do you think the Minister for the Arts insisted that the state should spend to give him his fireworks, his great big bang over the Bolte Bridge? It was \$90 000! And how much did the concert orchestra want? Only \$45 000! The government will return funding to the concert orchestra.

Mr PANDAZOPOULOS (Minister for Major Projects and Tourism) — The honourable member for Ballarat West referred once again to her ongoing interest in regional tourism, this time in relation to the Ballarat Begonia Festival. The honourable member for Ballarat West has been proactive in that area and has been deeply involved with the festival for a number of years. Only last week she had as her guests at Parliament members of the begonia festival committee, who cornered me and gave me their points of view.

I have examined the file on the funding for the festival and am surprised at the small amount provided by the previous government. According to the City of Ballarat the festival is the biggest regional event in the municipality. Tourism Victoria agrees with that. Some 100 000 people attend the festival each autumn, which is of massive benefit to both the City of Ballarat and the regional community, because city visitors provide regional spin-offs for the wider community as well. For example, visitors are encouraged to visit the goldfields touring route as well as other attractions in the area.

I have examined the application closely. When in opposition the government highlighted the lack of support shown by the previous government for significant and major events in regional Victoria. Highlights of the proposals submitted by the festival committee for the next event include the opening and launching of the floral carpet, begonia horticultural and gardening displays, the 2000 airshow, theatre productions, a street parade, a children’s carnival, art and photographic exhibitions and much more.

I arranged for the committee to apply to Tourism Victoria for a funding allocation of \$25 000 for next year. It is interesting that the grant the committee received from the former government for this year was only \$10 000. However, the Labor government thinks the event is so good it will give the committee three times that amount for next year’s event, which is more than the committee asked for. The government will give that amount because it thinks the festival is great. It attracts 5500 visitors from interstate and 34 000 visitors from Victoria, which translates to about 17 500 bed nights from interstate and intrastate, and totals about \$1.25 million in benefits from accommodation alone.

The government will provide \$20 000 to the committee and \$10 000 to cooperative marketing. Brochures will be distributed through the international and interstate offices, and television and newspaper advertising campaigns will be conducted in Adelaide and South Australia generally. I thank the honourable member for

Ballarat West for her hard work on this significant and major event in Victoria.

Mr BRUMBY (Minister for State and Regional Development) — The honourable member for Geelong North referred to the bushfire readiness of electricity companies as the intense heat of the summer period approaches with the increased risk of bushfires.

Honourable members should be aware that midway through this year the honourable member for Geelong North raised under freedom of information the preparedness of electricity companies for last summer's fire hazards. As a result of the honourable member raising the issue and alerting companies and the government to certain failures and deficiencies in readiness, companies are in a much better state of readiness this year.

I compliment the honourable member for Geelong North on his diligence in raising the issue. We have all been struck at various times by the tragedy of bushfires, and we know from looking back at the history of bushfires how many had avoidable causes, such as electrical faults or the failure to trim trees coming into contact with powerlines.

Parliament should be grateful to the honourable member for raising the issue and particularly for his vigilance in raising the matter earlier this year through freedom of information. The honourable member alerted me to the issue and I have been advised by my department that all Victorian power companies are in a sound state of bushfire readiness. That will be confirmed in a report to the Treasurer in the next week or so by the Chief Electrical Inspector on his annual audit of the electricity businesses' line clearance plans.

This year's audit is more comprehensive than in previous years because it includes the plans of New South Wales companies operating along the northern Victorian border. Previously that has not occurred. The matter was raised by the honourable member for Geelong North, and it has been addressed in this year's readiness plans.

The audit reveals better preparedness than last year and better dovetailing of plans by electricity businesses and municipal councils. Some deficiencies were noted and rectification notices have been issued. They relate mainly to deficiencies in performance information rather than plans. In all cases companies have indicated that rectification will be effected within one week.

If it cannot be done the Office of the Chief Electrical Inspector (OCEI) has required contingency plans to be put in place. In the most extreme cases that would

require the immediate shutdown of power in areas where safety could be compromised during periods of extreme fire danger.

In respect of deficiencies noted with Powercor in last year's audit, the OCEI advises that it is now satisfied Powercor's assets are safe and that its inspection program is appropriate. However, the OCEI will continue to monitor Powercor's performance throughout the fire season before formally endorsing its amended pole inspection approach.

I am advised by my department that I can inform the house that the power companies are in a sound state of bushfire readiness. I repeat that the government expects the companies to be bushfire ready, because the government's policy on the issue is one of zero tolerance. I thank the honourable member for Geelong North for his persistence and diligence on the issue and for helping to make Victoria a safer state.

Mr THWAITES (Minister for Health) — The honourable member for Springvale raised the Australian Drug Foundation awards function held earlier this week, which I was pleased to attend with the honourable member.

For 40 years the Australian Drug Foundation has provided good information to the community on drug and alcohol issues. It is worth acknowledging the importance of good information, because society determines the appropriate approach to drug and alcohol issues. It is important for people considering using drugs and alcohol to be properly informed, and it is important for politicians to base their decisions on good information rather than prejudice.

The awards presented included an award for outstanding leadership in schools-based drug education, which was won by Andy Hamilton of Heatherdale Secondary College in Springvale South. I acknowledge the great contribution he and his school have made, as have other members of the Springvale community, to trying to lessen the terrible effects of drug abuse.

