PARLIAMENT OF VICTORIA

PARLIAMENTARY DEBATES (HANSARD)

LEGISLATIVE COUNCIL

FIFTY-FOURTH PARLIAMENT

FIRST SESSION

Book 3

21 and 22 March 2000

Internet: www.parliament.vic.gov.au

By authority of the Victorian Government Print

The Governor

His Excellency the Honourable Sir JAMES AUGUSTINE GOBBO, AC

The Lieutenant-Governor

Professor ADRIENNE E. CLARKE, AO

The Ministry

Premier, Treasurer and Minister for Multicultural Affairs	The Hon. S. P. Bracks, MP
Deputy Premier, Minister for Health and Minister for Planning	The Hon. J. W. Thwaites, MP
Minister for Industrial Relations and Minister assisting the Minister for Workcover	The Hon. M. M. Gould, MLC
Minister for Transport	The Hon. P. Batchelor, MP
Minister for Energy and Resources, Minister for Ports and Minister assisting the Minister for State and Regional Development	The Hon. C. C. Broad, MLC
Minister for State and Regional Development, Minister for Finance and Assistant Treasurer	The Hon. J. M. Brumby, MP
Minister for Local Government, Minister for Workcover and Minister assisting the Minister for Transport regarding Roads	The Hon. R. G. Cameron, MP
Minister for Community Services	The Hon. C. M. Campbell, MP
Minister for Education and Minister for the Arts	The Hon. M. E. Delahunty, MP
Minister for Environment and Conservation and Minister for Women's Affairs	The Hon. S. M. Garbutt, MP
Minister for Police and Emergency Services and Minister for Corrections	The Hon. A. Haermeyer, MP
Minister for Agriculture and Minister for Aboriginal Affairs	The Hon. K. G. Hamilton, MP
Attorney-General, Minister for Manufacturing Industry and Minister for Racing	The Hon. R. J. Hulls, MP
Minister for Post Compulsory Education, Training and Employment	The Hon. L. J. Kosky, MP
Minister for Sport and Recreation, Minister for Youth Affairs and Minister assisting the Minister for Planning	The Hon. J. M. Madden, MLC
Minister for Gaming, Minister for Major Projects and Tourism and Minister assisting the Premier on Multicultural Affairs	The Hon. J. Pandazopoulos, MP
Minister for Housing, Minister for Aged Care and Minister assisting the Minister for Health	The Hon. B. J. Pike, MP
Minister for Small Business and Minister for Consumer Affairs	The Hon. M. R. Thomson, MLC
Parliamentary Secretary of the Cabinet	The Hon. G. W. Jennings

Legislative Council Committees

Economic Development Committee — The Honourables R. A. Best, G. R. Craige, Kaye Darveniza, N. B. Lucas, J. M. McQuilten, W. I. Smith and T. C. Theophanous.

Privileges Committee — The Honourables W. R. Baxter, D. McL. Davis, C. A. Furletti, M. M. Gould and G. W. Jennings.

Standing Orders Committee — The Honourables the President, G. B. Ashman, B. W. Bishop, G. W. Jennings, Jenny Mikakos, G. D. Romanes and K. M. Smith.

Joint Committees

Drugs and Crime Prevention Committee — (*Council*): The Honourables B. C. Boardman and S. M. Nguyen. (*Assembly):* Mr Jasper, Mr Lupton, Mr Mildenhall, Mr Wells and Mr Wynne.

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.

Law Reform Committee — (*Council*): The Honourables D. McL. Davis, D. G. Hadden and P. A. Katsambanis. (*Assembly*): Mr Languiller, Mr McIntosh, Mr Stensholt and Mr Thompson.

Library Committee — (*Council*): The Honourables the President, E. C. Carbines, M. T. Luckins, E. J. Powell and C. A. Strong. (*Assembly*): Mr Speaker, Ms Duncan, Mr Languiller, Mrs Peulich and Mr Seitz.

Printing Committee — (*Council*): The Honourables the President, Andrea Coote, Kaye Darveniza and G. K. Rich-Phillips. (*Assembly*): Mr Speaker, Ms Gillett, Mr Nardella and Mr Richardson.

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

MEMBERS OF THE LEGISLATIVE COUNCIL

FIFTY-FOURTH PARLIAMENT — FIRST SESSION

President: The Hon. B. A. CHAMBERLAIN

Deputy President and Chairman of Committees: The Hon. B. W. BISHOP

Temporary Chairmen of Committees: The Honourables G. B. Ashman, R. A. Best, Kaye Darveniza, D. G. Hadden, P. R. Hall, Jenny Mikakos, R. F. Smith, E. G. Stoney and C. A. Strong

Leader of the Government:
The Hon. M. M. GOULD

Deputy Leader of the Government:
The Hon. G. W. JENNINGS

Leader of the Opposition:
The Hon. M. A. BIRRELL

Deputy Leader of the Opposition:
The Hon. BILL FORWOOD

Leader of the National Party:
The Hon. R. M. HALLAM

Deputy Leader of the National Party:
The Hon. P. R. HALL

Member	Province	Party	Member	Province	Party
Ashman, Hon. Gerald Barry	Koonung	LP	Hall, Hon. Peter Ronald	Gippsland	NP
Atkinson, Hon. Bruce Norman	Koonung	LP	Hallam, Hon. Roger Murray	Western	NP
Baxter, Hon. William Robert	North Eastern	NP	Jennings, Hon. Gavin Wayne	Melbourne	ALP
Best, Hon. Ronald Alexander	North Western	NP	Katsambanis, Hon. Peter Argyris	Monash	LP
Birrell, Hon. Mark Alexander	East Yarra	LP	Lucas, Hon. Neil Bedford, PSM	Eumemmerring	LP
Bishop, Hon. Barry Wilfred	North Western	NP	Luckins, Hon. Maree Therese	Waverley	LP
Boardman, Hon. Blair Cameron	Chelsea	LP	McQuilten, Hon. John Martin	Ballarat	ALP
Bowden, Hon. Ronald Henry	South Eastern	LP	Madden, Hon. Justin Mark	Doutta Galla	ALP
Brideson, Hon. Andrew Ronald	Waverley	LP	Mikakos, Hon. Jenny	Jika Jika	ALP
Broad, Hon. Candy Celeste	Melbourne North	ALP	Nguyen, Hon. Sang Minh	Melbourne West	ALP
Carbines, Hon. Elaine Cafferty	Geelong	ALP	Olexander, Hon. Andrew Phillip	Silvan	LP
Chamberlain, Hon. Bruce Anthony	Western	LP	Powell, Hon. Elizabeth Jeanette	North Eastern	NP
Coote, Hon. Andrea	Monash	LP	Rich-Phillips, Hon. Gordon Kenneth	Eumemmerring	LP
Cover, Hon. Ian James	Geelong	LP	Romanes, Hon. Glenyys Dorothy	Melbourne	ALP
Craige, Hon. Geoffrey Ronald	Central Highlands	LP	Ross, Hon. John William Gamaliel	Higinbotham	LP
Darveniza, Hon. Kaye	Melbourne West	ALP	Smith, Hon. Kenneth Maurice	South Eastern	LP
Davis, Hon. David McLean	East Yarra	LP	Smith, Hon. Robert Fredrick	Chelsea	ALP
Davis, Hon. Philip Rivers	Gippsland	LP	Smith, Hon. Wendy Irene	Silvan	LP
Forwood, Hon. Bill	Templestowe	LP	Stoney, Hon. Eadley Graeme	Central Highlands	LP
Furletti, Hon. Carlo Angelo	Templestowe	LP	Strong, Hon. Christopher Arthur	Higinbotham	LP
Gould, Hon. Monica Mary	Doutta Galla	ALP	Theophanous, Hon. Theo Charles	Jika Jika	ALP
Hadden, Hon. Dianne Gladys	Ballarat	ALP	Thomson, Hon. Marsha Rose	Melbourne North	ALP

CONTENTS

TUESDAY, 21 MARCH 2000

WEDNESDAY, 22 MARCH 2000

Tuesday, 21 March 2000

The PRESIDENT (Hon. B. A. Chamberlain) took the chair at 2.03 p.m. and read the prayer.

NATIONAL TAXATION REFORM (CONSEQUENTIAL PROVISIONS) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. C. C. BROAD (Minister for Energy and Resources).

QUESTIONS WITHOUT NOTICE

Workcover: small business

Hon. BILL FORWOOD (Templestowe) — Did the Minister for Small Business or her department make a formal submission to the government working party established to recommend legislative changes to workers compensation? If so, will she now table that submission?

Hon. M. R. THOMSON (Minister for Small Business) — I do not believe there was a formal submission from my department in relation to that, so there will be no documents to table.

Lawn bowls: funding

Hon. G. D. ROMANES (Melbourne) — Will the Minister for Sport and Recreation inform the house what action his department has initiated in assisting lawn bowls in this state?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — Honourable members may not be aware that Victoria has 562 bowls clubs — 169 in metropolitan Melbourne and 393 in regional Victoria. The government recognises the importance of sport as a community builder. Bowls is an important community activity for older Victorians in particular, but not exclusively older Victorians. In its campaign the government has pledged to assist the sport.

In 1980 bowls was the second most participated in sport; it is now the fifteenth most participated in sport, with 71 200 registered participants. I am pleased to announce today that Sport and Recreation Victoria will provide $60 000 in this financial year and $120 000 in the following three financial years. Exciting projects to be undertaken with this year's money include: the development of a bowls marketing plan, $20 000; the Premier's lawn bowl tournament, $5000; funding of promising talent for the 2006 Commonwealth Games, $12 000; best-practice green management strategies, $8000; the turf-grass conference, $7000; newsletter activities, $4000; and a web site development, $4000.

Workcover: small business

Hon. BILL FORWOOD (Templestowe) — I remind the Minister for Small Business of her commitment in this house on 23 November last year that she would speak on behalf of small businesses about any changes that may be proposed to Workcover. Given that she did not make a submission to the working party, how did she fulfil that commitment?

Hon. M. R. THOMSON (Minister for Small Business) — In relation to Workcover, which is a complex issue, I reiterate that the Victorian Workcover scheme's liability of $338 million must be addressed by the government.

The government needs to balance meeting its responsibilities on Workcover with its commitments prior to the election of ensuring the reintroduction of common law and ensuring that it limits the costs to small businesses that have a good health and safety record. In cabinet, ministers are now looking at and discussing Workcover options in relation to both the liability that exists from the previous government's scheme and the reintroduction of common law. I am participating in and contributing to the discussions to ensure that small business is looked after.

Electricity: clean energy initiatives

Hon. KAYE DARVENIZA (Melbourne West) — Will the Minister for Energy and Resources inform the house what action the government is taking regarding the development of clean energy in Victoria?

Hon. C. C. BROAD (Minister for Energy and Resources) — I thank the honourable member for her interest in this very important area of public policy.

The Bracks government is committed to supporting and facilitating the development of co-generation opportunities wherever possible in this state. To ensure that, Energy Efficiency Victoria is doing a great deal of work to facilitate such developments in this state. In line with that policy emphasis the Victorian government applauds the initiative of Origin Energy to commercialise a number of 20 megawatt co-generation plants in south-west Victoria and South Australia.

Investment in each of those plants will be $50 million, which is a significant contribution in terms of finance and in the supply of local electricity to the national grid.

The government's actions, including the importance it places on the development of clean energy, stand in marked contrast to the actions of the previous Kennett government. Peter Troughton, the architect of the Kennett government's electricity privatisation, indicated in a seminar held in Melbourne yesterday that throughout the privatisation process the Kennett government never considered the objectives of reducing greenhouse gas emissions and promoting renewable energy. Mr Troughton went on to say that if he had his time over again, he would want the government to develop policy and regulatory incentives in that important area. It is a shameful indictment of the previous government to have the main architect of the privatisation of Victoria's energy supplies reveal that not once during the whole process did the Kennett government consider that the important issues of greenhouse emissions and renewable energy needed to be addressed.

However, the Bracks government will address those important issues through the reform of Sustainable Energy Authority Victoria and a budget boost to Energy Efficiency Victoria, which is in marked contrast to the slashing of the budget under the previous government — —

Opposition members interjecting.

Hon. C. C. BROAD — Proud of it, are you?

The third strategy will involve requiring electricity retailers to produce greenhouse gas reduction strategies and to publicly report on their emissions annually.

Snowy River

Hon. E. G. STONEY (Central Highlands) — I refer the Minister for Energy and Resources to a statement she made last week along the lines that she would like federal funding for works related to the Snowy River. Was the minister saying that the government can support work on the Snowy River only if it receives federal funding?

Hon. C. C. BROAD (Minister for Energy and Resources) — The short and the long answer is no.

Industrial relations: employee entitlements

Hon. JENNY MIKAKOS (Jika Jika) — I ask the Minister for Industrial Relations to outline the government's response to the forced liquidation of Fabric Dye Works at Coburg last week, which resulted in its 61 employees losing their entitlements.

Hon. M. M. GOULD (Minister for Industrial Relations) — I thank the honourable member for her question. Fabric Dye Works in Coburg shut down last week, which resulted in the company going into liquidation and 61 workers losing their entitlements. There is no national scheme to protect the entitlements of workers who lose their jobs as a result of companies becoming insolvent. Those 61 workers have lost their entitlements because of an order of the Australian Taxation Office. The ATO could easily have avoided doing that, and I am advised that the company has said that it could have traded out of the situation it was in if not for the making of the order.

Those 61 workers at the Coburg factory have been left on the unemployment scrap heap. Their entitlements and their nest eggs have been lost as a result of the federal minister — —

Opposition members interjecting.

The PRESIDENT — Order! Having 10 honourable members on my left shouting at once is not conducive to good debate. I ask those honourable members to desist to allow the minister to finish her answer.

Hon. M. M. GOULD — The workers have lost their entitlements, and Mr Reith, the federal workplace relations minister, has for two years been sitting on his hands doing nothing about workers. That has resulted in a hodgepodge situation, with the workers getting nothing and the Coburg Fabric Dye Workers getting a miserly scheme that is capped and funded by taxpayers, while the employees of the New South Wales company National Textiles — surprise, surprise! — are getting all their entitlements.

It is the responsibility of all employers to ensure that their workers' entitlements are protected. It is not the responsibility of taxpayers or of the government to provide an open cheque book. Mr Reith needs to introduce a scheme that protects workers and their entitlements rather than the capped scheme that he has proposed.

Rail: regional links

Hon. R. A. BEST (North Western) — I refer the Minister for Industrial Relations to the proposed fast-track rail linkages between Melbourne and key regional cities. Will she establish a special task force to deal with any industrial relations issues; and if not, how will she ensure that potential private investors have the confidence to bid for the project?

Hon. M. M. GOULD (Minister for Industrial Relations) — I am confident that private investors have confidence in Victoria and will have the confidence to invest in the project. In relation to the specific nature of the honourable member's question, I will be pleased to take it into consideration and report back to him on it.

Fishing: abalone

Hon. R. F. SMITH (Chelsea) — Will the Minister for Energy and Resources and for Ports inform the house of the recent successes in protecting valuable fisheries such as abalone?

Hon. C. C. BROAD (Minister for Energy and Resources) — Abalone is Victoria's most valuable fishery resource. Recent estimates put the value of the fishery to the state to be in excess of $45 million annually. As a result the protection of that important and valuable fishery is a big issue. Over the past 12 months the special investigation group of the Department of Natural Resources and Environment has been successful in targeting two illegal multimillion dollar abalone processing and trafficking operations.

In one case that resulted in a person who was described as having close links to those types of illegal trafficking operations being sentenced to six months gaol and fined over $60 000 — and more than $1 million worth of product was captured. More recently, some honourable members may have noticed newspaper reports of a joint operation involving the Department of Natural Resources and Environment and the Tasmanian and Victorian police, which has resulted in charges being laid for abalone poaching offences near the Victorian and Tasmanian borders. That is not a matter I can talk about in detail because it is before the courts; however, it is one that we are most hopeful about.

In response to the honourable member's question, I point out that those results indicate that the task force approach is the most successful one to take. Accordingly, Victoria is continuing to shift its enforcement emphasis towards the task force approach when deciding where it places its resources to stem those major illegal operations.

Heineken golf tournament

Hon. I. J. COVER (Geelong) — I refer the Minister for Sport and Recreation to my question last week regarding the Heineken golf tournament. The minister undertook to 'bring to the house the figures relating to the government's financial incentive offered to the promoters'. Where are those figures?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — Those figures will be provided to the house as part of the normal process of departmental reporting through the Department of State and Regional Development.

Disabled Children's Foundation

Hon. T. C. THEOPHANOUS (Jika Jika) — Will the Minister for Consumer Affairs inform the house what action the Office of Fair Trading and Business Affairs has taken to assist in the winding up of the Disabled Children's Foundation?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — Honourable members may be aware that late last year the Disabled Children's Foundation was found to be in breach of the Fundraising Appeals Act. On 3 November 1999, the public officer of the foundation, William Murnane, agreed to — —

Hon. G. R. Craige interjected.

The PRESIDENT — Order! I ask Mr Craige to desist and allow the minister to respond to a non-controversial question.

Hon. M. R. THOMSON — Mr Murnane stated that bad publicity and the pressure on his operation by the Office of Fair Trading and Business Affairs were the reasons for his winding up. Phillips Fox has been appointed as the solicitor to ensure the winding up is properly carried out. The property at Aireys Inlet has now been sold and the Spastic Society of Victoria has been designated the charity to which all the funds will go. Mr Murnane has also agreed to cease fundraising in any capacity for the next five years.

This case brought to note the problems with shonky fundraisers, the disrepute it can bring to the industry as a whole, and the need for a review of fundraising legislation in Victoria and nationally to ensure we are confident that those who are raising funds for charity are doing so in an appropriate way. The terms of reference for the review of the fundraising legislation in Victoria are now being finalised. The government is mindful of the balance needed to ensure shonky operators are kept out and that small fundraising operations that are operating legally are not adversely affected.

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Auditor-General's office

Hon. BILL FORWOOD (Templestowe) presented report on appointment of auditor to conduct financial audit for 1999–2000 of Victorian Auditor-General's Office and final audit of Audit Victoria, together with appendices.

Laid on table.

Ordered to be printed.

PAPERS

Laid on table by Clerk:

Crown Land (Reserves) Act 1978 — Minister's Order of 9 March 2000, giving approval of granting of a lease at the Melbourne Cricket Ground Reserve and over parts of Yarra Park Reserve.

Food Safety Council — Report, 1997–99.

Intellectual Disability Review Panel — Report, 1998–99.

Interpretation of Legislation Act 1984 —

Notice pursuant to section 32(3) in relation to Industrial Waste Management Policy (Waste Acid Sulfate Soils).

Notice pursuant to section 32(3)(iii) in relation to Statutory Rule No. 88/1999.

Planning and Environment Act 1987 — Notices of Approval of the following amendments to planning schemes:

Bayside Planning Scheme — Amendment C3.

Campaspe Planning Scheme — Amendment C4.

Mornington Peninsula Planning Scheme — Amendment C21.

Port Phillip Planning Scheme — Amendment C22.

Stonnington Planning Scheme — Amendment L99.

Warrnambool Planning Scheme — Amendment C2.

Wyndham Planning Scheme — Amendment C5.

South Western Regional Waste Management Group — Minister for Environment and Conservation's report of 14 March 2000 of receipt of the 1998–99 report.

Statutory Rules under the following Acts of Parliament:

Marine Act 1988 — No. 13.

Subordinate Legislation Act 1994 — No. 12.

Subordinate Legislation Act 1994 —

Minister's exception certificate under section 8(4) in respect of Statutory Rule No. 12.

Minister's exemption certificate under section 9(6) in respect of Statutory Rule No. 13

NATIONAL TAXATION REFORM (CONSEQUENTIAL PROVISIONS) BILL

Second reading

Hon. C. C. BROAD (Minister for Energy and Resources) — I move:

That this bill be now read a second time.

The purpose of this bill is to implement the state's obligations under the Intergovernmental Agreement on the Reform of Commonwealth–State Relations, which was signed by the commonwealth and all states and territories in late June 1999.

The Bracks government is concerned about the impact of the goods and services tax (GST) in many respects, in particular the impact of the commonwealth's tough stance of expecting the state to achieve embedded tax savings of $100 million per annum. But the GST is a tax that the commonwealth government is determined to introduce and for which legislation has been passed in the commonwealth Parliament. The Victorian government is obliged to honour the previous government's commitments which were made under the intergovernmental agreement (IGA).

The intergovernmental agreement formalised several important changes to commonwealth–state financial arrangements and committed the states and territories to certain changes in their tax arrangements. The measures of the IGA include the following:

all GST revenue will flow to the states and territories;

the commonwealth will cease to apply the wholesale sales tax from 1 July 2000;

the temporary safety net arrangements for the taxation of petroleum, liquor and tobacco which were established by the commonwealth on 6 August 1997, and which have provided an important source of revenue for the states and territories, will cease on 1 July 2000;

the payment of financial assistance grants by the commonwealth to states and territories will cease on 1 July 2000;

the states and territories will cease to apply financial institutions duty and stamp duties on quoted marketable securities from 1 July 2001;

the states and territories will cease to provide support for off-road diesel use, as the commonwealth will be providing a complete rebate of its petroleum excise and customs duty in the case of off-road diesel from 1 July 2000;

the states and territories will adjust their gambling tax arrangements to take account of the impact of the GST on gambling operators;

to offset the impact of the GST on first home buyers, the states and territories will fund a first home owners grant scheme;

the commonwealth will legislate to require the states to withhold from any local government which does not register for GST and make voluntary GST payments, a sum equivalent to the unpaid GST; and

the GST will be applied to government fees and charges which are not declared GST-free by determination by the commonwealth Treasurer.

It is necessary for the Victorian government, like the governments of all other states and territories, to make legislative changes and initiatives that arise directly from the previous government's signing of the intergovernmental agreement and as a consequence of the Victorian government's desire to alleviate some adverse impacts of the GST on some parties which are subject to state taxes.

I now turn to the particulars of the bill.

Part 1 establishes the purposes and commencement dates pertaining to this bill.

Part 2 of the bill serves as a record of the states' intention to comply with and give effect to the intergovernmental agreement, which is attached as a schedule to the bill.

Part 3 establishes the capacity for state entities — including local governments — to pay voluntary GST equivalents and for the Treasurer to direct them to do so.

Part 4 of the bill provides the scope for the Governor in Council, on the recommendation of a minister, to make regulations providing for a fee or charge set by a statutory rule to be increased by an amount up to the amount of the GST. The intergovernmental agreement provides for the commonwealth to make payments to the states in the transitional years of national tax reform when it is estimated that the states' budgets would be worse off without the so-called guarantee payments to be made by the commonwealth.

Among the factors which the intergovernmental agreement provides to be taken into account in calculating the necessary guarantee payments is a clawback, by the commonwealth, of embedded tax savings realised by state entities as a result of abolished wholesale sales tax and reductions in other taxes and excises. The Victorian government has carefully assessed the embedded tax savings which the commonwealth government expects this state to achieve, and believes that they are very difficult to attain while maintaining key government services. Victoria is expected by the commonwealth to save $100 million from state entities through embedded tax savings in 2000–01. The state has been given no choice but to achieve these savings. This provision of the intergovernmental agreement restricts the capacity of the state to pass the embedded tax savings on to consumers of general government goods and services which are subject to GST, and as a result many fees and charges will be likely to increase by the full GST amount of 10 per cent.

Part 5 of the bill provides for the cessation of the application of the financial institutions duty.

Part 6 of the bill is concerned with the impact of the GST on labour services. The GST will apply to the labour services which are provided by contractors and employment agents, but not to the labour services of ordinary employees. The state government is concerned that the application of payroll tax to the labour services of contractors and employment agents would place them at a competitive disadvantage. The government has decided that payroll tax for these parties should apply to their deemed wages exclusive of the GST.

Part 7 of the bill relates to stamp duty amendments, including the cessation of the application of stamp duty on transfers of quoted marketable securities from 1 July 2001. In addition, this part provides for stamp duty on rental agreements and cattle sales to apply to values exclusive of GST. While the commonwealth has amended its GST legislation so that the GST will now apply to insurance premiums that are exclusive of the states' stamp duty, thus avoiding an instance of circular taxation, it has not to date been prepared to do so with respect to taxation of rental business. The state is not able to eliminate stamp duty from some other tax bases on which GST will also apply, as the abolition of the wholesale sales tax means that there could be an overall net loss to state revenue. Because the wholesale sales tax base on motor vehicles is large, after 1 July 2000 the state would experience a substantial fall in its stamp duty on motor vehicle transfers if it were to apply it to GST-exclusive prices, because of the impact of the abolition of wholesale sales tax. There would also be

significant falls in other state stamp duties if the duties were applied to GST-exclusive prices. The overall gain to state revenue from the application of stamp duties to GST-inclusive prices has been calculated by the Department of Treasury and Finance to be very small.

Part 7 also provides for an amendment to the Stamps Act 1958 to transfer the liability for stamp duty from used car dealers to the persons acquiring the vehicles in order to avoid another source of circular taxation.

The government is required by the intergovernmental agreement to adjust its gambling tax arrangements to take into account the impact of the GST on gambling operators. In the case of bookmakers, the level of the turnover tax was already quite low, and reduction of the tax to take exact account of the GST would have left a rate of taxation which collected very little revenue whilst continuing to impose an administration burden. Taken together with the more difficult conditions that bookmakers have experienced in recent years, this consideration has caused the government to decide to abolish the duty on bookmakers' statements, as provided for in part 8 of the bill.

With respect of the various gambling activities conducted by Tattersalls and Tabcorp in Victoria, the government has decided to exactly offset the impact of the GST with an equivalent reduction — 9.09 percentage points — in their tax rates. The arrangements to effect these decisions are provided in part 9 of the bill. In the case of the casino, the government will be providing credits against state taxes for GST paid. This will be provided for in a later bill.

Miscellaneous amendments are effected in part 10 of the bill. The first of the two most important amendments in this part is the cessation of state off-road diesel subsidies from 1 July 2000, as required under the intergovernmental agreement because the commonwealth will be introducing 100 per cent rebates of customs and excise duty. Any continued support by the states would be unnecessary and wasteful. The second important amendment relates to cellar door and mail order sales of wine. The government will continue to offer subsidies equivalent to 15 per cent of the wholesale price to these wine sales. The amendments allow for this continuation under the auspices of the Commissioner of State Revenue who will continue to operate according to guidelines issued by the Treasurer as to eligibility for this support.

I believe that this bill provides for the important measures that must be taken by the government as a consequence of the previous government's signing of the intergovernmental agreement and the inevitability of the GST.

I commend the bill to the house.

Debate adjourned for Hon. R. M. HALLAM (Western) on motion of Hon. Bill Forwood.

Debate adjourned until next day.

DOMESTIC BUILDING CONTRACTS (AMENDMENT) BILL

Second reading

Debate resumed from 15 March; motion of Hon. M. R. THOMSON (Minister for Consumer Affairs).

Hon. BILL FORWOOD (Templestowe) — I have pleasure in making a brief contribution to the Domestic Building Contracts (Amendment) Bill, which the opposition supports. The opposition supports good legislation, especially when it was in the process of preparing that legislation before losing government. The Domestic Building Contracts Act was introduced by the Kennett government specifically to deal with the problem of shonky builders. I am sure most people who have had building work done either have had or know of someone who has had some unfortunate experiences with the building industry.

Hon. W. R. Baxter — Mr Miles used to tell us about that when he was here.

Hon. BILL FORWOOD — I am sure he did. My experience of the building industry is that it comprises sensible people going about their jobs as best they can. However, like many industries there is always an element that tries to rip people off. They often have more detailed knowledge and the capacity to hoodwink people.

The Kennett government put considerable work into developing the principal act to ensure that it regulates contracts for the carrying out of domestic building work, provides for the resolution of domestic building disputes and other matters by the Victorian Civil and Administrative Tribunal (VCAT) and requires builders carrying out domestic building work to be covered by insurance. The former government also amended the House Contracts Guarantee Act.

Contracts were regulated in the hope that they would work properly, but a system was put in place to achieve a sensible resolution of disputes, particularly through the VCAT, if they do not work. If some builders have difficulty and collapse, the act ensures they are covered

by insurance so that house owners, the people for whom the building work is being undertaken, are not the losers.

The principal act is comprehensive and complicated, but it is a good act and works well. It empowers consumers to seek redress when necessary. The act strikes a good balance between the requirements of builders for certainty and the requirements of people employing builders for some certainty of their own, particularly regarding price and quality issues. It enables the resolution of domestic building disputes and provides insurance cover, which I mentioned previously. That is the background of the act.

In its wisdom the federal government introduced the goods and services tax (GST).

Hon. T. C. Theophanous — Which you supported.

Hon. BILL FORWOOD — Yes, which Australia supported. Despite the protestations of honourable members opposite it is part of a long overdue reform of the financial arrangements between the federal and state governments. I know that in his heart of hearts Mr Theophanous understands that some changes need to be made to the financial arrangements between the federal and state governments.

Hon. T. C. Theophanous — Not through the GST.

Hon. BILL FORWOOD — The government is not going to do away with it. Government members are caught in a cleft stick. They know the GST is a growth tax and the benefit flows to the states. It removes the begging bowl mentality that was evident year after year when the premiers went to Canberra. The GST is good for Australia, and the state government knows it. That is why if the federal Labor won government it would not repeal the GST. There may be the odd problem with the tax's implementation but we will see the people's attitudes when the personal income cuts come into operation on 1 July.

The policy position is that the GST should be paid for by the end purchaser. It is a goods and services tax that should be paid at the end of the arrangement. The bill will ensure that costs associated with building contracts entered into before 1 July 2000 under which work will or may be performed after the introduction of GST on that date will be passed on to the end user. One would think that would be easy to do, but I was intrigued to hear at the briefing on the bill how difficult it was. I also discussed it with the Minister for Consumer Affairs. It is understandable that a well-defined, sensible policy objective sometimes needs to go through the odd hoop to achieve its end.

Section 15 of the principal act entitled 'Restrictions concerning cost escalation clauses' states in subsection (1):

> In this section a "cost escalation clause" means a provision in a contract under which the contract price may be increased to reflect increased costs of labour or materials …

The subsection enables cost escalation clauses but with some restrictions. The intention was that additional clauses could be added to building contracts by the Director of Fair Trading if the approved clause is gazetted.

Section 33 entitled 'Contract must contain warning if price likely to vary' deals with price variations. Subsection (1) states:

> This section applies to a major domestic building contract that contains a provision —
>
> (a) that allows for the contract price to change; but
>
> (b) that is not a cost escalation clause as defined in section 15.

Subsection (2) states:

> A builder must not enter into such a major domestic building contract unless there is a warning that the contract price is subject to change and that warning —
>
> (a) is placed next to that price; and
>
> (b) is in a form approved by the Director …

Therefore, according to the act changes could be made only with the approval of the Director of Fair Trading. Parliament must now make changes to building contracts to enable the recovery of GST from the end user for contracts entered into before 1 July in which the building component will be done after 1 July. Firstly, some regulations were gazetted but the side effect of the act of gazettal itself was to change the nature of existing contracts to being cost-plus contracts.

The aim is still to reach the point where the GST applying to those contracts can be passed on afterwards. However, it is becoming more difficult. To overcome the problem, some regulations were made under section 13 to make the contracts so affected allowable under the act. I refer the house to the Domestic Building Contracts and Tribunal (General) (Amendment) Regulations that were made on 30 November 1999.

Hon. T. C. Theophanous — You obviously get better briefings than we do.

Hon. BILL FORWOOD — Thank you, Mr Theophanous. The opposition received a very

comprehensive briefing. As I said, I am grateful to the minister and the department for taking me through it. This matter is complex.

Hon. T. C. Theophanous — Better than we got when you were in government, I can tell you that.

Hon. BILL FORWOOD — When we were in government we would brief anyone who turned up to the briefings!

The purpose of the regulations of 30 November was to make regulations under section 13, which I just mentioned, to prescribe a class of cost-plus contracts as defined under the act as being an allowable class of cost-plus contracts and therefore not illegal and unenforceable under the act. That is very simple when you take it slowly, but it was not easy to come to grips with.

GST recovery clauses were first gazetted on 8 November. The regulations were specific and ran to several pages. I shall not read them all into *Hansard* — they are available if honourable members want to examine them. They contain the warning I mentioned earlier:

> Stamp to be placed next to the contract price pursuant to section 33(2)(a).
>
> Warning to building owner — this contract contains a clause which allows for a change to the contract price under the Domestic Building Contracts Act … This means that the contract price may increase. You should not sign this contract until you have read and understood the notice … which forms part of this warning …

So the protection for the building owner, as he or she ventured into the contracts, was preserved by the gazettal of 8 November, which, as I said, caused the side effect of changing the nature of the contracts.

The bill amends the act to make allowable GST recovery clauses covering, firstly, the period up to 8 November when gazettal took place. Secondly, it covers the period between 8 November and 30 November, when the regulations came into operation — the period known as the black hole — when it was recognised that the very act of the gazettal on 8 November had created a subsequent problem that needed to be resolved on 30 November. The minister has introduced a bill to remedy that situation.

What this very small but simple bill does — and it runs to only three pages — —

Hon. M. R. Thomson — Small but complex.

Hon. BILL FORWOOD — Yes, small but complex. It inserts proposed section 13A, which is worth reading into *Hansard*. Under the heading 'Effect of GST clauses on certain contracts' subsection (1) states:

> Section 13(1) does not apply, and is deemed never to have applied, to a cost plus contract —
>
> (a) that was entered into on or before 8 November …
>
> (b) that provides for the builder to be paid any amount in respect of GST …
>
> (c) that —
>
> (i) does not contain any other provision that makes it a cost plus contract; or
>
> (ii) is a contract referred to in section 13 …

Subsection (2) states:

> Section 13(2) does not apply, and is deemed never to have applied, to a cost plus contract referred to in sub-section (1) …

Proposed section 13A(3) states:

> A cost plus contract —
>
> (a) that was entered into after 8 November 1999 and before 30 November 1999; and
>
> (b) that would have been allowed …
>
> is deemed to be, and to have always been, a cost plus contract of a class allowed by the regulations for the purposes of section 13.

So now we are back where we started, with a policy that says the GST should be paid by the end purchaser of the goods and services. We have gone through the process that allows the Director of Fair Trading to put in place provisions that enable the builder to claw back the amount of GST on building works after 1 July 2000.

I received from the Master Builders Association of Victoria a copy of the *GST Kit for Domestic Builders*, which contains GST clauses for the MBAV HIC4 and HC5 domestic building contracts. It states:

> The Office of Fair Trading and Business Affairs is advising the Victorian building industry that fair trading approved GST will apply to any domestic building contract which crosses into the next financial year.

That is, after 1 July. It goes on in some detail and contains instructions:

> Pursuant to section 15(3) of the Domestic Building Contracts Act 1995.
>
> Increase in contract price due to cost escalation clause.

It is a very useful document.

I commend both the building sector and the Office of Fair Trading and Business Affairs for their work on this complex system. In fact, I commend them for spotting the fact that the making of the regulation of 8 November would lead to an additional problem that would need to be solved later. As I said, the opposition supports the bill and wishes it a speedy passage. I commend the bill to the house.

Hon. T. C. THEOPHANOUS (Jika Jika) — The bill deals with the effects of the introduction of the goods and services tax (GST) on domestic building contracts and in particular those entered into before the introduction of the GST on 1 July 2000. The first point that should be made about the bill is that it would not be necessary if there were no GST and if opposition members of this house had not supported or acquiesced to the federal government in its desire to introduce a GST.

I did not hear any opposition speaker commenting on compliance costs and other costs that have been imposed on builders as a result of the introduction of the GST. Even if builders were able to pass on the costs of the GST to consumers, there are still a whole range of compliance and other costs associated with setting up the structure to deal with the GST in this area.

The introduction of the GST also gives rise to a range of issues for consumers, not the least being possible overcharging, with builders attempting to recover costs while ensuring that they do not charge consumers unnecessarily. My experience in the building industry — —

Hon. Bill Forwood — Tell us about your domestic building.

Hon. T. C. THEOPHANOUS — I will get to that. I make it clear that the legislation introduced by the previous government has many deficiencies. The dispute resolution mechanism is one of the most costly and legalistic processes imaginable. Unlike other low-cost processes that are available to consumers in other areas, such as the Small Claims Tribunal, disputes in the building industry tend to be legalistic and therefore costly.

Since Mr Forwood has invited me to do so, I will comment on my first-hand experience in building the house in which I currently reside. Although it was supposed to be finished within nine months, the final works were done some months ago, about three years after the commencement of the original process.

Hon. Bill Forwood — With the same builder?

Hon. T. C. THEOPHANOUS — It was the same builder. I do not intend to name the builder, because that would not be fair. I am just recounting the experience. Only one option is available to consumers when they are not happy with builders — that is, to go to court. It is, of course, an extremely costly exercise, and in many cases the costs outweigh the amount under dispute. It is not a good system. People who have tried to work their way through it can recount many experiences of their difficulties. They say that ultimately legal mechanisms are used to get an owner-occupier to back off, take a lesser settlement, or just give up and say, 'I'll just forget it. It's cheaper to get another builder to fix up the problem'.

I reject the notion put by Mr Forwood that the building disputes area was fixed up by the previous government. That is not the case; significant problems remain.

The bill deals with a fundamental problem which will arise as a result of the introduction of the GST and which was identified by industry bodies in mid-1999. As has been stated, the problem is that the GST to be paid on a contract entered into before 1 July 2000 but completed after that date could not be estimated; therefore any provision for the payment of the GST by the consumer could result in the contract becoming an unenforceable cost-plus contract and breaching the provisions in the Domestic Building Contracts Act regulating changes to contracts. Consumers faced the risk of disreputable builders misleading them about the GST being paid. Because the calculation of the GST on domestic building contracts is complex, consumers could not be expected to know whether they were being ripped off. It still remains a problem.

To put it in a nutshell, the problem was that any GST-recovery clause, approved or unapproved, would create a cost-plus contract, which is generally prohibited by the act. Therefore the Minister for Consumer Affairs moved to solve the problem with regulations and by introducing the bill.

Other issues arise for consumers. There is no foolproof way by which they can check the correctness of a builder's GST calculation. By way of guidance to consumers, the approved GST-recovery provisions stipulate that the goods and services tax cannot be more than 10 per cent of the value of the work outstanding after 1 July 2000 and that it should be less than that when the builder's input credits are factored in. The clauses are aimed at minimising confusion and dispute. However, I cannot see how disputes will not arise, because the calculation of the GST is not a transparent

process for the builder, and it is certainly not transparent for the consumer trying to find out what he or she is being charged and whether the charge is appropriate. It will not be an easy exercise.

Following the proclamation of the new tax system's price exploitation code, the relevant price exploitation powers have been referred to the Australian Competition and Consumer Commission (ACCC). The Victorian government will therefore refer its powers to enable the ACCC to investigate and prosecute GST price exploitation by unincorporated traders, and consumers will direct their GST complaints to the commission. However, it appears unlikely — and I suggest it is impossible — that the ACCC will be able to involve itself in small individual GST disputes. The commission will probably restrict its role to prosecuting the larger, high-profile disputes. There will therefore be an ongoing role for the Office of Fair Trading and Business Affairs, at least in liaising with the ACCC on appropriate referral and dispute resolution procedures.

I refer again to some of the issues. It is important to put on the record again the fundamental reason for introducing the bill, which is that the federal government, with the support of the former Kennett government, introduced a goods and services tax. The constituents of members opposite ought to know that the former Kennett government of which they were members supported the introduction of the GST. The builders that members opposite represent should also know that they supported the introduction of the GST which will result in an impost on builders, both through compliance costs and because building will be more expensive.

Honourable members opposite have supported the GST and Jeff Kennett's acquiescence in its introduction. Now some of them are trying to distance themselves, if not from the GST at least from Mr Kennett. I am sure Mr Strong's constituents would want to know he supported the GST and Mr Kennett's acquiescence in it, and that that is why the legislation is being debated today. I am sure Mr Katsambanis's constituents — he is not in the house to hear the debate — would also want to know that he supported the GST. Mr Ashman also acquiesced in its introduction, as did Mr Bowden. Some newer members, such as the Honourable Andrea Coote, also supported it. They are among members of this house who during the course of the debate on the GST did not stand up to Mr Kennett's acquiescence in it, and who therefore supported it.

It does not end in this place. Honourable members in the other place also did the same kind of thing. Murray Thompson, the honourable member for Sandringham, was a strong supporter of the GST and of Mr Kennett, as was Ross Smith, the honourable member for Glen Waverley.

Hon. N. B. Lucas — You missed out 80 of us.

Hon. T. C. THEOPHANOUS — I mentioned the honourable members I know were strong supporters of both Mr Kennett and of his acquiescence in the GST. As I have indicated, Mr Katsambanis, Mr Ashman, Mr Brideson, Mr Bowden, Mr Strong and Mrs Andrea Coote in this place, and Murray Thompson and Ross Smith in the other, have all supported the GST and acquiesced not only in Mr Kennett's policies on the GST but in a whole range of policies. The eight members have in common not only their acquiescence with Mr Kennett; they also attended a meeting at the Naval and Military Club, not to discuss the GST and its effect on the building industry but to plot to knock off the Kennett-endorsed leadership of the Liberal Party. All the eight members I have just indicated — —

Hon. Bill Forwood — On a point of order, Mr Deputy President, this is a wide-ranging debate on domestic building contracts. I have participated in the debate on the bill and I am happy for it to take place. However, the bill has no relevance to the internal affairs of the Liberal Party. I ask you to bring the honourable member back to the bill immediately.

Hon. T. C. THEOPHANOUS — On the point of order, Mr Deputy President, it is relevant that members of this house who supported the policies of the previous Kennett government be brought to account, especially since some of them, including those I have named, are now seeking to distance themselves from the policies and leadership of the — —

Hon. C. A. Strong interjected.

Hon. T. C. THEOPHANOUS — You were one of them, Mr Strong. You were at the meeting at the Naval and Military Club, so you would know what it was all about.

In view of what I have said it is appropriate for me to enter into debate about the support the Kennett government gave to the introduction of the GST and to indicate which members I think supported not only the GST but also the leadership that led to its support.

Hon. Bill Forwood — Further on the point of order, Mr Deputy President, that is a spurious argument. The bill deals with specific clauses in the Domestic Building Contracts Act and the capacity for the GST to be passed on and be paid for by end users. It has absolutely nothing to do with the total introduction of the GST,

with the Kennett government or with individual members of the Liberal Party. I ask you to bring the honourable member back to the bill.

Hon. T. C. THEOPHANOUS — Further on the point of order, Mr Deputy President, to take up the point made by Mr Forwood, the bill has everything to do with the GST. The bill and the current debate would not be necessary but for the introduction of the GST. The bill is full of references to the GST, so to argue that we cannot debate the GST and its effect on the building industry is absolute nonsense.

Hon. K. M. Smith — On the point of order, Mr Deputy President, Mr Theophanous got very much off the point of what the bill is about. This is not a wide-ranging debate; it is a specific debate on the GST and its effect on building contracts. Mr Theophanous has gone far away from the subject of the debate. He should be brought to account. He should be brought back to and made to debate the bill. If he has finished he should be made to sit down.

The DEPUTY PRESIDENT — Order! As honourable members have said in speaking on the point of order, the bill is quite narrow. I have read the purpose of the bill carefully and have allowed Mr Theophanous to build his case. He has now built his case and I direct him to come back to the purpose of the bill, which is quite narrow.

Hon. T. C. THEOPHANOUS — Mr Deputy President, the bill is about trying to resolve a significant problem brought about by the introduction of the GST. Confidence within the building industry will either be undermined or not affected, depending on how the bill is dealt with.

I am aware that the legislation seeks to fix up a problem created by the introduction of the GST. It is important for honourable members to understand that a significant number of other problems for consumers could emerge from its introduction. Just imagine how many disputes are possible. If a builder says, 'I am charging you the maximum 10 per cent on top of the price I originally asked for, which is what I am charging for the GST', how in heaven's name could a consumer find out the real cost to the builder as a result of the GST, or in other words, what discounts the builder will receive in relation to inputs on the building? One thing is certain: the full additional cost of a particular building will not be 10 per cent. It is not a simple equation and a matter of saying that because the GST will be 10 per cent, consumers should be charged 10 per cent more. Issues of that kind are coming to the fore precisely because the goods and services tax is already creating mayhem in the building industry.

Just as honourable members opposite supported the introduction of the GST, presumably they will endorse the resulting mayhem that will occur in the building industry. The opposition has not said, 'Some building disputes might arise that we will need to resolve'. I get frustrated when people support an issue and then change their stance, suggesting that their former position had nothing to do with the situation they find themselves in.

Honourable members opposite failed to stand up to be counted back in the days of the Kennett regime — and they were not the only ones. Many prominent people, some of whom have stood up to be counted in the past, were not prepared to do so in opposition to the costs that a GST will impose on builders in their electorates. They include members in another place such as Victor Perton, the honourable member for Doncaster; Robert Doyle, the honourable member for Malvern; Robert Clark, the honourable member for Box Hill; and Inga Peulich, the honourable member for Bentleigh — four members who, you may be interested to know, Mr Deputy President, were invited to the meeting at the Naval and Military Club but who did not — —

The DEPUTY PRESIDENT — Order! Mr Theophanous will come back to the point.

Hon. T. C. THEOPHANOUS — My point is that all those honourable members could have opposed Mr Kennett and supported Labor's opposition to the GST because of its effect on the building industry. Instead, they seek to do so now through the back door via secret meetings.

Hon. Bill Forwood — On a point of order, Mr Deputy President, the honourable member is flouting your previous ruling. It is time he stopped.

The DEPUTY PRESIDENT — Order! I have allowed the Honourable Theo Theophanous considerable latitude in his contribution. He should now stick strictly to comments on the bill. He has wandered off the track a number of times, and he has had one warning. I now issue another warning and ask him to come back to the bill.

Hon. T. C. THEOPHANOUS — Thank you, Mr Deputy President. I am happy to talk on the bill. I did not realise that honourable members opposite were so sensitive about meetings they might have attended.

The bill is designed to do the best the government can for consumers and builders in the face of the impending introduction of the goods and services tax. I congratulate the Minister for Consumer Affairs on her understanding of the issues. I am sure she is aware that a wide range of disputes could conceivably emerge in the building industry as a result of the introduction of the GST, and I urge the minister to maintain an overseeing role.

The last thing Victoria wants is builders charging 10 per cent extra on all building contracts when they are not entitled to do so. If they charge significantly more than that they will have to be brought rigorously to account. They are entitled to pass on the cost of the GST and no more: they are not entitled to simply charge 10 per cent across the board, as some might be tempted to do.

I sympathise to some extent with the builders who will have to deal with the problems caused by the introduction of the GST. Many of them will face difficulties given the sudden increase in the cost of construction that will occur as a result. That will have a major effect on the industry, as people who may have been thinking about having homes built might decide to defer their construction when faced with the additional cost.

We do not know what impact the GST will have on the building industry. However, after talking to builders I can tell the house that they are worried that the GST may result in a significant increase in the cost of construction and therefore a significant reduction in investment in the building industry. Although the bill is about domestic building, the cost of the GST will be felt by all builders, large and small, not only those in the domestic industry. The effect of the GST on the economy in general and the building industry in particular, and the resultant effect on investment in the state, is yet to be calculated.

I congratulate the government on introducing the bill in an attempt to bring some rationality to the issue. I am sure the Minister for Consumer Affairs will do her best to ensure that consumers are not ripped off by unscrupulous builders as a result of the introduction of the goods and services tax.

Hon. N. B. LUCAS (Eumemmerring) — I am pleased to support the bill. It is not my intention to go through the bill in detail, as it was extremely well covered by the Deputy Leader of the Opposition, the Honourable Bill Forwood. As he said, the bill runs to only three pages. Instead, I will refer to a small number of issues relating to domestic building, and in doing so I will comment on the remarks made by the previous speaker.

The bill was introduced in response to the imminent introduction of the goods and services tax. I am proud and happy to say that when the opposition was in government I supported a GST for Australia. I am also proud and happy to say that the federal government went to the last election promising to introduce a new goods and services tax — and it won, Mr Theophanous!

The DEPUTY PRESIDENT — Order! Mr Lucas is now getting off the track.

Hon. N. B. LUCAS — The federal government won the election, having put to the Australian people the question of whether the country's taxation system needed reforming. The people of Australia said 'Yes, it needs to be reformed'. The Democrats then came on board, and now Australia is to have a GST. Mr Theophanous and his colleagues on the other side will just have to get used to it.

Through you, Mr Deputy President, I say to Mr Theophanous that I cannot see the Labor Party backing away from the GST in any way, shape or form, because years ago it really wanted it! Back in the 1980s Mr Keating said it was a good idea. He said Australia needed a value-added tax, or a GST, or whatever it would have been called. Now Australia will have it. As Mr Forwood rightly said, as we move towards the end of June we need to ensure that nobody gets caught by section 13 of the principal act, which relates to builders not entering into cost-plus contracts. The bill gets around that problem.

I refer Mr Theophanous to what John Brumby, the Minister for State and Regional Development in another place, is doing. He is creeping around the Parliament doing the numbers and trying to overthrow the Premier. Have honourable members seen him trying to perform in the other house? Mr Brumby has not gone away yet. He will try to come back and will cause many problems before the end of this parliamentary session. The Premier had better watch out. All the government's union cronies are doing the numbers for Brumby. Half of them want him; half do not. It is a conundrum whether the leadership of the government will change.