Christine Hamilton from the Palm Lodge Centre in Horsham won an award for outstanding leadership in community-based initiatives. Bryan Kidd of the Panton Hill Cricket Club won an award for outstanding leadership in promoting responsible alcohol and drug use in sporting settings, and Richard Midford and Nyanda McBride from the National Drug Research Institute in Perth jointly won an award for excellence in alcohol and drug research initiatives.

Terry Laidler of 3LO was presented with an award for excellence in media reporting of alcohol and drug

issues. He has consistently provided accurate and fair information on drug issues. That is in contrast to the sensationalist and inaccurate views often presented on some interstate radio programs.

One of the reasons Victorian governments — both the Bracks government and the former government — have been able to take a realistic and progressive approach on the issue is that Victoria has a reasonable media. In some other states media reporting of drug issues has been hysterical and inaccurate, and that has led to poor public policy.

I congratulate the honourable member for Springvale on raising the issue, and I congratulate the winners of the Australian Drug Foundation awards.

Mr CAMERON (Minister for Local Government) — The honourable member for Geelong raised a matter of obvious concern to him, particularly as many families in his electorate are affected because they may have received notices in the past few days. The honourable member for Geelong is joined by other honourable members from that area in concern about the matter.

The workers' families, unions and the community, particularly in the Geelong area, have a real interest in this sensitive issue. Some 3000 workers who worked at Alcoa between the 1960s and the early 1990s have recently been informed that if they worked with coal-tar pitch volatiles there may be an increased incidence of lung and bladder cancer. Alcoa has responded to the information by contacting workers and former workers and has taken action to further reduce exposure to one-quarter of the recognised standard.

The reality is that the workers' families have a heightened apprehension, and the Bracks government will ensure the matter is properly dealt with. To that end my office has drafted a letter to the National Occupational Health and Safety Commission stating that its involvement is essential to bring about a national response. The issue requires a national response because aluminium smelters are not confined to Victoria. Four smelters are located outside Victoria; accordingly, it is an interstate issue.

At the outset a register must be established and coordinated, and Alcoa has already done that with its work force. The starting point is to examine any methods that come out of the study referred to by the honourable member for Geelong that may help with early identification of sensitive health problems.

I have required the Victorian Workcover Authority to enter into discussions with Alcoa to see how it may

assist the National Occupational Health and Safety Commission with any work that is needed.

The honourable member for Tullamarine asked what progress has been made concerning a pre-election commitment to hold a plebiscite on the Sunbury district becoming a separate municipality — that is, being separated from the City of Hume. In other words, instead of there being one household there will be two households.

In an effort to bring about an early resolution of the matter, today I had discussions with representatives of the City of Hume. I believe those discussions have opened up a good dialogue and the City of Hume is formulating its response. The government seeks to have a real and sensible relationship with the city. That is occurring. I assure the honourable member for Tullamarine that matters are afoot in an effort to work through the issue towards its early resolution. The raising of the matter in the debate tonight demonstrates that the honourable member is totally dedicated to her community.

The honourable member for Polwarth raised a matter concerning the Otway Ranges for the attention of the Minister for Environment and Conservation. I will refer that matter to the minister.

The honourable member for Shepparton raised a matter about the clearing of remnant vegetation for the attention of the Minister for Environment and Conservation. I will refer that matter to the attention of the minister.

The honourable member for Wantirna directed to the attention of the Minister for Transport a concern about roads in his area that were neglected by the former Liberal government. I will refer that matter to the minister.

The SPEAKER — Order! The house stands adjourned until tomorrow.

House adjourned 10.51 p.m.

**Joint Sitting of the Legislative Council and the
Legislative Assembly**

Wednesday, 15 December 1999

Victorian Health Promotion Foundation

**Honourable members of both houses assembled at
6.17 p.m.**

The Clerk — Before proceeding with the business of this joint sitting it will be necessary to appoint a President of the joint sitting.

Mr BRACKS (Premier) — I move:

That the Honourable Alex Andrianopoulos, MP, Speaker of the Legislative Assembly, be appointed President of this joint sitting.

Dr NAPTHINE (Leader of the Opposition) — I second the motion.

Motion agreed to.

The PRESIDENT — I thank honourable members from both houses for the honour they have bestowed on me. I draw the attention of honourable members to extracts from the Tobacco Act 1987, which have been circulated.

It will be noted that the various provisions require that the joint sitting be conducted in accordance with the rules adopted for the purpose by members present at that sitting. The first procedure, therefore, will be the adoption of rules.

Mr BRACKS (Premier) — Mr President, I desire to submit the rules of procedure, which are in the hands of honourable members, and I accordingly move:

That these rules be the rules of procedure for this joint sitting.

Dr NAPTHINE (Leader of the Opposition) — I second the motion.

Motion agreed to.

The PRESIDENT — The rules having been adopted, I am now prepared to receive proposals from honourable members with regard to members to be elected to the Victorian Health Promotion Foundation.

Mr BRACKS (Premier) — I propose:

That the Honourable Ronald Alexander Best, MLC, and Ms Jennifer Margaret Lindell, MP, be elected to the Victorian Health Promotion Foundation.

I understand they are willing to accept the appointments if chosen.

Dr NAPTHINE (Leader of the Opposition) — I second the proposal.

The PRESIDENT — Are there any further proposals?

As only two members have been proposed I declare that the Honourable Ronald Alexander Best, MLC, and Ms Jennifer Margaret Lindell, MP, be elected as members of the Victorian Health Promotion Foundation.

I now declare the joint sitting closed.

Proceedings terminated 6.25 p.m.