The DEPUTY PRESIDENT — Order! Mr Lucas should come back to the bill.

Hon. N. B. LUCAS — The government has leadership problems. I referred to wishy-washy Steve Bracks during the last session when I made a speech about the type of fellow he was. A book by Al

'Chainsaw' Dunlap referred to wishy-washy leaders and how long they lasted. I predict this fellow Bracks will not last. He will go down and Brumby will get his way.

The Domestic Building Contracts (Amendment) Bill deals with the effects of the introduction of the goods and services tax and ensures that people building houses do not have a problem with the contracts into which they enter. I support the bill.

I was intrigued by two extraordinary remarks made by Mr Theophanous during his contribution to the debate. It should be recorded in *Hansard* that the minister turned around and glared at him when he said that from his point of view it was possible that the confidence of the building industry could be undermined by the legislation. That was an extraordinary statement, coming from the government. I wonder why Mr Theophanous would make such a statement.

A significant amount of work has been put into the bill. It was raised during the time of the former government and is the result of much professional work to try to tie up a loophole. Mr Theophanous also indicated there would be a problem in the future in resolving building disputes. I have news for Mr Theophanous. Although he sits in the back row of this chamber and has no influence, he is now in government and is meant to be supporting what the government is doing. He should not be saying that it is possible in the future there will be problems in resolving building disputes. I direct what is happening on the government back bench to the leader's attention. Minister, I agree that you should be glaring at that man. I am happy to glare at him too!

The heartland of domestic building activity is in the centre of my electorate — Berwick, Narre Warren, Narre Warren South, through to Beaconsfield and Pakenham. That is the south-eastern growth corridor and will be home to more than half a million people over the next 10 to 20 years. Over the past 30 years governments of all persuasions have said that the bulk of Melbourne's growth should be accommodated in the south-eastern growth area. I have observed that occurring since 1967. Interestingly, as the area has grown state governments and local councils have been under enormous pressure to provide the facilities and services that young families need as they move into those areas.

I refer the house to projections made by the Department of Infrastructure under the heading 'Domestic buildings'. The figures for predicted growth of domestic buildings are used by cabinet subcommittees in their budget preparations and as support for proposals for new infrastructure items. I am concerned — and I have noted it over the years — that those estimates of growth are less than what happens on the ground. Before I refer to the statistics, I wonder if governments of the day are getting the best information possible? If the provision of funding for new infrastructure is based on lesser figures than actually occur on the ground, the provision of facilities and services infrastructure will be less than it should be.

As an example I refer to figures from the Department of Infrastructure for domestic buildings in the City of Casey. The 1996 census figures show that the population of Casey was 148 957. The department forecast a figure of 163 096 for 1999. That was based on 53 891 households, which had increased from 48 326. With the benefit of hindsight it can be seen that rather than there being 53 891 households in 1999, the actual figure was 55 544. In a growth area, one could probably multiply that by 3.2, because with new families there are usually young children. That is a significant variation. When that is extrapolated into the future, it is feasible that the figures on which budgets might be framed could well be fewer than what is actually happening on the ground.

In the Shire of Cardinia, the number of houses in 1996 was 14 516, and the figure forecast by the department was up to 15 184. The actual figure was 16 554 domestic dwellings. That is of concern. I recently discussed that issue with Cr Max Papley, the former mayor of Cardinia, and Don Welsh, the chief executive officer. The Cardinia Shire Council has expressed concern about that issue. Firstly, it is concerned that the government is basing its budget preparation on figures that are less than what is on the ground. Secondly, it is difficult to factor into projections what will happen when significant growth is just about to occur.

Close to Pakenham a large project is being undertaken by Delfin, a big home developer that does a lot of work — I have seen a bit of it in the Adelaide area. It is an excellent developer producing a quality product and urban landscape. I believe the figure is around 2000 housing allotments. That is another 6000-plus people, probably 6500, and that could happen quickly. Close to the Delfin location are a number of other housing developments that will be pursued in the next couple of years. Those developments put tremendous pressure on townships such as Pakenham. Each day 30 000 vehicles travel on the Princes Highway east through the heart of the Pakenham township, which creates pressure on movements across that road. That is why I have recently raised the issue of the Pakenham bypass.

Domestic building is therefore a significant issue in the growth corridor I am proud to represent. During the next 20 years a significant proportion of Melbourne's outward growth will occur in those areas, and the GST will apply to all related construction that occurs after 1 July next. The bill relates specifically to contracts entered into prior to 1 July that will continue after that date and ensures that the GST is appropriately dealt with when those contracts are pursued.

I support the bill, and note the detailed and excellent description of it given by the Honourable Bill Forwood. Anyone seeking a detailed knowledge of the legislation should read his speech in *Hansard*. I need say nothing more other than to reiterate my support for the bill.

Hon. KAYE DARVENIZA (Melbourne West) — I am pleased to speak on the Domestic Building Contracts (Amendment) Bill. As honourable members said, the bill has bipartisan support, and I acknowledge the work done by the previous government.

Although small, the bill is important and, as has been pointed out, is complex in nature. Because the previous speakers, particularly the Honourables Bill Forwood and Theo Theophanous, gave detailed explanations I will not do so. However, I will comment on the effects the bill will have on the building industry.

The bill deserves the support of the house. Its purpose is to address some of the problems created by the introduction of the goods and services tax (GST) and the impact it will have on the domestic building industry. Its effects will be many and far reaching.

Building a home is probably the largest single financial outlay of any family and it goes very much to the heart of the Australian dream. Melbourne's west, which is the province I have the privilege to represent, is a growth corridor. Over recent years a tremendous amount of building has taken place there and a great deal more is predicted for the future.

A Department of Infrastructure study entitled *Victoria in Future*, which was released several months ago, predicts an enormous growth in the number of houses expected to be built in the period 1999 to 2021 in the municipalities that make up Melbourne's west — Maribyrnong, Hobsons Bay, Brimbank and Wyndham. The number of households in the municipality of Maribyrnong is expected to rise by more than 7000 — an approximate increase of almost 29 per cent. In Hobsons Bay the number is expected to increase by 5500, an increase of more than 17 per cent. In Brimbank it is predicted there will be more than 10 000 houses, an increase of more than 19 per cent and in Wyndham, which is the biggest expected area of growth, 24 500 houses are expected to be built, an increase of a staggering 93.2 per cent. That makes a total of more than 47 000 new houses — an average increase of almost 40 per cent and a considerable amount of building activity.

My constituents have a real interest in what is happening to the Domestic Building Contracts (Amendment) Bill. As has been made obvious by previous speakers, many disputes are likely to erupt because of confusion about costs and contracts. The impact of the GST is and will continue to be considerable, and honourable members need to find ways to ensure that problems are dealt with properly and quickly.

The GST gives disreputable people opportunities to take advantage of those who are most vulnerable. We learn from newspapers, radio and television of examples of disreputable people who target elderly citizens in particular and the more vulnerable members of society. They convince them to have their roofs retiled or resealed and their houses restumped — all sorts of shonky activities that are not done properly and do not follow regulations. They charge the elderly and the vulnerable prices that are way outside the normal rates that would be expected to be paid for those sorts of services.

Without doubt, the GST brings with it a great deal of confusion. People do not know what it will mean and how it will impact on their lives. Many of my constituents who are involved in the planning and building of new houses are worried and anxious.

The tax is a huge impost on builders. They are concerned about how they will manage it, the effects it will have on their businesses and how they will ensure that they comply with the regulations and requirements of consumers. They have every right to feel anxious and confused because the federal government is unable to give reasonable details about what will happen, what it will mean to have a GST and how it will impact on every aspect of daily life, including that very large outlay — the biggest outlay families make — which is building their own homes. The federal government simply cannot get it right. As previous speakers from the government side have pointed out, the opposition supports the GST. It has been on the agenda since Hewson's time.

Hon. Bill Forwood — Since Keating's time: 1985!

Hon. KAYE DARVENIZA — Four years in Canberra — —

Hon. Bill Forwood interjected.

The DEPUTY PRESIDENT — Order! I ask the honourable member to come back to the bill.

Hon. KAYE DARVENIZA — The Howard government has had four years to get the goods and services tax right and explain it to the people of Australia, but Victorians who are building homes now, or those who will be doing so over the next year, do not understand it. The federal government cannot say how much many individual items will cost. It does not know how GST will affect domestic building contracts. Honourable members have indicated the short time span to 1 July, yet the building industry is unable to forecast the effects the GST will have on its business.

Building activity is occurring at a rapid rate in my electorate and will do so for some years. Consumers and members of the building industry are concerned at the tax. Domestic builders are small business people. They do not have large companies or the advantages of sending contracts to lawyers or taxation specialists. They are concerned and worried about the impact of the GST. Many of my constituents, particularly builders, have expressed concern about the introduction of the GST and the effect it will have on the cost of building new homes. They are hardworking small business people doing their best to earn a living — and the GST is a headache. Even now the federal taxation department cannot keep up with the registration of companies, so what hope have small business people in the building industry got!

It is important to remember that the Domestic Building Contracts Act was designed to protect builders and consumers by establishing fixed-cost contracts unless otherwise approved by the Director of Fair Trading. Contracts must clearly set out how much the consumer will pay. The builder cannot vary the contract so that the consumer will pay more than otherwise agreed upon. The builder is not able to insert a clause that has indeterminate costs — for example, a builder cannot say that material that cost so much at the time of the contract may increase in cost and ask the consumer to pay the increased price of that material. Contracts which include a cost-escalation clause are unenforceable unless approved by the Director of Fair Trading. The builder may also be liable to prosecution. Under the existing discretion the Director of Fair Trading has to approve clauses and notices to allow for the recovery of the GST in domestic building contracts. Regulations that came into force on 1 November last year provided for the use of approved clauses and notices ensuring that contracts are not unenforceable as cost-plus contracts.

The measures set out in the bill deal with the effects of the introduction of the GST on domestic building contracts and aim to protect people in a number of ways. Firstly, they protect the consumer by ensuring that builders use the approved GST recovery clauses and warning notices. The notices were discussed previously by Mr Forwood in some detail. They inform consumers of their rights and the possible effects a GST recovery clause may have on the contract price of a building contract. This process is available to consumers and will be made known to them before they enter into contracts. Secondly, the bill protects domestic builders by enabling them to recover GST without jeopardising a contract. Many domestic builders are small business people and are not able to absorb the GST.

In conclusion, the bill is about fixing identified problems caused by the introduction of the GST. It has bipartisan support and I commend it to the house.

Hon. C. A. STRONG (Higinbotham) — I support the Domestic Building Contracts (Amendment) Bill. The purpose of the bill is to amend the Domestic Building Contracts Act to make provision for goods and services tax (GST) clauses inserted in building contracts.

Government members have waxed lyrical about the introduction of the GST. Mr Theophanous tried to make the case that the way to solve the problem with building contracts was not to have a GST. I should rebut some of his comments. The GST is a major reform of the Australian economy. Taxation is a significant impost on national and state economies. If it is not correctly focused and crafted it will have the effect of distorting economic activity to the disadvantage of the national economy.

The GST is a much overdue change and an improvement to the Australian taxation system. It will have an enormously beneficial effect on the Australian economy. Although government members may deny it, there is some bipartisan support, given that the reforms were first initiated by a former Treasurer, Paul Keating, and have been supported by governments of both persuasions since then, even though there has been some cynicism on both sides in stepping back from the implementation of the GST for political purposes.

The GST is extremely important. The Australian economy has output in two particular areas — goods and services. Under the existing taxation system, tax has fallen very much on the goods side of the economy. In the new international scene of global trade, global companies and globalisation, such goods are traded

across national and international boundaries and must therefore be competitively priced. If a small nation like Australia is to advance it must be in a position to export its goods into the competitive market and ensure the goods it produces are available at prices competitive with imports. It makes no sense to put all the tax imposts on the traded goods that are exposed to the full rigours of international competition and, therefore, carry a significant disadvantage in the traded goods sector — which is a major part of the economy — and none on services, which are not traded. Essentially, the services can be carried out only at a local level. They are not taxed under the existing regime, and they do not face the same competitive pressures that goods do. So it makes absolutely no sense to tax the outputs, which have to survive in the competitive marketplace, and to not tax the services, which do not have to survive in the same marketplace.

The change to a goods and services tax will be enormously positive for the Australian economy. I have no doubt about it, and for the past 10 or 15 years governments of Australia have been in no doubt about it. The federal coalition government shows its enormous courage in implementing what other individuals and governments have been playing with for years.

Mr Theophanous mentioned that people on this side of the house — I think he mentioned my name — were trying to distance themselves from the GST and the many reforms of the former Kennett government. I place on record that I am in no way trying to distance myself from the GST — I am a very enthusiastic supporter of it. Nor am I trying to distance myself from any of the many significant reforms the Kennett government introduced which established the Victorian economy as a vibrant and competitive economy for the future.

That having been said, the impact of any change like the GST must be significant. A major change is being made to the taxation system which has basically been in place for generations and which in many ways, because people have grown up with it, has been generally understood. It has evolved in all sorts of ways, but basically the principles have been the same and everyone has understood the system.

Inevitably there will be very significant one-off impacts of the change to a new tax system. It is not possible to make such a change without significant one-off impacts. I remind members opposite who argue about GST that just because such impacts will occur is no reason not to make an improvement. Any major change that is an improvement will — because it is a major change — have such enormous impacts. It could well be argued that we should have stayed with stone axes simply because the change to metal axes would have put people out of work, closed down stone quarries and caused major disruption to the whole prehistoric economy; or perhaps that the change should not have been made from horses and carts to motor vehicles because that obviously caused major disruption to the world economy. But they are certainly not reasons not to make a change.

If the change is good, there is no logical reason to stand in the way of an improvement just because there is one-off disruption as a result. The fatuous argument coming from the most fatuous person in this house, Mr Theophanous, that just because there is a one-off problem with this change it should not go ahead, could be extrapolated to anything. Perhaps he would like everything to remain the same, frozen in time, back to the type of socialist era that he would probably have liked to live in.

The bill is about allowing the one-off changes to be factored into the way domestic building contracts are managed. The Domestic Building Contracts Act was introduced to try to afford a degree of security and safety for domestic buildings. There is no doubt that domestic building is a major area of Australia's economy. It is certainly a major driver of the economy, a major employer and a very important part of the economy that must work properly. If it does not work properly and people are afraid to enter into domestic building contracts because they are uncertain and feel they are going to be ripped off by unscrupulous builders and left with projects that have not been completed properly or are not up to scratch in various ways, that very important part of the economy will be impaired and inhibited.

It is very important, to the extent that it is possible, for governments to ensure that people have the confidence to enter into domestic building contracts. That is a particular problem because in truth, as distinct from many other contracts, the parties to these sorts of contracts are not equal. Most builders are building for many clients, so depending on the builders' size, they may have 10, 20 or 30 contracts going; some larger builders may have hundreds of contracts in place. Obviously they have significant experience and knowledge in the contracting business. But the client, the domestic owner, would build perhaps one or two houses in his or her lifetime. Therefore, it is not necessarily a contract between equals, because the builders are generally very experienced and knowledgeable whereas the clients are not.

It is important that the maximum protection possible be given to the owners of the properties who initiate the contracts. In a sense that is what the 1995 act did: it tried to maximise the security for the clients who wanted a domestic property built. In many ways it did that by tightening up on contract conditions to ensure that the housing guarantee arrangements which were in place before the act came into operation and which worked to various degrees of success were improved by an insurance regime to try to make everything much more accountable and predictable.

As part of the process of improving matters, one must consider how a contract works. It is all about trying to provide certainty to both parties. A contract provides certainty for the builder, because it specifies what is to be built and how much the client will pay for it. It provides certainty for the client, because it specifies what it is to be built and what will be paid. In trying to give the maximum protection to the home owner in a situation of relatively unbalanced equity, the provisions regulating domestic contracts seek to limit flexibility as much as possible to maximise certainty.

Following the introduction of the GST, a one-off change that was not envisaged in the drafting of the 1995 bill, two things could have happened. Firstly, the certainty could have remained and the builder would have had to pick up the cost of the GST, but that would have been inequitable. The extra cost of the GST was something builders would not have known about, so it would have resulted in uncertainty and would have created an unfair circumstance. Honourable members will know that the principle underlying the federal GST legislation is that because it is a one-off change it must be dealt with equitably and the cost must be picked up by the appropriate parties.

To provide certainty it is necessary to change all the domestic building contracts to allow the one-off unenvisaged cost of the GST to be passed on to clients. That must be done so that the client does not feel he or she is being ripped off or that the change is being manipulated in such a way as to allow an unscrupulous builder to charge more than should be charged. At the same time the builder must be provided with the certainty that he or she does not have to absorb the one-off cost but can pass the real impact of the GST on to the client.

Other speakers have explained the provisions in excruciating detail, so it is not necessary to go through them again. Existing contracts do not allow for one-off costs to be passed on. The bill will allow contracts to be modified to allow the GST to be passed on in a way that is fair to both contracting parties. I am pleased to enthusiastically support this timely and appropriate measure because it is fair and equitable and conforms with the major principle underlying any contract, which is to ensure certainty. It does so uniquely in an environment that will change dramatically as a result of the introduction of the GST, which will provide great benefit to the Australian economy.

Hon. D. McL. DAVIS (East Yarra) — I support the Domestic Building Contracts (Amendment) Bill with great pleasure. Already a number of contributors have fleshed out and discussed many of the key parts of the bill.

The bill establishes the principle that the goods and services tax (GST) should be paid by the end purchaser. It addresses an anomaly that will result from the introduction of the GST on 1 July 2000. The GST component of any domestic building work done after the GST is introduced will be taxed as is set out in the federal legislation. The anomaly relates to work undertaken on contracts entered into before 1 July 2000. Because those contracts may not have addressed the situation adequately, they will become cost-plus contracts under the act. A side effect of that will be that the builder will have to wear the additional cost or that, in fairness, the consumer will bear only a reasonable share of the costs legitimately incurred after 1 July on contracts entered into before that date.

The Honourable Chris Strong made a number of important points about the GST legislation. A goods and services tax has in general had bipartisan support over a lengthy period, going back to the committees of inquiry in the 1970s and the introduction in the 1980s by the then Prime Minister Paul Keating of option C, designed to extend the taxation regime to include services and other aspects of the economy. There is widespread recognition, both internationally and nationally, that a taxation regime must tax most aspects of an economy even-handedly rather than picking or favouring only certain aspects of it. As the Honourable Chris Strong pointed out, the current system puts most of the taxation burden on products that are traded internationally. One cannot expect the Australian economy to be efficient internationally if that continues.

I will pick up a number of the comments made by the Honourable Theo Theophanous, who talked in particular about the problems involved in resolving building disputes. Some of his comments were off the beam. It is interesting that he chose to comment on building disputes when so much of the domestic building industry in Victoria is in a state of crisis as unions run rampant with a series of claims. Any impact

the GST will have on the economy will be overwhelmed by the unfortunate effects of that industrial action. It is also important to place on the record that the damage done by a 36-hour week would have a far greater impact on the building industry, and in particular the domestic building industry, than the introduction of the GST and the other taxation changes — even though, as the Honourable Chris Strong pointed out, the transitional arrangements will have some effect.

It is surprising Mr Theophanous should choose to raise industrial disputes in this debate given the poor record of the Labor Party in that area. It is crucial to realise that the failure to handle the industrial relations situation is very much the making of the Premier and the Minister for Industrial Relations. There is little doubt in my mind, in the minds of most in the building industry and in the minds of most Victorians that the industrial situation is doing a great deal of damage to Victoria.

When reflecting on the disputes and the industrial situation referred to by Mr Theophanous earlier it is interesting to also reflect on a series of articles on the current state of unionism that appeared in the *Australian Financial Review* over the past few days. The articles still have a way to go in providing some understanding of where unionism is at the moment and the impact the campaigns that are currently under way in Victoria might have on the state's economy and its relative competitive position when compared to other states and internationally. Those sorts of things should not be misunderstood. While the bill today is essentially — —

Hon. M. R. Thomson — Back onto the GST component of the bill.

Hon. D. McL. DAVIS — I am picking up a point raised by Mr Theophanous earlier today in his introduction of this aspect of industrial disputation.

Hon. C. A. Furletti — He is a master of diversion.

Hon. D. McL. DAVIS — Indeed, he is a master of diversion, and of heading off in a bizarre direction. Because that matter has already been canvassed in the debate today it needs to be looked at and dealt with carefully. There is no doubt that Victoria's relative position is beginning to suffer.

Hon. M. R. Thomson — On a point of order, Madam Acting President, can the honourable member get back onto the topic — that is, the bill in relation to the building contracts component of the GST? The government has allowed some leeway for the honourable member to stray around the world, but please bring him back to the point.

Hon. D. McL. DAVIS — On the point of order, Madam Acting President, I am responding directly to comments about disputation made earlier in the debate by Mr Theophanous.

The ACTING PRESIDENT (Hon. Kaye Darveniza) — Order! On the point of order, I ask the Honourable David Davis to bring his remarks back to the bill before the house.

Hon. D. McL. DAVIS — Thank you, Madam Acting President. This important bill deals with transitional arrangements involving the GST. There is little doubt that the new tax system will benefit Australia greatly and will provide an enormous benefit for Australian consumers over the longer haul, because they will have more money in their pockets. The building industry in particular, including the domestic building industry, will be advantaged by the fact that people will have greater disposable incomes. As many honourable members would be aware, other transitional arrangements interlock with this bill to ensure that first home buyers are well catered for and looked after.

It is not my intention to make a long contribution. I simply want to place on record my support for the bill and make it clear that it handles fairly transitional arrangements concerning contracts within the context of the wider changes being undertaken. I think most Victorians would be prepared to welcome the changes, which I think will see the building industry move forward smoothly. However, I place on record that other aspects of the building industry and industrial situations in Victoria will not advantage the state and cause me great concern.

Hon. K. M. SMITH (South Eastern) — The Domestic Building Contracts (Amendment) Bill may be only small in size but it is important because it will regulate those areas of the industry that will be caught betwixt the pre-goods and services tax (GST) and post-goods and services tax environments. The building industry is renowned for its wheeler-dealers — that is, people who unfortunately take advantage of situations. I see Ms Hadden over there; you have obviously appeared for a lot of people in building disputes cases.

Hon. D. G. Hadden — No.

Hon. K. M. SMITH — You should have because sometimes builders take advantage of opportunities offered to them by loopholes created by governments. Unfortunately, unless the loopholes are closed great opportunities are opened up for unscrupulous builders

to take advantage of their clients and subcontractors. Governments must always be aware of that possibility.

As a number of honourable members have said, a state of flux may occur with the GST. A house may be started before 30 June 2000 but not be completed until after that date. Such a situation will provide an opportunity for people to be hoodwinked and taken advantage of in calculations on whether GST should be charged on some items installed and labour incurred on or after 1 July 2000. Having been in the industry for almost 30 years, during which time I have worked for a lot of builders and been stitched up by a few, I know that such opportunities exist.

To give an example, materials delivered to building sites often sit there for days or possibly even weeks. Materials for roofing systems are delivered up to four weeks beforehand and lie on the site. If such materials were not installed until after 1 July would GST be charged on the installed product or only on the installation? Often builders or plumbers bring insulation materials onto job sites. If an installation was being done on 1 July the tradesman could bring the materials with him on that day or have them delivered on site beforehand. Difficulties will arise between clients and builders in determining whether GST will be payable in those situations.

A sewer drain may be dug out by a plumber — plumbing is the industry I was involved in — on 28, 29 and 30 June, but the test may not be done on it until on or after 1 July. It would not have been approved until then so a charge should not be made on it. Will such a charge carry a GST? From my reading of the bill and the second-reading speech I am not sure that such calculations will be able to be done properly. As I said at the outset, I am concerned that opportunities will exist for unscrupulous people to do such calculations unfairly.

A builder may buy new domestic products such as electric stoves, hot water services, heating appliances, airconditioning units, roof tiles and so on before the end of the financial year and have them sitting in a storeroom somewhere waiting to be brought on site. Those products may be installed in the new financial year, when the goods and services tax applies. Who is to say whether the GST will be payable on those items? Will the client have to pay? What right will he or she have to know the real cost of those materials? Often they will be calculated as prime cost items. For example, if a client is quoted $500 for a new sink or toilet suite and suddenly another $50 is added to the price, how will he or she know whether the builder, carpenter or plumber has paid GST on the item? The builder or plumber will not have to produce the invoice for the item if it has been quoted as a prime cost item.

Loopholes will emerge during the changeover period. It would be difficult, but perhaps an audit should be done on all buildings under construction on 30 June, including houses and the appliances installed in them. When people are asked to make progress payments on the various stages of construction of their homes, should GST be added if the payments are made on or before 30 June or on or after 1 July? If a builder buys an appliance on 28 or 29 June but does not pay for it until July, August or September, depending on whether the supplier's credit terms are 30, 60 or 90 days, should a goods and services tax be paid on the appliance? Will suppliers of building and plumbing materials — for example, stores such as Mitre 10 — get caught up in the GST?

I am very much in favour of the GST, and I do not have a problem with the fact that it will be transparent. However, I would like to know that the proposed legislation will take account of the practices of unscrupulous builders. Not all builders are unscrupulous, although my attitude to builders is possibly biased. I dealt with some real dogs in the building industry, a number of whom took me to the cleaners, which I did not appreciate. The bill presents me with a great opportunity to stand up in Parliament and bag some of the unscrupulous ones.

Hon. C. A. Furletti — Name them.

Hon. K. M. SMITH — Lindsay Sinclair is one builder. I could go through all the unscrupulous builders I have had dealings with, but I will not. We have all known a couple.

The DEPUTY PRESIDENT — Order! The honourable member will come back to the bill.

Hon. K. M. SMITH — It is all to do with the bill — one always has to be mindful of that, Mr Deputy President.

Despite having raised a number of concerns, I am aware of the importance of having bills of this type to protect consumers. I am pleased to see that the Master Builders Association — that wonderful organisation currently taking a stand against the building unions — is prepared to support its members by sending them a number of interesting notices to attach to their contracts notifying their clients that if construction runs past 30 June they will be paying GST on the work yet to be done.

The goods and services tax will be offset to some extent given the number of building industry products that are subject to wholesale sales tax in excess of 10 per cent. Massive savings will be made on some white goods — for example, dishwashers, on which consumers are currently paying around 33 per cent sales tax, and television sets, on which they are paying 22 per cent, because there has already been a 10 per cent reduction.

Hon. M. M. Gould — How often do you buy a dishwasher?

Hon. K. M. SMITH — How often do you buy a television set? However, to consumers a saving is a saving. People may not normally buy jewellery when they are building new homes, but someone may purchase a necklace to celebrate moving in — and pay 30 per cent sales tax on it!

The DEPUTY PRESIDENT — Order! I am sure Mr Smith is enjoying himself. However, I ask him to come back to the bill.

Hon. K. M. SMITH — I am just priming myself for more GST debates.

Clause 2 defines the day on which the bill will come into operation. I will move on to proposed section 13A, which refers to the effect the GST clauses will have on certain contracts. I am sorry the Leader of the Government was not in the house before. If she had been she would have heard some words of wisdom about the opportunities that exist for unscrupulous builders to misuse the proposed legislation.

Hon. M. M. Gould — I was listening.

Hon. K. M. SMITH — You were? I am pleased about that.

Hon. M. M. Gould — Unfortunately, unscrupulous builders do exist.

Hon. K. M. SMITH — As Mr Forwood said, much of the legislation to which the bill relates was introduced by the former Kennett government. As has occurred on a number of occasions, the government has tried to claim as its own good legislation which was put together by the Kennett government and which the opposition continues to support. I was interested to read in today's newspapers the Bracks government's claims about the number of police it has put on the streets, when it was the work done by — —

The DEPUTY PRESIDENT — Order! Mr Smith will come back to the bill.

Hon. K. M. SMITH — As I said previously, this may only be a three-page bill, but it is important to close the loopholes to provide the protection needed not only by consumers but also by builders, because there are a few unscrupulous consumers out there as well.

I support this important bill — that has nearly made the Leader of the Government choke, but it nearly makes me choke to support bills introduced by the Labor Party — because it will protect builders by enabling them to recover the goods and services tax they will have to pay without jeopardising their contracts. Many builders, who also are small business people, will not be able to absorb any of the GST, whereas some of the larger builders may be able to do so, particularly on some of their small jobs. I commend the bill to the house and give it my support.

Hon. G. B. ASHMAN (Koonung) — I shall speak on the Domestic Building Contracts (Amendment) Bill at the end of what has been a long and wide-ranging debate. I appreciate the opportunity to make this contribution, and note that if the notice paper listed a few more bills the house might not have such a long debate on this bill. Nevertheless, it is gratifying to have an opportunity to contribute to and be part of a debate where many issues that have an impact on builders and consumers have been canvassed.

The bill was substantially drafted by the previous Attorney-General, Jan Wade, and has been adopted by the current Attorney-General. It addresses a number of significant issues that arise as a result of the introduction of the goods and services tax (GST). As has already been outlined, there was the potential for confusion to arise with contracts that were pre-November 1999 and post-November 1999, and for an intervening period in November. The bill sets out clearly how the GST will be applied to building contracts that came into existence in November 1999.

The Domestic Building Contracts Act does not allow cost-plus contracts. The GST is an additional cost to the contract. That situation needs to be dealt with and is clarified by the bill.

The original legislation was enacted in 1995. It followed from the Housing Guarantee Fund Act which had been in operation for a number of years. The new act was introduced to provide fairness to all, both consumers and builders. It addressed a number of significant problems that had developed under the former Housing Guarantee Fund scheme where the cost of disputation was becoming significant. In many instances it was being used skilfully by consumers and

builders to avoid their obligations under their building contracts.

The new scheme that replaced the Housing Guarantee Fund provided for a low-cost resolution of disputation. It was funded by an insurance-type scheme. The contracts introduced were of a standard type and much more consumer and builder friendly. However, there are still some problems with the act. There are still exceptions where building disputes fall through the net and cannot be dealt with under the legislation.

I am disappointed that the minister, in amending the Domestic Building Contracts Act, did not take the opportunity to attempt to close some of the loopholes that remain. I refer to one that relates to constituents of mine, Mark Westaway and his wife, who have commissioned an extension to their home. The original contract price was $65 000, so it was a substantial renovation. In September 1996 they engaged a company known as Sunpower Design, which drew up the plan and recommended a building contractor, Anthony Bird Constructions. Construction commenced in January 1997. Part way through the construction the builder approached the Westaways with a revised construction figure of $71 000, an increase of $6000. That was agreed to and is not in dispute.

Without going into the details, the project went sour some time later and the parties ended in disputation. They sought mediation through the Office of Fair Trading and Business Affairs, which is an appropriate course of action. The builder claimed he was working as a subcontractor to Sunpower and, therefore, was not responsible; he was a subcontractor and Sunpower Design was the builder. That was disputed and the case went before the Building Control Commission, which was not able to consider the matter because it believed it was probably outside the jurisdiction of the act. The matter then went to the Ringwood Magistrates Court where the builder pleaded guilty to five charges brought under the Building Control Act. Subsequently, the matter went to the County Court where the builder pleaded not guilty and that plea was upheld by the County Court.

The matter is complex, but the fact that it ended up at the County Court suggests to me there is a problem with the act. The act is supposed to offer quick and just resolution of such disputes.

The family have been living in half a house for the past three and a half years and face the prospect of living in a house that has been partly renovated for a number of years. In its current condition the house is uninsurable and the family are there only because of the generosity of the municipality which has not condemned the building. The amendment should have addressed bringing some fringe contracts back under the Domestic Building Contracts Act.

The bill makes it clear that the GST should be paid by the end purchaser. That should not be interpreted by any builders as an opportunity to increase costs beyond the GST. There are provisions to ensure a fair application of the GST for the consumer and the builder. In the event there are disputes, clearly the first port of call for the consumer needs to be the Office of Fair Trading and Business Affairs, and from there to the Australian Competition and Consumer Commission. I am sure Professor Alan Fels would show the appropriate level of interest in any problems.

For contracts entered into before 1 July the bill ensures that the component of domestic building work done after the GST commences is passed on from the contractors to the purchasers. Most major builders will put mechanisms in place that will allow consumers to clearly identify the GST components in their contracts. The existing Domestic Building Contracts Act contains a clause on price escalations, which allows a price variation to the existing contract but only after the Director of Fair Trading has gazetted an approved clause. It was thought that had occurred on 8 November but because of some anomalies in subsequent clauses within the act it is not entirely clear whether that clause will cover all situations. Hence the Domestic Building Contracts (Amendment) Bill is before the house today.

Many people have criticised the GST in this wide-ranging debate. However, at the end of the day the states will be major beneficiaries of the GST. It provides them with a guaranteed source of revenue and a growth tax in a form not provided in the past. During the past couple of months I have noted with some interest the leader of the federal opposition, Kim Beazley, quietly moving to a position of acceptance of the GST. He has gone from opposing it to saying, 'Well, we might just change a few things at the edges now'. He recognises the tax to be far more equitable than the whole range of taxes it replaces.

Australia's tax system evolved during the past 70 to 80 years. Any practitioner in the tax field will acknowledge that it is a mishmash of anything and everything. It is not well understood. It includes federal taxes, a range of excise taxes, income taxes and wholesale sales taxes. The taxes at state levels are wide ranging, costly to administer and frequently confusing to those in business and to consumers. The GST is a much fairer tax and one that will capture the black economy.

The bill occurs as a direct result of the GST. It is fair and responsible. It provides an opportunity for builders to recover the GST component and makes owners' obligations clear. The Domestic Building Contracts Act allows disputes to go to the Building Control Commissioner or through to the office of consumer affairs. It makes it clear that the builder cannot add a flat 10 per cent and say it is the GST component; it will have to be justified. If the builder does not get it right, significant mechanisms are in place to allow the consumer to gain redress.

The bill is small and complex. It deals sensibly and expeditiously with the issues so that all builders and consumers can proceed with confidence in the certainty there will be no opportunity for disputation during the introduction of the tax.

Hon. R. H. BOWDEN (South Eastern) — As some honourable members have said, the Domestic Building Contracts (Amendment) Bill is not large but it is important and complex. Despite its complexity it is desirable because it brings to many tens of thousands of people right now and in the future an element of necessary certainty at a time when they are building their houses.

The introduction of the GST is an important milestone in the economic development of the nation and the economic performance of the state in particular. As honourable members will agree, the building industry is an extremely valuable, widespread and important component of the states' economies and the nation's economic activity.

The bill places much weight upon the giving of a dimension of certainty to domestic building contracts. Most honourable members would have built or been involved in building houses. Apart from the difficulties associated with design and interaction with builders and tradespeople it is a time of great stress because building one's house is a very important matter. The bill does not deal with just the physical design, the architectural appearance or other aspects of the construction but with an aspect that affects everything — that is, the financing of that most important acquisition. With that in mind, I suggest that the clauses that clear up the ambiguities surrounding that important event in the state's economic development are extremely important.

Clause 3 on page 2 of the explanatory memorandum that accompanies the bill goes into significant detail on that. It is worth quoting a small portion because it will help those following the debate to understand some of the bill's core benefits. The last paragraph states:

> … provides for 'cost plus contracts' entered into after 8 November 1999 and before 30 November 1999 with approved GST-recovery clauses and notices to be deemed to be included in the allowable class of 'cost plus contracts' under the regulations made pursuant to section 13 of that act.

That is a valuable part of the literature that accompanies the bill because it makes plain its intention. Inevitably domestic building contracts will be entered into in which there will be a time lag between the signing of the contract and the completion of the building to the satisfaction of all parties. Delays occur for valid reasons but the completion of the construction of the building may not take place until on or after 1 July, when the goods and services tax (GST) will apply. The bill provides a service to people involved in the domestic building industry by setting out rules relating to the GST. After 1 July the GST will be recoverable by builders. The introduction of the GST has engendered passion and political comment, but over the past 15 years both sides of politics have agreed with its introduction. This machinery bill will ensure fair treatment for builders and consumers — home purchasers who will be involved in one of the major decisions of their lives, the construction of their house — in the transition period from 1 July.

It is worth noting that the GST is set at 10 per cent and will involve both cost increases and significant savings, especially following the abolition of sales tax and other charges. It is not just an impost. Savings will be made as a result of the GST package.

In supporting the bill my main concern is that its provisions will benefit the community, especially those who are involved in domestic building contracts and may be suffering significant financial stress. It is difficult to build a home at any time, but if the rules are changed midway through the process there is an added level of stress. The bill addresses those problems and provides certainty for consumers and builders. It would be helpful if building and consumer organisations were made more aware of the intent of the bill, because a number of people may need prompt assistance and advice. The bill clearly sets out the intention of Parliament, and I hope professional and industry organisations that have a direct interest in the industry will provide prompt, accurate and easy-to-understand advice to people involved in the construction of their own homes.

The bill amends the Domestic Building Contracts Act and from both legal and operational points of view will clear up unreasonable arguments or help avoid the imposition of costs on building owners. Having been involved in building a number of houses over a period it has been my experience that the overwhelming

number of builders and tradespeople are honest and caring and are interested in maintaining their reputations as credible and honest suppliers of building services. Unfortunately, as in most other industries, there is a small number who do not serve their colleagues well. It is therefore necessary for the bill to address the issue of disputes involving the small minority of people who will try to profit from the confusion over the introduction of the GST.

The building industry is a good indicator of the state of the economy. It is said it is the first to either recover from a recession or show signs of a downturn in the economy. When the building industry is growing the economy is strong, and a strong economy maintains standards of living.

One of the best features of the bill is that it enables the continuation of the orderly progression of contracts so that consumers contemplating entering into a domestic building arrangement with a builder will know they can do so with some confidence. From time to time families make key decisions involving the acquisition of a home, a vehicle or a major appliance and often the major ingredient behind those decisions is confidence. If we wish to assist young people, families and the community in general through constructive legislation we must ensure there is continuing confidence in the economy. The bill will ensure continuing confidence by providing a proper, fair and legal process for the recovery of the GST.

As we all know, confidence is a fragile flower that we must protect. I would imagine that many first home buyers would be covered under this bill, and many of them would be young families that are enthusiastic about building their lives and building and acquiring their first home. We in the legislature have the responsibility to protect and encourage their enthusiasm. Although it is not in the bill as such, a very constructive element of the proposed legislation is that it helps young families and provides them with assurance. I imagine there could be nothing worse than, having acquired a significant mortgage at a tender time in one's life, to have all the added uncertainty about what the goods and services tax (GST) means.

The bill provides certainty and fair rules, and I am particularly pleased to see those characteristics in the legislation. The domestic building industry is extremely competitive, but it is also characterised by people who provide varying degrees of quality in goods and services. The bill not only provides a way for the GST to be recovered but also protects the interests of consumers through the earlier sections of the Domestic Building Contracts Act. No aspect of this bill, with its GST relevance, takes away any of the pre-existing rights and protection of the consumer. That is very important.

The primary interest of the bill is to provide the details, on an easily and readily understood basis, by which the GST can be applied to domestic contracts, particularly when 1 July arrives. I am only too pleased to have made this contribution to the debate. I believe the bill will provide many people with a degree of confidence and an assurance that the legislature has taken their interests into account. That brings great credit to Parliament as an institution. I am pleased to support the bill.

Motion agreed to.

Read second time.

Third reading

Hon. M. R. THOMSON (Minister for Consumer Affairs) — By leave, I move:

That this bill be now read a third time.

I thank the contributors to the debate today, the Honourables Bill Forwood, Theo Theophanous, Neil Lucas, Kaye Darveniza, Chris Strong, David Davis, Ken Smith, Gerald Ashman and Ron Bowden.

I am pleased to note a couple of matters arising from the debate. The drafting of the proposed legislation commenced on 4 November 1999 and the regulations were placed in the knowledge that there would be a delay before the legislation could be introduced. It was always known that legislation would be required for the goods and services tax component. Honourable members should be under no misapprehension that it was a case of making regulations and then finding the need to legislate. The government was aware from the beginning that it would have to legislate.

The consumer issue was raised by a number of speakers. It was my grave concern all along — not just in relation to the transitional period, which will cause problems such as those the Honourable Ken Smith relayed, but also after the implementation period — to deal with the question of whether a consumer has the capacity to evaluate what is and what is not fair. That will be covered by the price exploitation measures, which means the Australian Competition and Consumer Commission should be covering those aspects. We certainly expect the Office of Fair Trading and Business Affairs will have an increased number of complaints and inquiries. It will deal with those and

assess whether further action needs to be taken in the Victorian jurisdiction and, complementarily, nationally. A watch will be kept on that. Once again I thank those who contributed to the debate.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

AUDITOR-GENERAL'S OFFICE

Financial audit

Message received from Assembly seeking concurrence with resolution.

Assembly's resolution:

That, pursuant to section 17 of the Audit Act 1994:

1. Mr Douglas N. Bartley of KPMG be appointed to conduct the financial audit of the Auditor-General's office for the 1999–2000 financial year in accordance with the conditions of appointment and remuneration contained in the report of the Public Accounts and Estimates Committee on the appointment of an independent auditor to conduct a financial audit of the Victorian Auditor-General's Office (Parliamentary Paper No. 14, Session 1999–2000); and

2. The level of remuneration for this financial audit be $15 000.

Resolution agreed to on motion of
Hon. M. M. GOULD (Minister for Industrial Relations).

BUSINESS OF THE HOUSE

Sessional orders

Hon. M. M. GOULD (Minister for Industrial Relations) — I move:

That so much of the sessional orders be suspended as would prevent new business being taken after 8.00 p.m. during the sitting of the Council this day.

Motion agreed to.

COURTS AND TRIBUNALS LEGISLATION (AMENDMENT) BILL

Second reading

Debate resumed from 15 March; motion of
Hon. M. R. THOMSON (Minister for Small Business).

Hon. C. A. FURLETTI (Templestowe) — The opposition does not oppose the bill, which is a relatively short measure. At the outset I place on record that it is another bill introduced in this house — one of many as it turns out — which was effectively drafted and prepared by the previous government and which, after a little tinkering at the edges in most cases — and in this case some substantial tinkering — the government has introduced as its own legislation.

The bill contains four substantive parts, which I shall address as they appear. Part 2 deals with employment-related expenses of judges, masters and magistrates. Part 3 relates to the remuneration of acting magistrates, and part 5 relates to the internal promotion of Victorian Civil and Administrative Tribunal (VCAT) members. Apart from a minor addition to proposed section 16A, they are substantially provisions that were drafted by the previous government. Part 4 is an addition by this government, and I shall address that subsequently.

The opposition has no complaint with and strongly supports parts 2 and 3 and the general effect of part 5 because they underscore the independence of the judiciary from government. It is a long-held constitutional convention — going back to 1701, I am told, following the passage of the English Act of Settlement — that the salaries and pensions of Victorian judges and magistrates are paid from the consolidated fund, as they should be.

If terms such as 'fringe benefits', 'Workcover insurance', 'payroll tax' and 'superannuation' had been used 300 years ago, our forebears would not have understood what was being said. Over that time, the employment-related expenses of judges, masters and magistrates have been paid by the former Attorney-General's Department, now the Department of Justice, and therefore have been subject to politicisation. The bill provides for those expenses of Supreme Court and County Court judges and masters and magistrates to be paid from consolidated revenue.

The bill also provides for the superannuation benefits of magistrates to be paid from that fund. That is necessary because the superannuation circumstances of magistrates are different from those of judges and masters. The former are part of the public sector

superannuation fund, while judges and masters receive non-contributory pensions. That generally explains the bill's provisions.

The colonisation of Australia by the English brought with it two significant foundations of the country's development. The British brought with them two significant institutions when they colonised the world: the Westminster system of government, and the English judicial system, which incorporates that significant and essential element of the separation of powers. The judiciary jealously guards the doctrine of the separation of powers. That significant element provides institutional independence by keeping apart the operations of the judiciary, the legislature and the executive. If there is a nexus between the remuneration of judges and the law-makers or the department, as was the case with the employment-related expenses, it could lead to a blurring of the division between the two arms of government to which I referred. In providing for the detachment of the judicial arm from the executive, the bill ensures that the core principle of judicial independence is not only maintained but also more clearly defined.

The bill is also important for tribunals. Victoria has the established hierarchy of courts, but in July 1998 the previous government established the Victorian Civil and Administrative Tribunal. Lawyers have different views on the role of tribunals in the judicial system. Senior judges have been heard to say that they preside over the courts and are therefore the administrators of justice and that tribunals are something less than that. However, we need to recognise that the judicial system would become clogged and would not function without the effective work done by the VCAT and before its establishment by the series of tribunals that had developed and from which the community has profited enormously.

Although the tribunal may not strictly fall within the hierarchy of courts and is not perceived to be part of the judicial system, it is certainly part of the dispute resolution system and performs a wide range of functions. The schedule to the Victorian Civil and Administrative Tribunal Act lists 20 or more areas in which the tribunal has jurisdiction to hear disputes. From memory, seven tribunals that had developed almost ad hoc over many years were incorporated into the VCAT. The range of matters heard before the VCAT is extensive.

I remind the house that guardianship and administration hearings, residential tenancy disputes, retail tenancies disputes, liquor control matters, evaluation of Land Act matters, income tax tribunal matters and small claims have all been gathered under the VCAT umbrella. The previous government deserves congratulations for its efforts in establishing a new system for determining what are in most cases minor disputes and in the process taking them out of the court system. As we all know, in almost all those cases there were lengthy delays; and court hearings were far costlier exercises than they are under the VCAT, in part because of the other issues that were involved, including the loser-pays principle that applied to decisions of the court.

Before returning to the provisions governing the appointment of VCAT members, I will address the aspect of the bill that relates to the remuneration of acting magistrates.

Currently the Judicial Remuneration Tribunal has jurisdiction to inquire into and to report to the Attorney-General on the question of whether any adjustments should be made to the salary or allowances of judges, masters and magistrates. For some reason acting magistrates are not included and their remuneration is fixed by the Governor in Council. That is an anomaly that requires examination.

I have tried to determine when the position of acting magistrate was created. In my early days in practice there was no such position. I expect that acting magistrates have been appointed only during the past 5 or 10 years or so, although I may stand to be corrected, because time does fly. However, I recall that when the position was created and the first acting magistrates were appointed some members of the profession were incensed because they believed there could be a strong perception that acting magistrates sitting on the bench one day and being back in practice or doing something else the next was not really appropriate. Nevertheless they, too, serve their purpose, and I suspect they assist the courts in ensuring that justice is delivered as expeditiously as possible. One of the most common complaints of the judicial system is the delay people experience in the court system, so the more personnel on hand to assist in the rapid flow of the delivery of justice the better off the community is.

The bill provides for the remuneration of acting magistrates to fall into the mainstream method of fixing remuneration for all other judicial officers. That is a desirable outcome, and the opposition supports that amendment. However, the opposition does not support the proposed amendments to the Victorian Civil and Administrative Tribunal, particularly those provided for in clause 10, which will insert into the Victorian Civil and Administrative Tribunal Act proposed section 16A, which relates to the internal promotion of VCAT members. The provisions of proposed section 16A(1)

and (2)(a) are identical to the provisions the previous government had prepared and had intended to introduce — they have been incorporated verbatim. They provide that on the recommendation of the minister the Governor in Council may appoint a senior member of the tribunal as a deputy president or an ordinary member of the tribunal as a senior member for the remainder of the member's term of office, and that the minister may recommend the appointment of a member under subsections (1) and 2(a) only if the member is eligible for appointment to the promoted position.

The purpose of the proposed section is to remove an anomaly that exists in the act. Currently the act provides for appointments to be for a fixed term and contains no provision for existing members to be promoted without their current employment being effectively terminated and their being reappointed for a fixed term. That is what was provided in the previous government's legislation, which was prepared by the previous Attorney-General, Jan Wade, in consultation with the president of the VCAT. It is good legislation and the opposition supports it. I reiterate that that part of the bill is a verbatim copy of that legislation; it was not prepared by this government but by the Kennett government.

To the bill drafted by the previous government this government has added proposed section 16A(2)(b), which extends the basis for the minister's recommendation for the promotion of a member if the member is eligible for appointment by adding not an 'or' or an 'if' but an 'and'. It therefore creates a condition precedent to any promotion of a VCAT member that the president has recommended the appointment to the minister. The opposition finds that an interesting precondition, or condition precedent, to the promotion of a member of the judiciary, or in this case the quasi-judiciary. It refers to the promotion to the position of a deputy president, which is a very senior position in the VCAT, and to the elevation of an ordinary member of the tribunal to a senior member. Nowhere else in my inquiries have I been able to find a provision in which the president — or chief justice or chief judge, if the roles were transposed — has the power to give effect to a promotion, yet that is in effect what the amendment introduced by the government provides.

The opposition strongly supports the proposal for the establishment and re-enforcement of the independence of the judiciary and the other elements of the bill. It has no difficulty with that because it distances the executive from the judiciary. However, I suggest it is cynical for the government in the same bill to muddy the waters so dramatically by saying that it will allow the president of the tribunal to nominate — recommend or nominate; it is the same thing because it cannot happen without his recommendation — a member of the tribunal for promotion. That is out of the ordinary to say the least, and I was surprised when I read it.

I refer honourable members to the debate in the other place, when in their contributions the shadow Attorney-General and the honourable member for Kew both raised that precise question. They asked, 'Does the government really intend to do this? Is the inclusion relating to the president recommending the promotion of a member of the tribunal to the minister intentional?'. To make it perfectly clear, without that recommendation the minister cannot promote a member of the tribunal, which to me appears to create an unnecessary impediment. The president's contribution is not a veto; it is a condition precedent to any promotion.

I direct the attention of the house to the existing provisions relating to the appointment of members. The president must, as a condition precedent, be a judge of the Supreme Court who is recommended for appointment by the minister after consultation with the Chief Justice. As many vice-presidents as necessary are to be appointed, and they must also, as a condition precedent, be judges of the County Court who are recommended for appointment by the minister after consultation with the Chief Judge. Senior members are to be appointed as required for fixed terms. My point is that in each case there is consultation with the most senior members of the court, yet the bill provides for no such consultation, only a condition precedent that the president must make the recommendation.

It is a pity the Minister for Small Business, who represents the Attorney-General in the other place, is not in the house. I hope that in her summing up she will give the house an explanation for the outcome referred to by opposition members. The Attorney-General did not provide an explanation in the other place, even though the outcome was raised with him by two members of the opposition. It is an unusual outcome, which I hope is not intended because it could set a nasty precedent.

I record my thanks to Justice Kellam, the President of the Victorian Civil and Administrative Tribunal, for the enormous amount of work he has done in establishing the tribunal, including successfully organising its structure. I hear he has recently been ill, so I wish him a rapid recovery.

My comments are in no way intended to be adverse to him, because the matter is one of principle rather than personalities.

However, I repeat that we begin to lose the fundamental core of our system of justice, our rule of law and the independence of our judiciary when chief judges, chief justices or, as in this case, presidents of tribunals are effectively the persons in whose hands the promotion of members of their courts or tribunals lies. That responsibility represents a pressure that chief justices, chief judges and presidents can do without. They face sufficient pressure in administering their courts or tribunals without having to cope with an additional element that could have adverse effects.

I therefore ask the government, as opposition members did in the other place, whether the outcome is intentional, and, if not, whether it can be addressed as quickly as possible.

Clause 8 amends section 18 of the Sentencing Act by repealing subsections (1A) and (1B). Contrary to the dates stated in the second-reading speech, those subsections were introduced in 1999. I will read subsection (1A) because it is the most relevant and because it is around the subsection that I anticipate the government's argument about appeals revolves. The subsection reads as follows:

> The Court of Appeal, on dismissing an application for leave to appeal against sentence brought under Part VI of the Crimes Act 1958, may, if it considers that the application is frivolous or vexatious or brought without there being any reasonably arguable grounds for it, direct that the whole or any part of the period of time during which the appellant was held in custody between giving notice of the application for leave to appeal and the determination of the application is not to be reckoned as a period of imprisonment or detention already served under the sentence.

Subsection (1B) states that a maximum of three months is the period in custody not to be reckoned as a period of imprisonment. In summary, it is the provision that the government famously interprets as, 'If you appeal, you get an extra three months jail'.

I will quote from a couple of the contributions made during the 1999 debate that demonstrate the present government's position. A perusal of the debate on the bill in the other place suggests that the government still has no idea of what section 18(1A) is about. The 1999 amendment to the act was introduced because some members of the Court of Appeal had complained about the system being clogged up by frivolous and unmeritorious appeals. At that time the Honourable Don Nardella, as he then was — I suppose he is still honourable — said that the bill contained:

> … the threat of a three-month penalty for lodging an appeal.
>
> …
>
> The bill will discourage meritorious appeals.

He went on to say — and I am sure I am pre-empting some of the support for the bill to come from the other side — that because people have appealed:

> … up to three months of their period of imprisonment may not be taken into account as a period of imprisonment or detention already served under the sentence.

The reality is that the amendment did not prevent appeals being made: anybody can still appeal. The legislation was intended to stop those convicts or criminals who, having been found guilty and been sentenced to jail — —

Hon. D. G. Hadden — Offenders.

Hon. C. A. FURLETTI — Offenders, thank you. The legislation was intended to stop appeals by offenders who have been found guilty and sentenced to jail and who have nothing at all to lose from appealing, irrespective of whether they have grounds for appeal. The comment about meritorious applications being quashed is nonsense. I have had an opportunity to discuss the legislation with some of my former colleagues who practice at the criminal bar. I have also had an opportunity to inquire about whether the introduction of the legislation has caused any concerns.

The answer is simple. The answer to the second question is that the Court of Appeal has never used section 18(1A) of the act. The answer to the first question is if anyone was to present a frivolous appeal, the court would undoubtedly chastise him or her for the presentation of such an appeal. The act currently states that anybody who brings a frivolous or vexatious appeal, or an appeal on grounds with no reasonably arguable grounds for that appeal — —

Hon. D. G. Hadden interjected.

Hon. C. A. FURLETTI — I am happy to correct it, any reasonable grounds, that is exactly right.

Hon. D. G. Hadden — You said 'no'; it is 'any'.

Hon. C. A. FURLETTI — I am more than happy to say:

> … without there being any reasonably arguable grounds for it — —

Hon. S. M. Nguyen — The honourable member is listening to you.

Hon. C. A. FURLETTI — I wish you would, you might learn something! One must have an appeal which has basically no hope of success.

Hon. D. G. Hadden — It is subjective.

Hon. C. A. FURLETTI — The honourable member says it is subjective. Three Court of Appeal judges listen to the appeal. The Court of Appeal is the highest court in the state, and the honourable member says it is subjective. I am more than happy to put my faith in their hands. The legislation states that an application for appeal based on any reasonable ground will be allowed. That is what it says, Ms Hadden; is that right? It is, is it not? A reasonably arguable ground will be given leave to appeal. Without that the appeal will be knocked out and the court will consider the reasons for the appeal and whether it is frivolous.

I referred to a different dictionary for the meanings of frivolous and vexatious because when I debated the amending bill last year the Honourable Bill Baxter picked me up on my use of the word 'trumpery'.

Hon. W. R. Baxter — I am sorry.

Hon. C. A. FURLETTI — I will not forget it. I refer to the *New Shorter Oxford English* dictionary, thumb index edition, to clarify the terms on which appeals will not be given leave. Firstly, frivolous is shown as meaning:

> Of little or no value or importance …

In legalese it states:

> Lacking seriousness or sense …

On that basis an application for leave to appeal will not be granted. Vexatious is defined as:

> Of an action: instituted without sufficient grounds for winning purely to cause trouble or annoyance to the defendant.

Any application for leave to appeal that is frivolous or vexatious or brought without there being any reasonably arguable grounds for it deserves to be knocked out to save the court time and resources and to give somebody else a chance, perhaps somebody with legal aid, which all honourable members would strongly applaud.

The interpretation and spin put on the bill by the government is totally unfounded. The purpose for repealing subsections 18(1A) and (1B) is based purely and simply on ideology and is a chest-beating exercise.

In summary, this is another piece of legislation of which we have seen a lot over the past two parliamentary sessional periods. The intent of the legislation as drafted by the previous Kennett government was well founded. Obviously the Labor government supports it. However, it has messed up the legislation with ill-conceived and badly thought through amendments and additions which force the opposition to not support certain provisions, although it does not oppose the bill.

I look forward to receiving a response from the minister in this house who represents the Attorney-General to the query I raised about the promotion of VCAT members, because that is fundamental to the whole of the promotion system. I see no reason other than ideology for the repeal of subsections 18(1A) and (1B) of the Sentencing Act.

Hon. D. G. HADDEN (Ballarat) — I support the Courts and Tribunals Legislation (Amendment) Bill. In summary, the purpose of the bill is, firstly, to amend existing legislation dealing with employment-related expenses of judges, masters of the Supreme Court and magistrates; secondly, to amend existing legislation to give the Judicial Remuneration Tribunal jurisdiction over the remuneration of acting magistrates; and thirdly, to amend existing legislation to provide for the internal promotion of Victorian Civil and Administrative Tribunal members.

Clause 2 of the bill provides that part 2 of the act, with respect to the employment-related expenses of the judiciary and magistrates, is to come into operation on 1 July this year, although the balance of the act is to commence the day after the act receives royal assent.

Probably the most important purpose of the bill relates to part 4. Clause 8 repeals section 18(1A) and (1B) of the Sentencing Act, which was inserted in 1999, as stated by the Honourable Carlo Furletti. Those parts of the Sentencing Act remove the discretion of the Court of Appeal to direct that time spent in custody pending an appeal is not to be reckoned as time already served in prison or detention.

Sections 18(1A), (1B) and (2)(ca) of the Sentencing Act have serious implications for access to justice in Victoria. Subsection (1A) states:

> The Court of Appeal, on dismissing an application for leave to appeal against sentence brought under Part VI of the Crimes Act 1958, may, if it considers that the application is frivolous or vexatious or brought without there being any reasonably arguable grounds for it, direct that the whole or any part of the period of time during which the appellant was held in custody between giving notice of the application for leave to appeal and the determination of the application is not to be reckoned as a period of imprisonment or detention already served under the sentence.

Subsection (1B) states:

> The Court of Appeal cannot direct under sub-section (1A) that more than 3 months of a period of custody is not to be reckoned as a period of imprisonment or detention already served under the sentence.

Subsection 2 states that subsection (1) does not apply to a period of custody that is the subject of a direction given by the Court of Appeal under subsection (1A).

Those subsections were clearly unfair. They operated as a punitive measure to anyone who dared to lodge an appeal. They discriminated against offenders not able to afford legal advice or legal representation. They severely restricted an offender's fundamental right under the legal system to appeal against a decision, a right that exists under the Westminster system of criminal justice.

Subsections (1A) and (1B) discriminated against offenders who were totally reliant on Victoria Legal Aid to fund an appeal, but firstly to fund advice with respect to the appeal. The net result was that Victoria Legal Aid funding was generally not extended to appeals. That effectively gagged the offender from obtaining legal advice about an appeal that was the basis for legal aid funding.

Hon. W. R. Baxter — How? Prove it.

Hon. D. G. HADDEN — Victoria Legal Aid funding was the subject of some written advice from a solicitor to an offender about the likely success of an appeal. The lawyer had to assure Victoria Legal Aid that the appeal would be successful.

An honourable member interjected.

Hon. D. G. HADDEN — It was fairly impossible to say that it would be successful.

Honourable members interjecting.

Hon. D. G. HADDEN — That is good. That is the first time. The lawyer would have to prove that the appeal would be successful.

Honourable members interjecting.

Hon. D. G. HADDEN — He would have to prove that the appeal would not be vexatious or frivolous and that it would not be brought without reasonably arguable grounds for appeal. That is an impossible hurdle. It is impossible to guarantee that an appeal would be successful.

Hon. C. A. Furletti — What nonsense!

Hon. D. G. HADDEN — If an appeal were dismissed it would reasonably follow, Mr Furletti, that there were no reasonably arguable grounds for it.

Hon. W. R. Baxter — I do not know where you got your law degree!

Hon. D. G. HADDEN — It was not where Mrs Wade got hers!

Hon. Bill Forwood — I suspect you wrote it yourself!

Hon. D. G. HADDEN — We are not allowed to debate with members on the other side of the house.

Clause 9 substitutes a new section 121 in the Sentencing Act as a transitional provision for appeals from the Magistrates Court for which notice of application to appeal has been given on or after 1 July 1999. It is therefore brought under the effect of clause 8.

In conclusion, I point out that clauses 3, 4 and 5 in part 2 amend the Constitution Act and provide that the employment-related expenses of payroll tax, fringe benefits tax and Workcover of judges, including reserve judges and magistrates, are to be paid from consolidated revenue, as are their salaries, instead of from the department's recurrent budget. The convention of paying judges' salaries from the consolidated fund has been observed since the Act of Settlement in 1701, and the new section will reinforce the independence of the judiciary and magistracy and so the impartial administration of justice in the state.

The departmental budget will be adjusted to meet the estimated cost of some $4 million. I commend the bill to the house.

Hon. P. A. KATSAMBANIS (Monash) — Having listened to Ms Hadden's contribution I speak on the bill with a fair amount of incredulity. I am still trying to equate the points she made with the provisions she referred to in the Sentencing Act. However, I do not want to take up the time of the house musing upon that and trying to work out her references. In my contribution I shall try to decipher what has just been put on the record in an attempt to clear up any misconception about the existing provisions.

As the Honourable Carlo Furletti rightly pointed out, the bill touches on four hardly related issues. Because he succinctly outlined the bill's operation I do not intend to go through its provisions at great length. Part 2 is clear and reasonable in providing for the treatment of the employment-related expenses of

judges, masters and magistrates. It gives effect to a long-held rule of law in a democratic society that there must not only be impartiality of the judicial arm of government but a clear separation of powers between the judicial arm of government and the other two tiers — the executive and the legislature. It is important to note that things have changed during the 300 or 400 years during which that rule of law has applied to the legal system, and the payments made to judges, magistrates and masters no longer relate solely to the salary of those people but to the payment of other expenses related to their employment.

To satisfy any doubt about whether those employment-related expenses can be met from the consolidated revenue it is important to clarify the matter legislatively to give effect to a full separation of powers so there is no cross over. The provision does that. The opposition fully supports the operation of that provision.

Acting magistrates are required to act as impartially as any other judicial officer and it is important that their salaries be determined independently. The Judicial Remuneration Tribunal is accepted as the appropriate tribunal to determine the remuneration of judicial officers. It is reasonable therefore that the remuneration of acting magistrates be brought under the head of power and be determined by that tribunal.

Part 5 provides for the internal promotion of members of the Victorian Civil and Administrative Tribunal (VCAT). In his learned contribution Mr Furletti pointed out the departure from accepted forms that this part introduces into the legal system, giving the president of a tribunal the power and flexibility to promote eligible senior members. I trust the provision will be used carefully and in a way that enhances the operation of the VCAT and does not in any way jeopardise the high reputation the tribunal has earned in its short period of existence. I have great faith that the president of the VCAT and other members of the tribunal will ensure its impartiality and independence is maintained at all times, and also that it is seen to be maintained in the eyes of the legal profession, and most importantly in the eyes of the public of Victoria, who are the people the tribunal has been established to serve. I will watch the operation of the provision with great interest, as I am sure will other members of the opposition. I reiterate the alarm bells raised by Mr Furletti in his contribution regarding the operation of the provision.

Part 4 amends the Sentencing Act. Clause 8 repeals subsections (1A) and (1B) and subsection (2)(ca) of section 18 of the act. Section 18 was amended in 1998 to give the Court of Appeal of the Supreme Court of Victoria a discretion to order that up to three months of time spent in custody pending the determination of an unsuccessful application for leave to appeal against a sentence not be reckoned as time served. In order to exercise that power the court has to be satisfied that the application for leave to appeal was frivolous, vexatious or brought without there being any reasonably arguable grounds. I was dumbfounded and expressed incredulity on hearing the contribution of Ms Hadden, because it was clear from her contribution that she, like the government, has not come to grips with the recent amendment to the Sentencing Act.

All honourable members know that the court process is clogged and that people complain about access to justice. In particular they complain about the time it takes for cases to be heard in superior courts and about the ability to access legal aid. The 1998 amendment was introduced to address both those concerns and not to attack anyone's fundamental right to appeal against conviction. It is intended to ensure that before people use, or in some cases abuse, legal processes they consider fully whether or not their appeal is frivolous, vexatious or being brought without any reasonably arguable grounds. That is a challenge to appellants and something they have to determine.

The people who make the final determination as to whether or not the provision which is now being discussed and which the government intends to repeal should be utilised are senior judicial officers of the Court of Appeal, the highest court in this state. They are the same people whom honourable members on both sides of the house in relation to the other amendments in this bill and in other bills say are independent and above reproach and should not have their independence compromised in any way. Honourable members have referred to the impartiality, fairness and strong legal minds of the individuals who comprise the Court of Appeal. The discretion was put in the hands of those senior judicial officers, the most senior in the state. Not only are they learned legal scholars and great legal practitioners, but as are the individuals who comprise the judiciary in the Supreme and County courts and the magistracy, they are people who hold the law and the operation of the rule of the law to be above interference, political or otherwise.

I challenge any government member to question the statement that the members of the Court of Appeal are individuals who are above reproach in their legal reasoning and determinations on the bench. I challenge Ms Hadden or any other government member to question what is a fundamental characteristic of the legal system — that is, that senior judicial officers who are charged with the exercise of judicial discretion are

above reproach. The opposition believes that to be a fundamental maxim. At all times discretion should be vested in those officers of the court because the opposition knows it will be exercised with the utmost diligence and understanding.

The discretion was given to the Court of Appeal to ensure that all appeals are heard fairly and that all Victorians who seek leave to appeal to the Court of Appeal have the right to have their applications heard. However, if an appeal was seen to be frivolous or vexatious — not by me, Mr Furletti or the Attorney-General but by three of the most senior judicial officers of this state — three senior justices of the Court of Appeal were given a discretion to apply an order that up to three months of time spent in custody pending the determination of that unsuccessful application not be reckoned as time served for the sentence.

Think of the steps. Firstly, it is a discretion placed in the hands of senior judicial officers. Secondly, those judicial officers have to knock out the appeal; they have to determine that the appeal has no standing. Thirdly, after determining that the appeal has no standing, they need to make another quantum leap — determine not only that the appeal has no standing but that it is frivolous or vexatious. That is a very strong test. Anyone who has had any involvement in the court processes knows that in exercising those sorts of judicial tests the judiciary takes a very conservative view.

Hon. W. R. Baxter — And don't I know it!

Hon. P. A. KATSAMBANIS — As Mr Baxter points out, don't we all know it!

When this provision was debated in 1998, Mr Furletti and I made the point that if those sorts of discretions were to be given, the only people we could entrust to exercise them were our senior judicial officers, people I would hope all of us regard as being above reproach. If there is a suggestion from the government that our judicial officers who comprise the Court of Appeal are not above reproach, it brings the whole criminal justice system into question. I trust no-one on the other side of the house is making that allegation.

It is interesting that although the government seeks to repeal this provision it does not highlight any instance where the provision has been either used or abused, because there has been no abuse of the provision. The government has made up its mind, and I can only guess why it wants to remove the provision. I seek from the government an assurance that at a time when people are crying out for ready access to the Victorian legal system the government will introduce some other step that will curtail frivolous or vexatious appeals.

As Mr Furletti rightly pointed out, we are dealing only with people who are already in custody. They have literally nothing to lose by using the process and, in some instances, abusing it simply to stretch out the time and for no other reason. The judges of the Court of Appeal can smell such attempts a mile away. They are the best people to use the sort of discretion they were given. It is a pity that the government, which often espouses the independence of the judiciary and the fact that the judiciary is above reproach, in a backhanded way questions the impartiality and integrity of our senior law officers by seeking to repeal such provisions. I agree it is not a discretion to be exercised lightly and it needs to be handled with kid gloves and due care.

Hon. Jenny Mikakos interjected.

Hon. P. A. KATSAMBANIS — It is not for me to question why the Court of Appeal judges choose to exercise or not exercise that discretion. I do not want to bring the Court of Appeal into any disrepute by using this place to question in any way the motives of the judges that form that court. If you seek to do that, I leave that up to you, but I will never use this place or any other forum to question the decision-making process of our Court of Appeal judges. As I said, to do so would bring our entire legal system into disrepute.

I question the government's motives on this matter. I seek some reassurance from the Minister for Small Business, who has the responsibility for the bill in this house, about the actions the government will take to ensure the court process is not used for vexatious or frivolous appeals now that this provision is to be repealed.

I further seek some sort of assurance that precious legal aid funding, about which the government made a lot of noise when it was in opposition, will not be squandered on frivolous and vexatious appeals; that it will not be used by convicted criminals who are seeking, in some instances, to abuse the court process. I seek an assurance that people like that will not have access to legal aid funding at the expense of people who truly deserve to have their court cases brought before the courts and heard. People who deserve to have their cases heard should have access to the legal aid system over and above those who are bringing frivolous and vexatious appeals.

I seek from the minister and other government members an indication of the sorts of provisions they

intend to implement as a government, now that it is their turn to make the system work rather than talk the system down. On that note, I commend the contribution to the debate on this bill of my learned colleague Mr Furletti. I question the government's motives, particularly those behind the application of part 4, which amends the Sentencing Act. Again I stress that the opposition does not oppose the bill.

Sitting suspended 6.28 p.m. until 8.03 p.m.

Hon. JENNY MIKAKOS (Jika Jika) — I support the Courts and Tribunals Legislation (Amendment) Bill, which makes a number of amendments to both the various acts that administer the courts and tribunals of this state and the Sentencing Act.

The government has supported the notion that the judiciary should be independent of and at arm's length from the government. The proposed amendments relating to the expenses of judges, masters and magistrates will further entrench the doctrine of the separation of powers and strengthen the independence of the judiciary.

Part 2 of the bill provides for the employment-related expenses of judges, masters and magistrates to be paid out of the consolidated fund. It makes a number of amendments to the Constitution Act to preserve judicial independence. It does so by amending section 80A of the act, which relates to reserve judges, by including a number of allowances providing Workcover, payroll tax and fringe benefits tax among the amounts to be paid out of the consolidated fund.

For more than 150 years it has been a well-established tradition that the salaries and allowances of the members of our judiciary and tribunals are paid out of the consolidated fund. The amendments to the Constitution Act will extend that process to those payments to which I previously referred. In effect the amendment to section 80A by clause 3(1) will apply to reserve judges the process that under the current provisions of the Constitution Act apply to permanent judges.

The provisions of the Constitution Act relating to reserve judges allow judges who are about to retire to be retained for a period of six months until such time as the Attorney-General is able to make new appointments to the Supreme Court. Victoria can retain the benefit, skills and knowledge of the judges of the Supreme Court for a period of six months on the same salary and under the same conditions of employment as applied to those judges prior to their appointment as reserve judges.

The proposed alteration by clause 3(2) to section 82 of the Constitution Act, which relates to the salaries of permanent judges, seeks to make the same inclusion for Workcover payments, payroll tax and fringe benefits tax that I have referred to in respect of reserve judges. The proposed alteration to section 83A seeks to make the same alteration for masters of the Supreme Court.

Clause 4 makes a number of amendments to sections 10, 13A and 17AA of the County Court Act. The provisions relate to the salaries and allowances of the Chief Justice, other judges, reserve judges and masters of the County Court. The effect will be to make the same changes as are proposed for Supreme Court judges. As I said, the bill provides that workers compensation payments, payroll tax and fringe benefits tax will be paid out of the consolidated fund to members of the County Court judiciary by the same process as that for Supreme Court judges.

Clause 5 seeks to make similar alterations in respect of magistrates and acting magistrates by amending clauses 10 and 12 of schedule 1 of the Magistrates' Court Act.

The amendments proposed by clauses 3, 4 and 5 will be budget neutral, as the budget of the Department of Justice will be adjusted to meet the cost to the consolidated fund.

As I said, the importance of the proposed amendments is to maintain the doctrine of the separation of powers and to include among the money paid from the consolidated fund payments that were not envisaged by those who drafted the constitution more than 150 years ago. I support these important clauses because of the long-held view of the Labor Party in opposition and in government that members of the judiciary should be protected from and be independent of the arm of government.

It was with great interest that I noted the comments of opposition members on certain provisions of the bill and their purported support for the independence of the judiciary, particularly in light of the various steps taken by the previous government, such as the sacking of members of the Accident Compensation Tribunal.

Clauses 6 and 7 of the bill relate to the remuneration of acting magistrates. Their effect will be that the Judicial Remuneration Tribunal will be given the role of recommending adjustments to the salaries and allowances of acting magistrates, in the same way as the tribunal currently makes recommendations in relation to other members of the judiciary, including permanent magistrates. The clauses alter neither the

salaries of acting magistrates nor the process whereby the Judicial Remuneration Tribunal makes recommendations to the Attorney-General and the Attorney-General certifies that adjustments should proceed. At present acting magistrates are paid their salaries by an order of the Governor in Council and there is no reason why acting magistrates should not be treated in the same way as permanent magistrates.

Part 5 of the bill relates to the internal promotion of members of the Victorian Civil and Administrative Tribunal. Currently there is no flexibility for members of the VCAT to be promoted during their terms. Proposed section 16A of the Victorian Civil and Administrative Tribunal Act, which is inserted by clause 10, will on recommendation by the president of the VCAT to the Attorney-General effectively allow the Governor in Council to promote a senior member of the VCAT as a deputy president, or an ordinary member as a senior member, for the remainder of the member's term, instead of the member's being required to be appointed for another five-year term, as currently occurs. That gives the president some flexibility in ensuring that the tribunal has an adequate number of members to conduct its business and allows for the superior performance of VCAT members to be recognised.

Hon. C. A. Furletti interjected.

Hon. JENNY MIKAKOS — For Mr Furletti, an example of the way the tribunal's flexibility could be enhanced would be in a situation where a tribunal member was due for retirement and did not want to be appointed for another five-year term.

Hon. C. A. Furletti — Read the bill; you are allowed to be reappointed.

Hon. JENNY MIKAKOS — Mr Furletti, if you would care to listen for a moment you would hear that I am saying that if a member of the tribunal — —

The PRESIDENT — Order! The honourable member will address her remarks through the Chair, please.

Hon. JENNY MIKAKOS — I am sorry, Mr President. A member of the tribunal who is due for retirement but does not wish to be reappointed for another five years should not be precluded from being promoted for the duration of his or her term.

Hon. C. A. Furletti interjected.

Hon. JENNY MIKAKOS — As a way of recognising the member's superior contribution to the tribunal. Why should those members be precluded from promotion?

Part 4 of the bill deals with amendments to the Sentencing Act, particularly the repeal of section 18. The current provisions of section 18, which were introduced last year by the previous government, allow offenders convicted of criminal offences to be effectively penalised if they lodge or seek to proceed with applications for leave to appeal against their sentences before the Court of Appeal. The current provisions effectively require the Court of Appeal to ignore a period of up to three months imprisonment an offender may have served if the court then proceeds to dismiss the offender's application for leave to appeal and it regards the matter as having been frivolous, vexatious or brought without reasonable grounds. I note that until now the Court of Appeal has not sought to exercise its role under those provisions. I leave honourable members to draw their own inferences from that fact.

The current provisions of section 18(1A) and (1B) of the Sentencing Act are deplorable and cannot be supported by the government because they disadvantage offenders who may not be legally represented and who may not understand that they will be penalised by lodging appeals against their sentences. It also discriminates against offenders who have been sentenced to custodial as opposed to non-custodial sentences. A provision that enables offenders to be punished merely for appealing against their sentences is inherently unfair.

Hon. C. A. Furletti interjected.

Hon. JENNY MIKAKOS — Through you, Mr President, I advise Mr Furletti that the judiciary currently has a discretion to increase an offender's sentence if it were to allow a matter to proceed by way of appeal. Mr Furletti needs to appreciate that the mechanism already exists. The discretion is already given to the judiciary under the current provisions, which relate to the prosecution of criminal offenders without the need for this provision, which is inherently unfair and unjust. For those reasons I wholeheartedly support part 4 of the bill, which seeks to repeal that provision and to insert a transitional provision. The repeal proposed by clause 8 will apply to applications for leave to appeal that are currently pending and will ensure that any person with a pending appeal is not disadvantaged by the change.

In conclusion I support the bill because it seeks to make a number of alterations to the administration of the justice system which will further enforce and enhance

the separation of powers doctrine and the independence of the judiciary and which will seek to restore basic rights to offenders to appeal against their sentences. I commend the bill to the house.

Hon. D. McL. DAVIS (East Yarra) — In commenting on the bill I note that the opposition does not oppose it. The house has heard careful and reasoned contributions from the Honourables Carlo Furletti and Peter Katsambanis. Rather than traversing all the territory they have already covered, I will summarise a number of points.

The bill seeks to do a number of things, including providing that employment-related expenses of judges, magistrates and masters are to be paid out of consolidated revenue, thereby reinforcing a long-established historical precedent and re-emphasising the all-important separation of powers. The opposition has no quibble with that. The bill also gives the Judicial Remuneration Tribunal jurisdiction over the remuneration of acting magistrates; and as has already been discussed at length, it establishes a promotions process within the Victorian Civil and Administrative Tribunal (VCAT) that empowers the head of that body to make recommendations on those promotions. The coalition parties have no quibble with that, either.

However, I will make some points about a number of other aspects of the bill, some of which have been effectively made by the Honourables Carlo Furletti and Peter Katsambanis. It is important to note — and I quote the Honourable Dianne Hadden — that the main purpose of the bill it to repeal subsections (1A) and (1B) of section 18 of the Sentencing Act, which were inserted in 1999 by the previous government. I recall the debate on the insertion of those controversial sections. I confess I was not in the house at the time but heard the issues raised on the audio speakers.

I am not sure that it improves the administration of justice in Victoria to suggest that senior judicial officers of the Court of Appeal are unable to make the decisions required of them by the Sentencing Act. It is not clear to me why the government cannot trust judges of the Court of Appeal to make those sorts of decisions in a fair, conservative and reasonable way.

There is no evidence that the bill will improve the administration of justice; in fact, the opposite may well be true. The government is sending a signal to the community that it does not have faith in the most senior judges in the state. The removal of the discretion of the Court of Appeal to recognise whether reasonable appeals have been made is of concern to the opposition.

It is not my intention to revisit the fine semantic details that the Honourables Peter Katsambanis and Carlo Furletti have canvassed. However, I note the concerns already expressed about the retrospective aspects of the bill. This is not the first bill introduced by the government to contain retrospectivity clauses. The Gambling Legislation (Responsible Gambling) Bill contained such clauses, as did the Prostitution Control (Planning) Bill.

Although it is not opposed to the bill, the opposition wants to place on the record some of the wider questions that are emerging about the government's legislative program, of which the bill is part. The opposition is concerned about the use of section 85 statements. When it was in opposition the government was strong in its criticism of the previous government's use of section 85 statements.

Hon. T. C. Theophanous — How many times did you use it?

Hon. D. McL. DAVIS — I take up the interjection by the Honourable Theo Theophanous. When in opposition the Bracks government was very critical of the previous Kennett government's use of section 85 statements.

Hon. Jenny Mikakos interjected.

Hon. D. McL. DAVIS — I am highlighting my concerns and those of many of my opposition colleagues about the bills introduced by the Bracks government. It is interesting to note that in the previous parliamentary session 37.5 per cent of the bills introduced by the government contained section 85 statements — in other words, almost 40 per cent of the bills that were passed — —

Hon. T. C. Theophanous interjected.

Hon. D. McL. DAVIS — No, in your last session! That is the sort of cant — —

Hon. T. C. Theophanous interjected.

Hon. D. McL. DAVIS — In taking up the interjection by the Honourable Theo Theophanous I will quote Premier Steve Bracks, who was reported in the September 1999 edition of the *Law Institute Journal* as saying that a future Labor government would scrap more than 200 pieces of legislation that stopped Victorians from appealing to the Supreme Court against decisions made by government.

That is what he said in opposition. What happened when he got into government? A large percentage —

nearly 40 per cent — of the bills he and his ministers introduced in the 1999 spring session contained section 85 statements. We are yet to see how many bills containing section 85 statements the government will request the house to pass in this sessional period — which of course is far from over.

There are appropriate uses of section 85 statements.

Hon. T. C. Theophanous interjected.

Hon. D. McL. DAVIS — Again I take up the interjection made by Mr Theophanous. Section 85 statements are appropriate in certain cases, but they need to be used sparingly and appropriately.

Hon. T. C. Theophanous interjected.

The PRESIDENT — Order! I ask the honourable Mr Theophanous to desist. If he has any comments to make, I will put him on the list.

Hon. D. McL. DAVIS — There are other aspects of the bill about which I could talk at length, but other opposition members will take them up. However, picking up the interjection by the Honourable Theo Theophanous, I make the point that the opposition has concerns not only about the bill but more generally about the government's legislative program. The government is applying a different standard from the one it applied in opposition.

Hon. D. G. Hadden interjected.

Hon. D. McL. DAVIS — Absolutely. A very different standard is being applied, and it is not better than the one you applied in opposition.

Hon. T. C. Theophanous interjected.

Hon. D. McL. DAVIS — No, it is not: it is a standard based on cant and a lack of principle. Aspects of the bill give rise to similar concerns, which I want to put on the record.

Hon. T. C. Theophanous — Name one!

Hon. D. McL. DAVIS — The retrospectivity aspect, which I have already referred to and which drew your initial interjection, Mr Theophanous. However, on that point I am happy to refer the house to the broader arguments made by Mr Furletti and Mr Katsambanis. As I said, although the opposition does not oppose the bill it expresses concern about aspects of it and of the government's wider legislative program.

Hon. B. W. BISHOP (North Western) — It is with pleasure that I make some brief comments on the Courts and Tribunals Legislation (Amendment) Bill. I will certainly not go into the technical issues it entails, which have been covered by those learned colleagues of mine who have spoken before me. Instead I will concentrate on a couple of other issues that I want to bring to the attention of the house.

Firstly, after listening to the comments made in the debate both here and in the other place I applaud both houses for their total support of the independence of our judiciary. I have been fortunate enough to travel internationally both in a past job and as a member of Parliament, and I realise how lucky we are in this country to have an independent judiciary and to support the doctrine of the separation of powers.

Australia is fortunate to have a particularly good court system. I am not stretching the truth too much by saying it is probably one of the best court systems in the world. Members of the judiciary have total independence and our tribunals take care of our civil rights. From a layman's point of view, this helps to make our justice system more accessible. Administratively, the costs are kept down in the traditional criminal and civil courts.

From the perspective of regional and rural Victoria, which is the best way for me to focus on such issues, I suggest that the legal system should be as accessible as possible — it needs to be fair, cost effective and efficient, and the waiting lists need to be kept low. It is important that communities have confidence in the legal system. I refer the house to court access and capacity in rural Victoria. The province I represent with my colleague the Honourable Ron Best, which covers the electorate of the honourable member for Swan Hill in the other house, Barry Steggall, has courts in Mildura — and I will refer to Mildura later — Ouyen, Horsham, Swan Hill and Bendigo.

It is disappointing that after all the Labor Party rhetoric during the state election campaign about looking after rural and regional Victoria, one of the first things the government did on its election to office was to remove the County Court sitting in Kerang. Together with many people in that region, I look forward to its return. The removal of that sitting has reduced the opportunity for my constituents to have ready access to justice. Honourable members recognise that those areas of Victoria are sparse and the distance people need to travel to attend courts is substantial. Those two sessions in Kerang are now gone and I look forward to the day when the Labor Party's view of paying attention to regional and rural Victoria will come to fruition and the County Court sittings at Kerang are returned.

I cannot help but commend the house's decision to have an all-party committee examine the future needs of court services, facilities and legal services in regional and rural Victoria. I commend that excellent reference to the Parliament and the Victorian community. It also refers to the need for the inquiry to be undertaken as quickly as possible.

I also refer the house to access to clerks of courts. As I said, the courts in my electorate are in Mildura, Ouyen, Horsham, Swan Hill and Bendigo, which are sparsely spotted throughout regional Victoria. If I remember rightly, a number of the smaller courts in rural and regional Victoria were closed in the 1980s. I believe that is the about the right time scale. It is important that access to clerks of courts is available to people living across the stretches of rural Victoria. Clerks of courts do a wonderful job in providing court services to our communities. They have been tremendously helpful to my office and to the rural and regional community. Clerks of courts are mines of information and can tell people their rights and the processes involved in the judicial system, which is sometimes confusing to many Victorians. They are of significant help to those of us who serve in rural and regional Victoria. A positive move by the government would be to bring back the County Court in Kerang, which would not only help us but also make a clerk of courts available, even if only on a visitation basis to rural communities.

I refer the house to a visit made by the Honourable Ron Best and me, just before the election, to the old courthouse at Newbridge, which has been turned into an historical museum. The community has done a fantastic job with the old courthouse. The community has some superb records, and it is important that those records are kept and the buildings are utilised. We went there to provide a grant for some further research and work to facilitate that record keeping. The old courthouses in Birchip and Boort have also been retained as museums for their communities.

I conclude my brief contribution to the debate with some comments on the courthouse in Mildura, which has been the subject of media discussion for some time. The Attorney-General, Rob Hulls, visited the Mildura courthouse on Thursday, 25 February. The local media quoted him as saying that something needed to be done quickly and he was going in very hard to argue for the courthouse. It was during this impassioned visit to Mildura that the Attorney-General accused me of being invisible and having done nothing to further the cause of the courthouse. It is right and proper that I take this opportunity to put on the public record how wrong he was.

I set out to correct that by writing a letter to the local newspaper setting out in chronological order exactly what I had done over the years to get a guarantee that a new courthouse would be built. I dealt directly with ministers who would make the new courthouse a reality on no fewer than five occasions. In a visit to Mildura in May 1997, the then shadow Attorney-General, Rob Hulls, described the courthouse conditions as Third World and said he would raise the issue with the then Attorney-General, Jan Wade. At the time the honourable member for Mildura in another place, Mr Savage, was in receipt of a letter from Jan Wade that stated the courts at Mildura were high on the government's priority list for major capital works.

In June 1997 I issued a media release stating the courthouse's deteriorated condition was creating a difficult situation for the legal system in Mildura. I called on the former Attorney-General and former Premier, Jeff Kennett, to attend to the matter immediately. In June 1997 the local government minister at the time, the Honourable Rob Maclellan, also the then Acting Attorney-General, visited Mildura to open the first stage of the Alfred Deakin centre. He toured the courthouse with a couple of the councillors and could see the urgency of the situation for himself. He reported back to the Attorney-General. Later in that year, in September, a visit by the Attorney-General revealed Mildura might have to wait a couple of years before funding for a new courthouse would be forthcoming, but also said Mildura was high on the list for upgrading.

In May 1998 I wrote to Jeff Kennett calling for at least some urgent works to be undertaken to the courthouse until the electorate projects allocation came through for the new courthouse. In March last year the then Minister for Youth and Community Services, Dr Denis Napthine, toured the courthouse complex. Again on my urging he indicated he would raise the issue with Jan Wade.

I have hardly been silent on the issue. I have enjoyed working with dedicated people who continue to work towards the building of a new courthouse in Mildura. We now welcome the announcement by the Attorney-General that a courthouse will be built in Mildura at a cost of $8.9 million.

I am sure the Warrnambool courthouse will also soon be built. The past and present governments have given it a high priority. The Attorney-General's announcement was a fitting reward for those who worked long and hard to see the fulfilment of the project. The North West Law Association has been a consistent and practical advocate of the Mildura

courthouse. It is one of the best placed groups to understand the demands of a court situated in a badly run-down building that has reached the end of its operational life.

As a member for North Western Province I have made many representations to ministers of both the former and current governments. Now that the proposal for the courthouse has been announced the next task is to undertake a community consultative process to determine its location. Members of the community have expressed a number of opinions about where that should be. It would be excellent for the community to be involved in that decision.

In conclusion, $8.9 million is a great deal of money to be put into a building of the type envisaged. A consultative approach involving the legal fraternity, the community and all those who may use the courthouse is important so that it can be used to its full capacity. I do not oppose the bill, which tidies up a number of outstanding matters. I thank the house for its indulgence in listening to my comments about the Mildura courthouse.

Hon. W. R. BAXTER (North Eastern) — I will make a brief contribution for a couple of reasons. The first is that it is important to record on every possible occasion how fortunate Australians are to have a clear separation of powers between the judiciary and the executive arm of government. I find it extraordinary that that separation has existed for more than 300 years and that such a strongly held belief could have been sustained and maintained so strenuously for three centuries. All Australians can be proud of that.

I therefore support the provisions in the bill. They strengthen the separation of powers concept by using modern-day terminology to provide direct funding from the consolidated fund rather than via the departmental vote. The initiative is worthy, and I support it. It was brought forward by the present government as a result of its having worked on material prepared by the former government just before it went out of office.

It must be noted that members of the judiciary have a responsibility and indeed a duty to maintain their role in all of this. They have done so extremely well and conscientiously through generations of members of the various benches. However, I am a little concerned and regretful that in the past decade or so, and more particularly in the past two or three years, a propensity appears to be creeping into the judiciary to comment on political issues of the day. A couple of recent examples have occurred in Sydney in the past month or so. Perhaps parliamentarians should remind judges that it is a two-way bargain. If there is to be a strict separation — I believe there ought to be — it is incumbent on the judges to maintain their side of the bargain.

Hon. D. McL. Davis interjected.

Hon. W. R. BAXTER — Restraint is the word I am looking for, Mr Davis. I would find it distressing indeed if what I have detected in recent years became a fashion, a habit or commonplace. Although I appreciate that judges and former judges are a part of the community and need to go about their daily lives and have personal contact with other citizens, whether in recreational pursuits, social functions or whatever — I do not want them to be locked away and totally isolated — they have a responsibility to maintain a degree of reserve in their comments. I extend that comment to former judges. I get particularly distressed when former judges interfere excessively in the political process. Former High Court judge Sir Roland Wilson disappoints me exceedingly because of the political statements he makes. He often bases them on his judicial status and experience. I suggest to him that he might desist because I do not think he is doing the society in which we live any good at all.

Might I also add that I am very proud of Victoria's forebears who built such magnificent court buildings. I refer to the Supreme Court buildings in William Street, which I visited again only a fortnight or so ago, as well as to the courts in country Victoria, many of which I regret to say, as did Mr Bishop, are no longer operational. Nevertheless they are extraordinary examples of Victorian architecture and illustrate the strengths of purpose and status.

That does not apply only in Victoria. Country towns in New South Wales, especially in the Riverina, have some extraordinary edifices. I refer to courthouses in towns such as Deniliquin, Hay and Goulburn. Those buildings demonstrate the strong feelings our forebears held about the role of courts in society and the necessity to make the court process pivotal to communities; and its reputation and strength was assisted, if not brought about, by the substantial buildings in which the court business was conducted.

I pay particular tribute to the previous Kennett government for the way it set about refurbishing many run-down public buildings, particularly in the court system. The Kennett government restored the majesty of the Supreme Court when compared with its existence under the Cain and Kirner governments, when it fell into a dilapidated condition. Apart from the need to have that building in good and efficient order

for its daily work as a court, such a majestic building should be maintained as one of Victoria's great historic buildings. I commend the former government for the way it set about doing that and for adding Supreme Court facilities at 436 Lonsdale Street. They are, again, modern buildings in the current idiom, but very well done.

All honourable members will remember the decrepit building that was the old Magistrates Court in Russell Street. The new Magistrates Court is a magnificent building at the western end of the central business district. It is a tribute to the vision and commitment of the former government in maintaining and renewing the fabric of society. I would not want that to go unrecognised.

I also commend, as did Mr Bishop, the work of the former Attorney-General in rebuilding courts in country localities. In Wodonga, for example, building is about to commence on a new court. The original court was built more than 30 years ago when Wodonga was nothing more than a country town of fewer than 7000 people. It is now a regional city of more than 30 000 people. Such growth needs court facilities commensurate with it.

The former government recognised that and committed $10 million to the process. Mr Bishop mentioned the Mildura courthouse, the work on which has not started but is on the cusp, and the Warrnambool and other courthouses were also mentioned. Those initiatives are a tribute to the former government's attitude to capital projects. I join with Mr Bishop in congratulating the Attorney-General for acknowledging that Mildura needs a new courthouse and that he will continue the work of his predecessor.

I intervened in the debate because of my incredulity when listening to Ms Hadden and Ms Mikakos. I cannot decide on what basis they were making their remarks. I understand they both have legal training. Perhaps despite that legal training they are unable to read or understand acts of Parliament. I find that difficult to believe. I should have thought they would comprehend acts of Parliament, particularly as many of us who do not have legal training make a reasonable fist of it. The only other reason I can come up with is that they are prepared to deliberately misconstrue the intent of the principal act so that they can run a line in the community that somehow the former government was taking away or denying the rights of ordinary people. I notice that members of the Labor Party backbench have a propensity to take that line. Ms Darveniza is becoming a past master at running a line which obscures the facts but which might make a good story in West Melbourne.

The bill does not in any sense, in any way or by any means take away the rights of a convicted person to run an appeal, yet that is the line run by Ms Hadden and Ms Mikakos — that is, that somehow convicted persons were being denied the right of appeal. Nowhere does the principal act provide that. I understand people run an appeal when they are incarcerated, knowing it costs nothing and it is a bit of entertainment to present oneself in court, but the 1998 amendment gave discretion to the Court of Appeal so that if it deemed an appeal to be frivolous or vexatious it could make a finding that the time spent in custody would not be counted as part of the sentence. It was a disincentive to run an appeal, but it was not a prohibition.

What is the sense of having that disincentive? Firstly, the court system is clogged with work, as honourable members know from constituents who complain how long they have to wait to get their cases on. Secondly, most of the appeals are run with the assistance of legal aid. Again all honourable members know the pressure the legal aid budget is under. The consequences of frivolous and vexatious appeals being conducted with the assistance of legal aid are that scarce funds will be denied to other litigants, offenders, convicted persons and accused. People who may benefit from the assistance of legal aid will be denied that assistance because of the pressure on the legal aid budget.

I suggest to Ms Hadden that if she were running an appeal pro bono and formed the view that the case had no chance of success — that it was frivolous and vexatious — she would recommend to her client that it not be run. The same logic applies if a case is being run under legal aid. Why should the court system be clogged up so the taxpayer can pay for someone to have an excursion to the Court of Appeal in a hopeless case? I ask Ms Hadden to reflect on that. Would she run a hopeless appeal pro bono? I am sure the answer would be no. I ask her to extend that logic to the case advanced here tonight.

The Kennett government did the right thing for the system, appellants, convicted persons, taxpayers and the legal aid budget. Whatever way one looks at it the former government did the right thing. As honourable members know the right thing can often be characterised by those who are clever with words or those who want to run a scare campaign in the community as something that somehow denies people's rights. The 1998 amendment was not intended to and did no such thing. It was intended to do the opposite —

that is, to protect the legal aid budget from being sapped and dissipated by appeals that had no merit.

The government is doing itself a disservice by allowing the line which it was able to run and which sounded good when it was in opposition to be carried over in government. I believe it will live to rue the day it allowed that to happen.

The PRESIDENT — Order! I am of the opinion that the second reading of the bill is required to be passed by an absolute majority. As there is not an absolute majority of the members of the house present, I ask the Clerk to ring the bells.

Bells rung.

Members having assembled in chamber:

The PRESIDENT — Order! so that I may be satisfied that an absolute majority exists, I ask honourable members supporting the motion to rise in their places.

Required number of members having risen:

Motion agreed to by absolute majority.

Read second time.

Third reading

Hon. M. R. THOMSON (Minister for Small Business) — By leave, I move:

That this bill be now read a third time.

I thank Mr Furletti, Ms Hadden, Mr Katsambanis, Mr David Davis, Ms Mikakos, Mr Bishop and Mr Baxter.

The PRESIDENT — Order! I ask honourable members supporting the motion to rise in their places.

Required number of members having risen:

Motion agreed to by absolute majority.

Remaining stages

Passed remaining stages.

ADJOURNMENT

Hon. M. M. GOULD (Minister for Industrial Relations) — I move:

That the house do now adjourn.

Fishing: abalone

Hon. R. H. BOWDEN (South Eastern) — I direct to the attention of the Minister for Energy and Resources correspondence from and a request by the Victorian Abalone Divers Association, many members of which live and work in South Eastern Province. My constituents have approached me because of their growing concern over aspects of the Environment Conservation Council's draft report, in particular aspects of it that contain the potential for no-take zones.

The abalone industry is also concerned about the draft report in that if the recommendations were to be implemented along the lines presently being suggested up to 30 per cent of the central zone fishery would be locked away and lost to production. By coincidence, today the minister advised the house of successful moves in policing this valuable commercial industry. I suggest to the minister that it is the most valuable commercial fishery operation in the state. It is an important industry that provides much work in and revenue for both the state and the nation.

I therefore ask the minister whether she will give an assurance that the state government will not unnecessarily penalise Victoria's most valuable commercial fishery when in due course it considers the Environment Conservation Council's report.

Bellarine Highway–Banks Road intersection: upgrade

Hon. E. C. CARBINES (Geelong) — I direct to the attention of the Minister for Energy and Resources, as the representative of the Minister for Transport in the other place, a dangerous intersection in my electorate. The intersection of the Bellarine Highway and Banks Road on the Bellarine Peninsula has been the site of a number of fatalities in recent years — in fact, four in the past five years.

The most recent fatal accident occurred two years ago when three young men lost their lives in a very tragic accident. I note that last year the coroner who inquired into their deaths recommended that works be undertaken at the intersection to stagger or offset it. I understand from discussions with Vicroads that work is about to start on that intersection to make it a staggered T-intersection. However, I am very concerned that currently Vicroads plans to retain the speed limit of 100 kilometres per hour on the approaches to that intersection. I have asked the regional manager of Vicroads, Mr John Wilson, to seriously consider implementing a speed reduction device on the approaches.

I ask the Minister for Transport to support my call for a speed reduction and to assist in its implementation.

Geelong: community television

Hon. I. J. COVER (Geelong) — I raise with the Minister for Small Business the support for business in Geelong, particularly small business, through the establishment of a television station in the city. Some interesting developments have occurred in recent times.

I shall backtrack briefly to the policy of the Australian Labor Party during the last election campaign. It states:

> One of the key disadvantages that businesses in Geelong face is not having access to a television station solely dedicated to Geelong. This denies Geelong businesses access to a cheaper source of advertising to promote their product to the people of Geelong.
>
> Geelong businesses continue to lose out to businesses in Melbourne because of this competitive disadvantage.

It also states that estimates indicate:

> … that of the $1.4 billion spent by Geelong shoppers each year, more than $260 million leaves the local economy.

One of the ALP's proposals during the election campaign last September was directed towards establishing a television station in Geelong to do precisely what that policy was outlining. No doubt things were going on behind the scenes, particularly with people who produce the program *This Week in Geelong*, which has been seen on Channel 31, a community station in Melbourne. They had high hopes, along with many other people in the Geelong community, that a Geelong community television station would be established.

However, in recent times things seem to have gone off the rails. In fact the picture seems to have become very fuzzy and static. On 1 March, under the headline 'Bracks to discuss local TV bid', the *Geelong Advertiser* reported at page 3:

> Geelong is one step closer to scoring its own television station, with a meeting scheduled next week between the Premier's department and producers of Channel 31 program *This Week in Geelong*.
>
> A spokeswoman for *This Week in Geelong*, Jinny Sharp, yesterday said the issue of a community television station for Geelong had recently been raised with Premier Steve Bracks, and assurance had been given Mr Bracks was willing to discuss the matter.
>
> Ms Sharp said it was encouraging to know there was finally movement on the Geelong television station front.

Ms Sharp also said she felt they were making good progress, and that:

> 'With the support of the city … and local members Ian Trezise and Elaine Carbines, we'll have a formidable team backing the community television initiative.'

I will tell the house how formidable it was. On 16 March, just 15 days after that article appeared, the people from *This Week in Geelong* issued a press release saying that the producers see a lack of effective support from the state government for a television station in Geelong, which will mean the experiment of community television broadcasting is doomed to failure. The press release also states:

> Despite the producers of *This Week in Geelong* appealing to the state government to fulfil their election promise to the people of Geelong, the intent of which was to provide the city with access to its own TV station, we feel that the Bracks government has no intention of actively fulfilling its promise.
>
> …
>
> Another chapter has closed in the struggle for bringing to life the reality of Geelong having its own television station.

Among other things Ms Sharp talked about being greatly saddened and disappointed by this, and said:

> … it seems our new Premier, who champions the regional cause, has no plan. No strategies are in place and to date nobody has been identified as being responsible for this issue.

She described the ALP's promise as 'a hollow promise'.

I ask the Minister for Small Business, firstly, to apologise to the business community in Geelong, particularly small business people, whose hopes were raised by the promise, and secondly, to explain to Geelong business and people behind the television bid just what efforts she might make on their behalf.

State Netball and Hockey Centre

Hon. G. D. ROMANES (Melbourne) — I refer the Minister for Sport and Recreation to concerns a number of netball players in my electorate have raised about the new charges Netball Victoria has imposed at the Royal Park netball centre, even before it is in operation. I have received correspondence from one young person who plays mixed netball who outlined for me a range of charges with which the average netball team is now faced. They are $75 for team registration, $650 for seasonal charges and $30 per player for registration of individuals with Netball Victoria.

With the prospect of the opening of the new netball centre in sight players have been told that an entrance fee of $3 per night will be imposed for those over 17, with a fee of $1.70 for those under 17. That $3 fee must be compared with the $1 per night fee for netball players at the Coburg basketball stadium.

In correspondence she received from Netball Victoria that young player was told it is a government requirement that the State Sports Centres Trust charge entry fees to the state netball centre to maintain the centre's facilities, and that that is reasonable and consistent with user-pays principles.

New facilities are usually built to enhance and increase participation in a sport, not to hinder the involvement of particular groups, especially young people. However, the fee levels will produce that effect. Most young people have limited incomes. Although playing sport is something they like to do, that can be difficult if they face such a range of fees.

Will the Minister for Sport and Recreation, and the Minister for Women's Affairs in the other place, undertake to monitor the effect of raising the Royal Park facilities to Commonwealth Games standard on the participation of young people in netball?

AFL: fixtures

Hon. P. A. KATSAMBANIS (Monash) — The matter I raise for the attention of the Minister for Sport and Recreation relates specifically to the scheduling of Australian Football League matches. I am fully aware that the AFL is not directly under the control of the government. However, the minister and the government have made it clear that they are interested in the scheduling of AFL football matches at Waverley Park and that, although they have not demonstrated it as yet, they are able to influence that scheduling. The minister may be able to use his good offices to influence the scheduling of AFL matches generally.

In the few weeks since the commencement of the new AFL season I have had a number of inquiries from football fans, particularly parents of younger children, relating to the scheduling of AFL matches at night, in particular on nights before school days. Already this year the AFL has scheduled football matches on a Wednesday, Thursday and Sunday night. I have been made aware that later in the season matches are scheduled to be played on Monday nights!

As a former footballer, the minister would be aware that the future of both attendance at and participation in sports such as football depends on young people's ability to access those sports at times convenient to them. A number of parents have made the point that the AFL's scheduling of matches on Wednesday, Thursday, Sunday and Monday nights makes it impossible for them to attend the matches with their children, therefore denying both parents and children the opportunity of watching games.

If members have followed the recent media reports on the subject, they will realise that the scheduling of matches on those evenings has led to a significant decline in attendances at AFL matches. The minister is a parent of young children, as I am. In the past two weeks my children have been pleased to have had the opportunity to watch our football team, Collingwood, play during the day.

Honourable members interjecting.

The PRESIDENT — Order! What is the honourable member's question?

Hon. P. A. KATSAMBANIS — I ask the minister to use his good offices to influence the AFL to schedule more matches during the day, particularly on Saturdays and Sundays, to enable parents and their children to attend those matches at hours that are convenient for the children.

Drugs: Ballarat

Hon. D. G. HADDEN (Ballarat) — I direct to the attention of the Minister for Industrial Relations, who represents the Minister for Health in the other place, a serious incident that occurred last Friday afternoon on the south side of Armstrong Street, Ballarat, outside the Myer shopping complex, directly opposite the Ballarat town hall and beside the entrance to the Central Square shopping centre. A man and his five-year-old daughter, who were walking along the footpath with other shoppers, witnessed a young man inject himself in the street, pull the needle from his arm, throw it to the footpath, hop into a taxi and then drive off. The incident caused such distress to the father and his daughter that he had to take her home, and now she does not wish to go shopping with her father.

I ask the minister to raise the matter with the minister in the other place to see what measures can be put in place to dissuade young people from injecting themselves in shopping centres and streets, especially in the City of Ballarat.

Waverley Park

Hon. N. B. LUCAS (Eumemmerring) — I raise a matter for the attention of the Minister for Sport and Recreation. Prior to the last state election the Labor Party issued a document headed 'Building Victoria's sporting life', which stated that an ALP government would:

> Fight to keep and improve Waverley as an AFL venue.

It also said it would:

> … demand that the ground be kept open.

In the *Herald Sun* of 12 September last year Mr Bracks was quoted as saying:

> The first call I'll make as Premier is to (AFL chief executive) Wayne Jackson to say you can have improved bus lanes to Waverley and we'll give you revenue from our footy tipping competition.

The Minister for Major Projects and Tourism is reported in the *Times* of 27 October as follows:

> 'We will use the full authority of government — there are all sorts of ways in which the government can put pressure on the AFL'. Mr Pandazopoulos said that the Land Acquisition and Compensation Act, which allows the government to forcibly buy privately owned land, is just one of the mechanisms that could be used.

An article on page 20 of the *Herald Sun* of 13 October reported Mr Bracks in the following terms:

> 'I'm not going to give up', Mr Bracks said yesterday.
>
> …
>
> 'It's an important facility for Victoria', Mr Bracks said.
>
> 'I want to persuade them to keep it'.

In the *Herald Sun* of 1 November the Minister for Sport and Recreation was reported as having said:

> Labor would … retain Waverley Park as a football venue, even if it was used for the VFL competition.

Then there was a wonderful statement in the house on 10 November by Mr Jennings, who said in effect that promises made in opposition cannot be satisfied when in government.

Hon. T. C. Theophanous — On a point of order, Mr President, I listened to the honourable member asking his question about Waverley Park.

Hon. G. R. Craige — He hasn't asked it yet.

Hon. T. C. Theophanous — He has been talking for quite a long time. I want to know the tenor of what the honourable member is on about. Mr President, a substantive debate on Waverley has already occurred and many questions have already been asked of the minister during both adjournment debates and question time. Given the standing orders I ask — —

The PRESIDENT — Order! Which standing order?

Hon. T. C. Theophanous — The standing order in relation to raising — —

Honourable members interjecting.

Hon. T. C. Theophanous — I thank my colleague Ms Mikakos for her assistance. Mr President, under a ruling — —

Honourable members interjecting.

The PRESIDENT — Order! I ask the house to settle down. The honourable member is raising a point of order, and I want to hear it.

Hon. T. C. Theophanous — Under your guidelines, Mr President, you advised that matters should not be raised if they have previously been discussed. I also refer you to a ruling made during an adjournment debate in 1994 by Deputy President Evans. He said that a member cannot raise an issue that another member has already raised. It must be a different question or a slightly different angle on the same issue.

There are plenty of precedents that suggest the same question should not be asked continually in the house. The question about the Labor Party's policy on Waverley has been asked on a number of occasions. Mr President, I ask that on the basis of both your guidelines and precedent that you rule the matter out of order.

The PRESIDENT — Order! I do not uphold the point of order. If the honourable member is to rely on such a point of order, the very least he should do is quote the question that has been asked previously in the house.

Hon. T. C. Theophanous interjected.

The PRESIDENT — Order! Mr Theophanous is saying the issue has been raised before. Certainly the house has heard a lot of questions about Waverley Park.

Hon. T. C. Theophanous interjected.

The PRESIDENT — Order! However, it has not heard this one. Mr Theophanous should watch himself. He knows the rules of the house. He has not established that the issue being raised — the honourable member concerned has not finished raising it — has been raised before. That is the essence of it. The same question rule certainly exists, but that arises when the house has had a substantive debate and concluded an issue. In that case a member cannot raise the matter again in the same instance. That is not the case in this instance. Therefore, I do not uphold the point of order. When the point of order was raised Mr Lucas had been speaking for 2 minutes. I ask him to come to his question.

Hon. N. B. LUCAS — A number of my constituents have asked what the government is doing

about the issue. They are concerned and wonder whether the government is fair dinkum and will do something or whether it is asleep at the wheel.

Given that it is now four months since the minister said, 'Trust me, the issue is under control' and given that no Australian Football League games are scheduled for Waverley Park this season, will the minister provide the house with an explanation for the lack of an announcement regarding its future and admit that the government has failed in its policy commitment to keep AFL football at Waverley Park?

Hon. M. M. Gould — On a point of order, Mr President, the honourable member knows from your ruling on the adjournment debate that only one question can be asked. He asked three. I ask you to rule that he ask only one question in line with the guidelines you distributed last week.

The PRESIDENT — Order! Certainly the last comment the member was part-way through would constitute a different question. I think the first two could be wrapped into one answer. It is the same issue, so there is no point of order.

Housing Week

Hon. S. M. NGUYEN (Melbourne West) — I ask the Minister for Small Business to direct a matter to the attention of the Minister for Housing in another place. Housing Week has been successful for the past two years in recognising the contribution of public and community-managed housing. Strengthening the link between the stakeholders and building effective relationships has been fundamental to the process. In 1999 tenant groups, community organisations and local councils staged 160 events in 88 suburbs and towns in Victoria.

I understand that so far this year 200 such events have been notified to the Office of Housing. This year Housing Week will be held during the school holiday period. That will present a great opportunity for those in the western suburbs of Melbourne to participate. In light of that will the minister provide advice on the events organised for the western suburbs of Melbourne?

Community Support Fund: administration

Hon. R. M. HALLAM (Western) — Firstly I acknowledge that although the issue I raise is the same as one I have raised before, the question is quite different. The question I raise for the Minister for Industrial Relations, who represents the Premier in this chamber, concerns the administration of the Community Support Fund (CSF).

On 14 December 1999 I referred the minister to the gambling policy launch of 6 September last, and more particularly to the comment attributed to the Premier in respect of the administration of the Community Support Fund that, 'We'll make sure a proportion of that goes back into the area from which it was derived'. I asked the minister to inquire of the Premier how that area is to be defined and what proportion of funds derived from a particular area, however defined, can be returned to that area.

I received a letter from the Premier by way of response within 10 days. I thank him for that. He advised that the government was currently undertaking a comprehensive review of the administrative aspects of the CSF and said:

> As part of this review, the issues of distribution of funds from the CSF to those areas that derive the CSF's revenue will be examined in detail.

Will the minister inquire of the Premier what happens when an area has no electronic gaming machines, and when the outcome of the comprehensive review quoted in the Premier's letter can be expected?

Industrial relations: 36-hour week

Hon. KAYE DARVENIZA (Melbourne West) — I refer the Minister for Industrial Relations to the recent dispute in the building industry, the failure of the federal workplace relations minister, Peter Reith, to appear in the dispute and the opposition's support for the 36-hour week. In light of the issues will the minister inform the house of the government's assessment of the matters in the Australian Industrial Relations Commission?

Minister for Industrial Relations: offices

Hon. D. McL. DAVIS (East Yarra) — Will the Minister for Industrial Relations confirm to the house that the office she occupied at 35 Spring Street between October 1999 and January this year remains empty? Will she advise the house of the rental amount and how much community money was wasted during that period? Has it resulted in any loss?

The PRESIDENT — Order! I think that is another question.

Retail tenancies: leases

Hon. BILL FORWOOD (Templestowe) — I refer the Minister for Small Business to an issue raised with

me by a constituent concerning the Retail Tenancies Act. The issue is faced every day by hundreds of tenants and landlords who are considering options for the renewal of leases for retail business premises.

A decision in the Supreme Court in March 1999 in the case of *Apriaden v. Seacrest* noted an apparent anomaly in section 14 of the Retail Tenancies Act relating to the necessity for landlords to serve notices on tenants, which raises a number of issues. The decision, which is currently on appeal on a technical point of law, was referred to in May last year by the then shadow Minister for Small Business, André Haermeyer.

The constituent is currently caught up in the appeal before the Court of Appeal. My strong view is that the government ought to assist in the resolution of the judicial point. The representative — —

Hon. T. C. Theophanous interjected.

Hon. BILL FORWOOD — It is a point of law; it is not an issue between landlord and tenant. It is a test case. I point out to the minister that my constituent sought an appointment with her to discuss not the matter itself but the principle of the test case. I encourage the minister to reconsider her decision not to see him.

Industrial relations: 36-hour week

Hon. W. I. SMITH (Silvan) — I refer the Minister for Small Business to the Access Economics forecast of a sharp downturn in the construction activity from $7.5 billion to $4.9 billion and ask what work the minister has initiated to assess the financial impact on small businesses in the construction industry of a 36-hour week, pay increases, and increases in Workcover premiums.

Youth: vehicle insurance

Hon. B. N. ATKINSON (Koonung) — I noted that recently the Minister for Consumer Affairs announced the *Get a Life* magazine, which is a continuation of a number of information programs for young people on their consumer rights. In that context, I raise with the minister a concern I have about the ability of young drivers to obtain affordable motor vehicle insurance. I am aware of one young person who applied for motor vehicle insurance on a $6000 car being told that the premium for a comprehensive policy for one year would be $3500. In another case, the insurance quote for a car valued at $3100 was $2000.

The minister will agree that the taking out of car insurance is a good habit to encourage among the young to increase their awareness of their responsibility to themselves and to protect the financial interests of other motorists on the road. Apparently the insurance industry believes its experience with young driver insurance claims justifies its setting of premiums that are prohibitive by any measure. However, in an attempt to achieve better outcomes for the community and for young people, is the minister prepared to investigate the problem with a view to achieving lower premiums for young drivers?

Schools: Dingee and East Loddon

Hon. R. A. BEST (North Western) — I ask the Minister for Sport and Recreation to refer to the Minister for Education in the other place an issue involving preschool services at Dingee and prep-to-year-12 (P–12) school services at East Loddon.

The Shire of Loddon wants to consolidate the preschool and the P–12 school to establish a kindergarten-to-VCE college (K–12) at the East Loddon site. One of the main issues driving the proposal is that the Dingee preschool currently operates from the supper room of the Dingee hall. The Shire of Loddon will have to spend $60 000 to bring that facility up to a standard that complies with the new regulations and addresses the urgent need for an upgrade of the East Loddon P–12 school.

The shire's plan is to contribute the land abutting the site of the East Loddon senior college of the P–12 school to enable the programs to be better coordinated. Preschool services for three-year-olds to four-year-olds, after-school care and play groups could be provided on the site, and transport services could be coordinated in a way that minimises travel commitments for families.

One of the issues for those of us who are trying to bring the plan to fruition is that the school is in urgent need of repairs and maintenance. The project has the support of the community and the preschool committee, which has already raised some $20 000 and, as I said, the shire is prepared to contribute the block of land abutting the P–12 school. However, we need a commitment from the government to ensure that the project comes together.

As I said, the proposal is a sensible resolution to a difficult issue. The council needs to upgrade its facility at the community hall to comply with the preschool requirements and regulations. The opportunity exists for the services provided at the school, including the library, the bus services, administration facilities and the sports oval, to be maximised for community use.

I urge the Minister for Sport and Recreation to refer the matter to the Minister for Education in the other place to ensure that the project to create an education precinct in which the whole community can become involved can proceed.

Lysterfield Primary School

Hon. G. B. ASHMAN (Koonung) — I raise a matter for the attention of the Minister for Sport and Recreation, who represents the Minister for Education in the other place. The Department of Education, Employment and Training has a program that provides airconditioning for all portable school buildings across Victoria. Less than two months ago the Lysterfield Primary School council fitted airconditioners to its four portable classrooms. The school has spent in excess of $7000 of the funds raised by parents to aircondition those portables. The school has approached the department and sought reimbursement for its investment, but the department has said it is not prepared to reimburse the cost.

As I understand it, the department is prepared to remove the airconditioners installed by the school and reinstall airconditioners provided by the department. It strikes me that to go down that path is plain bureaucratic stupidity. I ask the minister to intervene to ensure that the parents have their investment reimbursed so they may redirect that $7000 to the education of their children.

Deakin irrigation project

Hon. B. W. BISHOP (North Western) — I raise with the Minister for Energy and Resources, who is the representative in this house of the Minister for Environment and Conservation, the Deakin project in Mildura. I am sure the minister and honourable members are aware of the project.

Unfortunately some confusion has been generated by those who do not understand the project, and its suspension has been called for. It would be irresponsible to suspend this worthwhile project because it will ensure a coordinated approach in continuing irrigation development in the Mildura area. The project is not about suddenly putting 30 000 hectares of new irrigation in place; it is about ensuring the ongoing expansion is properly planned and monitored.

Mr President, with your indulgence I shall read the short terms of reference, which are straightforward and give credence to the project. They state:

> Financial and economic impacts for the community and industry, private sector investment potential and financial appraisal of development options identified in the pre-feasibility study;
>
> environment and social issues that may impact on the region, and any legislative and regulatory constraints for the project;
>
> ensuring the project will not result in environmental damage;
>
> providing services (for example, water supply, electricity, irrigation drainage, stormwater drainage, effluent, sewerage, telecommunications, natural gas, main roads and local roads) under local and state planning schemes;
>
> identifying preferred service corridors to preserve high conservation values and determine to what extent they should also identify environmental protocols for the placement and construction of services within those corridors;
>
> planning integration of residential and agricultural pursuits for the project.

The Deakin Irrigation Development Committee has provided Minister Garbutt — I think on 31 December last — with a recommendation of those terms of reference to fully consider the issues and put forward a preferred consultant from resources supplied by the previous government. The final study must be put into place immediately as irrigation development is continuing to occur and we run a real risk of not managing this expansion in the best possible way.

Will the minister contact the Minister for Environment and Conservation and advise the house when she will sign off on the final study to ensure this development proceeds in a planned manner for the future?

Member for Frankston East: electorate office

Hon. B. C. BOARDMAN (Chelsea) — I raise with the Leader of the Government a matter for the attention of the Minister for Finance in another place. Honourable members would be aware that the Minister for Finance is responsible for managing the leases on government premises, including electorate offices. They would also be aware that members of Parliament can use their electorate office only in line with duties of a parliamentary nature.

I bring to the minister's attention an issue raised by a constituent who with some confusion and anxiety approached me on Saturday night because of activity at the electorate office of the honourable member for Frankston East in another place, Mr Viney. So concerned was the constituent — —

Honourable members interjecting.

Hon. B. C. BOARDMAN — They are all a bit worried now, aren't they? The constituent was so

concerned about the unusual and bizarre activity on a Saturday night in a member of Parliament's office that the constituent considered calling the police. It was only by coincidence that local government elections were held in the City of Frankston on Saturday. Mr Viney was the coordinator for a number of candidates for the Frankston City Council elections, including the Honourable Bob Smith's electorate officer, Cr Conroy. At the polling booth on Saturday a person handing out how-to-vote cards for Australian Labor Party candidates was heard to say, 'At the end of the day just ring the results through to Matt's office'.

Hon. P. A. Katsambanis — Whose office?

Hon. B. C. BOARDMAN — To Matt Viney's office, a member of Parliament. I ask the minister to ensure that Mr Viney's electorate office was being used on Saturday night for official parliamentary purposes and not as a tally room to ring the results through for ALP-supported council candidates, which clearly have nothing to do with a member of Parliament.

Snowy River

Hon. E. G. STONEY (Central Highlands) — I refer the Minister for Energy and Resources to her promise to restore a 28 per cent environmental flow to the Snowy River. The minister has advised the house that water savings to achieve the 28 per cent flow will cost a lot of dollars. The minister has also said that federal dollars are not needed to find the savings. Why can't the minister immediately start to spend the money to achieve the savings so she can keep her promise as soon as possible?

Ballarat: Camp Street project

Hon. M. A. BIRRELL (East Yarra) — I raise a matter with the Minister assisting the Minister for Planning in his capacity as the minister responsible for the redevelopment of Camp Street in Ballarat. The Camp Street project was initiated by the previous government and is of enormous historical and civic importance for the people of Ballarat. Given the minister is now responsible for this project, I welcome his outlining to the house what funding will be made available to the project in the coming business year and the timetable for the works over the next 12 months.

Responses

Hon. M. M. GOULD (Minister for Industrial Relations) — The Honourable Dianne Hadden raised a matter to be referred to the Minister for Health concerning drug use in the streets of Ballarat. I will refer the matter to the minister and have him respond to the honourable member in the normal manner.

The Honourable Roger Hallam raised a matter to be referred to the Premier about the distribution of Community Support Fund moneys specifically in areas where non-electronic revenue is collected. I will ask the Premier to respond in the usual manner, and I hope he will do so as quickly and efficiently as he has done in the past.

The Honourable Kaye Darveniza raised the building industry matter now before the Australian Industrial Relations Commission. The government has carefully monitored those proceedings in the commission. On the basis of that monitoring the government made an assessment that seeking leave to intervene in the matter would not have assisted the resolution of the dispute between the parties. The government does not support gratuitously picking sides and acting in a partisan manner before the commission. It supports a fair settlement to disputes. Negotiations are still occurring between the employers and unions, and there are strong public indications that a pending settlement with at least some groups will be made. In those circumstances the government's intervention would prove counterproductive. It is also worth noting that Peter Reith, the federal minister responsible for industrial relations, failed to use his automatic right under the Workplace Relations Act to appear before the commission in the matter.

The Honourable David Davis raised a matter he has raised on a number of occasions about my office location. I have told him where it is. I was advised that the lease was due to expire at the end of this financial year and based on advice from my department it was deemed appropriate to relocate to other premises.

The Honourable Cameron Boardman raised a matter for the Minister for Finance about electorate offices. I will ask the minister to respond in the usual manner.

Hon. C. C. BROAD (Minister for Energy and Resources) — The Honourable Ron Bowden raised with me correspondence he has received from the Abalone Divers Association concerning the draft Environment Conservation Council report and its recommendations on no-take zones. His correspondence would be part of the great body of correspondence on this matter, if mine is anything to go by.

The honourable member seeks an assurance that the final report of the Environment Conservation Council will not unnecessarily penalise the industry in deciding

which recommendation to adopt. The government will certainly make that its objective when it weighs up all the submissions on that important matter.

The Honourable Elaine Carbines asked the Minister for Transport to improve the intersection of the Bellarine Highway and Banks Road. She referred to discussions she has had with Vicroads about the speed sign in the lead-up to the intersection and sought support from the Minister for Transport in reducing the speed limit on the approach. I will refer the matter to the Minister for Transport.

The Honourable Barry Bishop referred the attention of the Minister for Environment and Conservation to a project to develop irrigation in the Mildura area. He advised the house of the proposed terms of reference for the continuation of the project and asked me to request the minister to advise the house when she will approve the final stage of the project. I will pass the request on to the minister.

I received a question from the Honourable Graeme Stoney on the important issue of the government's commitment to restoring environmental flows in the Snowy River. Mr Stoney asked why the Victorian government cannot commence spending to meet its commitments, notwithstanding the other commitments that may or may not be made by the commonwealth and other parties. I direct the attention of the honourable member to an announcement made on Friday concerning the government's commitment to commence river works in the current financial year with initial expenditure of more than $400 000 and further expenditure of around $1.3 million. That is an indication of the Victorian government's intention to honour its election commitment to restore flows in the Snowy River.

Hon. M. R. THOMSON (Minister for Small Business) — The Honourable Ian Cover asked about television in Geelong via the community station, Channel 31. Government policy on that matter is specific. The Bracks Labor government will liaise with the federal government to allow a Geelong-based community television station to broadcast directly into Geelong. I am more than happy to ask the Premier to inform honourable members of developments arising from the discussions held with the federal government.

The Honourable Sang Nguyen mentioned Housing Week and sought advice about the activities being undertaken in the western metropolitan area. I will raise that matter with the minister concerned.

The Honourable Bill Forwood asked about retail tenancies and referred to the correspondence of a constituent who, having been caught in a point of law, wanted to speak to me about it. I was advised not to speak to him on the basis that the matter was currently before the court. I am happy to go back to my department and raise it again.

The Honourable Wendy Smith asked about the projected decline in building and construction forecast by Access Economics and the financial impact of a 36-hour week and Workcover premiums on small business. The 36-hour week campaign was a template set on Federation Square by the former Premier, Jeff Kennett. Perhaps next year — —

Honourable members interjecting.

The PRESIDENT — Order! There is no need for the minister to keep talking when there is such a racket going on. I am trying to get a bit of peace and quiet. I ask the minister to go back a sentence or two and keep going.

Hon. M. R. THOMSON — Perhaps the former Premier should have considered that when he set the 36-hour week at Federation Square. I have said before that the government is concerned to keep the impact of Workcover premiums on small business to a minimum. There may or may not be a rise in Workcover premiums. No decision has been made.

The Honourable Bruce Atkinson referred to the *Get a Life* magazine and the cost of motor vehicle insurance for young people. He said a car might cost a young person $3100 and the insurance might cost $2000. He asked me to examine lowering premiums for young people. Honourable members know that premiums for young people are high because of the number of accidents in which they are involved. A driver education program that potentially carries an insurance discount could be one way of assisting. I will be happy to discuss with my department the suitability of talking to insurance companies about providing some mechanism for responsible young drivers to have lower insurance rates.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I thank the Honourable Glenyys Romanes for her question about the netball charges at the Royal Park netball site, which will eventually be the new State Netball and Hockey Centre. The site will be significantly changed and there will be benefits. It will be an all-weather facility instead of an outdoor one.

The government is therefore looking for an increased return on the facility. It also wants to ensure that female

participation does not decline. I have mentioned on a number of occasions that the Bracks Labor government is committed to increasing the sporting participation of young females, in particular because of the drop-out rate in that demographic. I will monitor the new charges to ensure that female participation in sports does not decline, particularly in netball, and that the charges do not have a detrimental effect on that demographic.

The Honourable Peter Katsambanis asked about the scheduling of Australian Football League (AFL) games. Honourable members are not unlike the rest of the Melbourne community in expecting the traditional Saturday afternoon game. The scheduling of games on Wednesday, Thursday, Sunday and Monday nights is of particular concern to families and those who wish to take their children to the football.

Honourable members may not be aware that the Victorian Football League (VFL) has been reconstituted this year in a new format and has played mainly on afternoons over the weekends. There is potential for that competition to flourish based on the traditional Saturday afternoon format.

It may be an opportunity for some of the regional and rural football leagues that have struggled in recent years to enhance their following because of the patronage of AFL football on weeknights. A number of issues relating to the staging of those games must be carefully monitored, and I will discuss those with the AFL while at the same time monitoring the interests of country football and the Victorian Football League.

The Honourable Neil Lucas raised the issue of Waverley Park. Over recent months I have had significant discussions with Australian Football League representatives. My understanding from those discussions is that the AFL is determined to derive the best commercial return from the land and the facility. I understand the AFL will be seeking expressions of commercial interest for the Waverley Park site in the very near future. When those expressions are known the government will seek to have discussions with the league to ascertain how Waverley Park can best be used for football either at the AFL or VFL level.

I will relay the matter raised by the Honourable Ron Best about the East Loddon preschool and the matter raised by the Honourable Gerald Ashman about airconditioning at the Lysterfield Primary School to the Minister for Education in the other place.

The Honourable Mark Birrell raised with me the Camp Street revitalisation project in Ballarat. I have been assisting the Minister for Planning with that project, and in February I provided grant moneys of $950 000 to the University of Ballarat to facilitate its involvement in the project. The Camp Street revitalisation project will involve the redevelopment of redundant government buildings in the Camp Street precinct. It will be of significant benefit to Ballarat as part of its regional focus, particularly as it is in the heart of Ballarat.

The government is contributing $12 million over three years as well as land to facilitate the project. The Ballarat City Council will commit $1.83 million, with $300 000 of community funds and $2 million coming from the commonwealth. Central elements of the project include the extension of the Ballarat Fine Art Gallery, where conceptual plans are well advanced, the relocation of the Ballarat university visual and performing arts faculty into the precinct, and the creation of a central open area for public use to be known as Alfred Deakin Place.

Motion agreed to.

House adjourned 10.03 p.m.

Wednesday, 22 March 2000

The PRESIDENT (Hon. B. A. Chamberlain) took the chair at 10.04 a.m. and read the prayer.

FIRST HOME OWNER GRANT BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. C. C. BROAD (Minister for Energy and Resources).

PETITION

Police: Emerald station

Hon. N. B. LUCAS (Eumemmerring) presented a petition from certain citizens of Victoria requesting that the Minister for Police and Emergency Services provide the necessary resources to ensure that the Emerald police station is fully staffed and provides a 24-hour service to the community (3147 signatures).

Laid on table.

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Budget estimates

Hon. BILL FORWOOD (Templestowe) presented 1999–2000 budget estimates together with appendices and minutes of evidence.

Hon. BILL FORWOOD (Templestowe) (*By leave*) — During the past three years the Public Accounts and Estimates Committee has produced a number of reports on the budget estimates process that have focused on various aspects of the financial management reform program. Many of the recommendations in those reports have now been accepted and acted upon by government and positive results are beginning to be seen. The report on the budgets estimates for 1999–2000 tabled today includes a review of the capital assets charge.

The primary purpose of the estimates review process is to facilitate a greater understanding of the operations of government agencies, but the committee continues to make recommendations to further improve the presentation of the information contained in the budget papers to ensure that they continue to improve accountability and disclose relevant information. Many of the committee's 36 recommendations are intended to provide better information about public sector performance and to encourage improvements in accountability, management and delivery of government services.

The committee appreciates that the proposals outlined in the report will take some time to evolve. It believes a cohesive accountability framework for linking strategic planning, budgeting, monitoring and annual reporting will have enormous benefits for Victoria.

I place on record my appreciation to Michele Cornwell, who was the executive officer of the committee while I was chairman and, I am pleased to say, was reappointed as executive officer by the new chairman, for the extraordinary work she has done on behalf of the committee but also, I believe, on behalf of Parliament.

As someone with a longstanding interest in the public sector I was pleased to have had the opportunity of chairing the former Public Accounts and Estimates Committee, which undertook the inquiry. I thank my fellow committee members for their contribution.

Laid on table.

Ordered that report and appendices be printed.

Hon. Andrea Coote — On a point of order, Mr President, upon reading this morning's *Daily Hansard* proof I have become aware of an accusation against me that is unparliamentary and offensive. I was not in the chamber for all of the debate concerned, so I raise the issue at the first available opportunity. Yesterday in the debate on the Domestic Building Contracts (Amendment) Bill Mr Theophanous is reported as having said that I was involved in a plot to knock off the Kennett-endorsed leadership of the Liberal Party. That is false and I take offence at it. I ask that Mr Theophanous withdraw his remarks.

Hon. T. C. Theophanous — On the point of order, Mr President, the remarks — —

Opposition Members — Just withdraw!

Hon. T. C. Theophanous — It is not that simple. When a member is asked to withdraw a comment it is not simply that the person asking for the withdrawal seeks a withdrawal; there has to be some substance to it as well. I did not make the comments as stated by the member. I made a comment about a whole range of people and then made a broad statement that all those people had attended a particular meeting.

The meeting about the leadership of the Liberal Party was canvassed in the press. Mrs Coote has not said that she was not present. However, for the purpose — —

Honourable members interjecting.

The PRESIDENT — Order! Mrs Coote has raised a point of order, not a personal explanation. A point of order might have other views put to it.

Hon. T. C. Theophanous — It is not a debate; it is about the substance of the point of order.

The PRESIDENT — Order! Mr Theophanous has made his point. Mrs Coote has taken offence about remarks that are reported on page 10 of yesterday's *Daily Hansard*, which she says are false.

Hon. T. C. Theophanous — She did not say that.

The PRESIDENT — Order! She said the remarks were false, and she finds them offensive. It is clearly offensive when a member of the house is charged with plotting against his or her party leader. I ask the honourable member to withdraw.

Hon. T. C. Theophanous — I want to clarify one matter.

Honourable members interjecting.

The PRESIDENT — Order! The only option available to a member at this stage is to withdraw. If the honourable member does not withdraw, there are remedies in the hands of the house. I ask Mr Theophanous to withdraw.

Hon. T. C. Theophanous — If Mrs Coote finds my remarks about the plotting against her leader offensive, I withdraw.

SMALL BUSINESS: GOVERNMENT PERFORMANCE

Hon. BILL FORWOOD (Templestowe) — I move:

> That this house condemns the government for its neglect of the interests of Victorian small businesses by —
>
> (a) its failure to support small businesses in the costly log of claims by the Shop, Distributive and Allied Employees Association currently before the Australian Industrial Relations Commission;
>
> (b) its failure to abide by its election promise in relation to Workcover premiums;
>
> (c) its failure to include sufficient small business interests at the Growing Victoria Together summit; and
>
> (d) its failure to ensure that small business is represented at the Premier's round table.

It is now five months since the Bracks Labor government came to office and it is time to consider its record in the small business area. This morning I invite the house to test the performance of the government, the Minister for Industrial Relations and the Minister for Small Business on industrial relations, small business and Workcover issues. I invite the house to compare the words of the Bracks Labor government with its actions; and to compare the pious rhetoric with the outcomes being achieved on behalf of Victorian small businesses.

During my contribution I will revisit some of the issues that opposition members have raised in question time and on the adjournment debates of the last session and this session to see in context what ministers have said they would do and what they have actually done to assist small business in Victoria. In the course of my contribution I may speculate on some of the reasons for the action or the lack of action by the government in the small business arena.

I refer honourable members to this statement:

> It must be stressed that small and medium-size businesses are vital to our economy. Their contribution is often underestimated in spite of the fact that the sector is responsible for almost half the total private sector employment and for 94 per cent of net employment creation.
>
> The intrinsic value of small and medium business to employment and job creation in Victoria cannot be ignored. As a member of a pro-business, pro-investment Bracks Labor government I will work to ensure that the concerns of small business are not subjugated to the interests of big business …

Who said that? That statement is from the inaugural contribution of the Minister for Small Business in this place in November last year. At that time the minister put on the record the importance of small business to the community, to Victoria, to jobs, to investment and to growth. At the end of her statement she had a cheap shot at big business when she said:

> … that the concerns of small business are not subjugated to the interests of big business.

I will deal with that comment later in my contribution. I note that the minister did not say, 'subjugated to the interests of big unions'. I will touch on the relationship between the union movement and the Bracks Labor government and, in particular, the relationship between the Minister for Small Business and the unions. I do not need to remind honourable members that the minister is

a well-known factional warrior. She comes from a long line of right-wing factional heavies. I will be drawing some parallels between her behaviour and the wishes of her union mates. Let us never forget that the Australian Labor Party is nothing but the political wing of the trade union movement. It has been spawned from the trade union movement over the years.

I start my analysis of the government's neglect of small business by dealing with its failure to support small business in the costly log of claims by the Shop, Distributive and Allied Employees Association, also known as the SDA, currently being heard in the Australian Industrial Relations Commission. In July 1998 the association obtained from the telephone book the addresses and telephone numbers of 35 000 small businesses to which it sent a log of claims. They were not sent by registered mail, but were posted to small business people throughout rural, regional and metropolitan Victoria — milk bar owners, hairdressers and small retail shops.

Business people suddenly received the log of claims in the mail from the Shop, Distributive and Allied Employees Association as part of that union's desire to get up a dispute so that it could be granted a federal award.

This is not a philosophical issue about whether there should be federal or state coverage of this area; nor is it an issue of whether people should be members of a union. This is purely a matter of cost. It is purely a matter of whether a range of penalty rates and other emoluments will be paid to various workers in the small business sector. We are not talking about big business but about the mums-and-dads stores. We are talking about the people who have one, two or three employees. We are talking about the non-unionised, small business sector that is the driving force of the Victorian economy, the importance of which the minister herself acknowledged in her maiden speech in this place.

In July 1998 the log of claims was just served willy-nilly on 35 000 small businesses throughout Victoria. I am sure honourable members would not be surprised to know that the Kennett government did not approve of that particular action and decided to oppose it. It joined with other parties, including the federal government and various retail employer bodies, to oppose the case. From 1998 onwards the case was opposed by the Kennett government in the Australian Industrial Relations Commission.

What happened? Within a month of the change of government, on 18 November 1999, the new government decided it would not continue with the case — just like that. It sacked the lawyers and sent in its own new lawyer to the commission at 4.00 p.m. that day to say, 'We are no longer going to participate in this matter and even more than that, we will withdraw the evidence that has already been submitted'.

The Kennett government had run two particular lines in the case. One was that the log of claims was not properly served, and the other was that it had actually conducted a survey to gain information about attitudes, who had and who had not received the log and so on. It had factual evidence gained from a survey, it had a point of view, and the evidence was before the commission. The Bracks government withdrew from the case and then tried to withdraw the evidence.

Hon. G. R. Craige — Highly unusual.

Hon. BILL FORWOOD — It had never been done before. As I understand it, the commission suggested it was not possible to withdraw evidence that had been previously given. So the government changed its instruction — the new instruction being, 'Tell the commission to ignore the evidence that had been given'. That was not an even-handed approach. One must ask: why is the government doing this?

A log of claims was served on 35 000 Victorian small businesses and the government walked away from it as quickly as it could. I refer the house to the contents of the log of claims. Honourable members will note that paragraph (a) of this motion refers to the 'costly' log of claims.

Honourable members interjecting.

Hon. BILL FORWOOD — It is obvious that government members do not want to hear about the log of claims because they know the contents will support my assertion that this is a costly log of claims aimed at the small business sector. You ought to be embarrassed by it, you bunch of union lackeys!

Let us examine a few of the clauses in the log of claims to which the government turned a blind eye, in total betrayal of the small business sector. Where were you, Minister, when this was going on? Let us examine what is in the log of claims.

Hon. M. A. Birrell — I am sure they're all reasonable!

Hon. BILL FORWOOD — Yes, they're all reasonable! There are some classics, such as:

> Casual and part-time workers may be employed by the employer, if unable to engage full-time employees, provided

> that the ratio … must not fall below 10 to 1 … Each casual and part-time employee must be paid at his or her ordinary rate the hourly rate (inclusive of all additional payments) plus 35 per cent for the class of work being undertaken for all work up to 35 hours per week.

So let us add on 35 per cent just to start with! It also states:

> Each casual and part-time employee must be paid for a minimum of … 5 hours work at the appropriate rate —

if they come to work! So you cannot have someone come in for 2 hours at lunchtime to help make the sandwiches — you have to employ them for 5 hours.

Hon. R. F. Smith — No-one would do it.

Honourable members interjecting.

The PRESIDENT — Order! Members of the opposition are not helping the Deputy Leader of the Opposition in putting his case. I might say that members of the government were blocked out by the Leader of the Opposition on that occasion, but let us hear the deputy leader develop the case and then hear the responses in due course.

Hon. BILL FORWOOD — Let the record show that the interjection from Mr Bob Smith was that people would not be prepared to work 2 hours.

Honourable members interjecting.

The PRESIDENT — Order! On my right are two members who are temporary chairmen in this chamber and they should know better.

Hon. BILL FORWOOD — Let the record show that the Honourable Bob Smith suggested that people would not want to work 2 hours. I suggest to the house that, more than anything, that comment shows how out of touch members of the Labor Party are with the small business sector. They do not understand.

Hon. R. F. Smith — On a point of order, Mr President, Mr Forwood has accused me of saying that I denied that people would want to work for 2 hours. In fact, it was 1 hour, and I stand by that — people would not want to work for 1 hour.

The PRESIDENT — Order! The honourable member has made his point.

Hon. BILL FORWOOD — The log of claims was served on mums and dads who are in small business. Clause 18 of the log of claims states:

> An employee who is not employed as a cleaner … must not be required or requested by the employer to perform any cleaning duties …

They cannot make the sandwiches and sweep the floor because they are not there as designated cleaners. What nonsense!

Clause 31, which deals with rates of pay, states:

> There shall be paid a minimum of $500 (including commission) per week for all employees who are members of the association or eligible to be members … with automatic increments of $25 per week for each year of completed service.

The starting base salary is $500 a week. That will do a lot for employment in rural and regional Victoria! And there is an automatic extra $25 per week for each year of continuous unemployment. It continues:

> An employee whose employment with an employer is terminated … must be paid 6 weeks wages for each year of service or 12 weeks wages, whichever is the greater in addition to all other payments.

Honourable members interjecting.

The PRESIDENT — Order!

Hon. Kaye Darveniza — Rubbish.

The PRESIDENT — Order! Although the honourable member might have that view, the deputy leader is allowed to put forward his views, but with the constant barrage of interjections he is being prevented from doing so. Over the years I have tried consistently to say it is okay to have interjections that relate to the debate, such as on the nature of the log of claims, but not to have a consistent barrage of interjections that prevents the honourable member on his feet from making his point. I ask honourable members to settle down and let the deputy leader make his case to the house. Then they will get an opportunity to respond. I do not have a list of the speakers, but I am sure that if honourable members' names are not on the list, they can be put on it.

Hon. BILL FORWOOD — I note that the loudest noise from the other side comes from two former union officials — they are obviously concerned about what I am saying.

The log of claims arrived in the mail of the mums and dads who run small businesses throughout Victoria — the milk bar owners and other small retailers. They are not union officials and so they are not aware of the intricacies of the matter. They do not come from the same milieu as members on the back bench opposite.

This is what the people who run the small businesses read:

> Industry allowance
>
> In addition to all other payments, the amount of $50 per week must be paid by the employer to each employee to compensate for obnoxious, hot, cold or dirty work or work performed and for the use of screen-based equipment.
>
> Supervisory rates
>
> In addition to all other payments, an amount of $50 per week must be paid … to each employee … who is required to supervise … any other employee.

Then there is a clothing allowance and a retiring gratuity, which is:

> Each employee must be paid upon retirement a retiring gratuity at the rate of 26 weeks pay.

That is, when they retire, just give them 26 weeks pay! I could go on but others on this side will continue to develop the theme of the claim. If successful, the claim would do nothing but destroy small business in Victoria.

What was the response of the government to the claim? As I said, the Minister for Industrial Relations withdrew from the case. One wonders where the Minister for Small Business was at that time? Was she advocating that the interests of small business should be preserved and protected and that the government should continue to take part in the case or did she just bow to the wishes of her senior factional colleague, the Minister for Industrial Relations? We could speculate on whether she argued that the government should not withdraw from the case and got rolled or whether she acquiesced in the decision.

Some of my colleagues have asked just those questions. *Hansard* of late last year records — —

Hon. T. C. Theophanous — You're not going to quote *Hansard*?

Hon. BILL FORWOOD — I certainly am. During the adjournment debate on 8 December my colleague the Honourable Bruce Atkinson raised the matter with the Minister for Small Business and asked:

> Given that the government has withdrawn from the … hearing … what action will the minister take to help businesses, particularly in rural and regional areas, to defend themselves against the claims that would, if successful … close down shops and destroy employment?

We were looking for what the minister would do to help them. What do you reckon the minister said? I am happy to put it on the record again, because it is already in *Hansard* of the same day. She said:

> At this stage I have not been asked to take any action.

Excuse me! At least she is honest; we have to give her that. She told the truth and said, 'I haven't done a thing'. The government withdrew from the case on 18 November and by 8 December she had not done a single thing. One could speculate that if we asked now we would be told that not much has happened since then.

Why does the government not act? Surely it is not just because members of the government are born of the trade union movement. There has to be more to it than that — and there is. Firstly, there is the issue of how much money the Shop, Distributive and Allied Employees Association gives to the Labor Party. We could have a cash-for-comments argument. There is a sinister motive for the government's withdrawing from the case!

Let us go back to 1995–96, when the SDA gave the Labor Party nationally $879 309.

Hon. R. F. Smith — Is that all?

Hon. BILL FORWOOD — Let the record show that for Mr Bob Smith that was not enough!

Honourable members interjecting.

Hon. BILL FORWOOD — We know that within a month of getting into office the government withdrew from the case, which had run for 18 months in the interests of small business, and that in 1995–96 the Labor Party got $879 309 — —

Hon. C. A. Furletti — And it wasn't enough.

Hon. BILL FORWOOD — And it wasn't enough. So the next year Labor put out its hands again. In 1996–97, the Labor Party nationally received $571 819 from the SDA. That is around $1.3 million in two years. The next near, 1997–98, the union came along again. How much this time? The Labor Party received $637 328. No wonder the government withdrew from the case and deserted the small business community in the interests of its union mates who pay its bills.

What about the most recent year? I do not have the complete figures, but I know that in Western Australia the union gave $158 500, in New South Wales it gave $50 000 and nationally it gave about $300 000. How much did the SDA give in Victoria? In 1998–99 it gave $152 800.

Hon. R. M. Hallam — No wonder the minister sat on her hands.

Hon. BILL FORWOOD — No wonder she deserted small business. In considering the motion honourable members are entitled to ask: why has the government, particularly the minister, failed to support small business in its action against the costly log of claims? We have established it is costly and that the government has walked away from it, and we have come up with a major reason why — the ALP received a lot of money from the SDA.

Paragraph (b) of the motion condemns the government for:

> its failure to abide by its election promise in relation to Workcover premiums.

Last year the Bracks team took to the people a Labor Party policy document entitled 'Taking care of small business', which had a commitment on Workcover premiums. It also made a commitment to restore access to common-law actions in the system — so it cannot pretend it did not know what it was doing. The small business policy states in part:

> Affordable workers compensation premiums
>
> Labor is strongly committed to a workers compensation system that provides fair and just compensation for workplace death and injury. At the same time it must be a system that is affordable and competitive with other states.
>
> At the moment too little recognition is given to those small and medium-sized businesses that are providing their employees with a safe and healthy workplace.
>
> Labor will introduce workers compensation premiums that better reward the efforts of those small businesses providing a safe and healthy workplace.

Hon. R. M. Hallam — 'Better reward'!

Hon. BILL FORWOOD — Yes, 'better reward'. Two points must be made about that. The first is that the policy absolutely endorses the action of the previous government to move to experience-based ratings. One thing the current government will not do is walk away from experience-based rating. The second point is that the government is saying it will reduce workers compensation premiums. Its policy states that it:

> … will introduce workers compensation premiums that better reward the efforts of those small businesses providing a safe and healthy workplace.

That was the commitment the government took to the people, yet it has gone ahead with its Workcover inquiry and now tries to suggest that Workcover has finance problems. The minister tried that line yesterday. However, the working party report — I have a copy and I presume the minister also has a copy — shows that Workcover has been more than covering its current costs for the past three years and that if left unchanged — I remind the minister that this is the government's own report — the system would be in the black by early 2001. If the minister wants the page references, they are pages 26 and 34. The minister cannot pretend that the system is busted. Despite the fact that the government promised to reduce premiums for small business and that it is known the system will be back in the black early next year — —

Hon. R. M. Hallam — If left alone.

Hon. BILL FORWOOD — If left alone the system will be back in the black next year; despite those facts the government wants to tinker at the edges. Government members know, as we on this side know, that only 2.6 per cent of injured workers had access to common law. So for the sake of a small minority they are toadying to their union mates. They know that will put up the cost to small businesses by around $150 million, if they are lucky. It is well known that the previous Labor government left the Workcare system with a debt of $2 billion and premiums reaching 3.3 per cent of payroll, and that even after a cynical exercise by the Kirner government in its dying days of lopping a bit off to try to buy favours it was still around 3 per cent. The coalition government got it down to 1.8 and 1.9 per cent. It was competitive and had a competitive advantage, and this government is giving it away.

The government is not just giving it away, and to illustrate the fact I refer to what the trade union movement has said about the issue. At page 86 of the working party's report, chapter 7 headed 'Recommendations' states, in part — and this really is salutary:

> Trade union representatives did not accept the government's parameters for a competitive premium and full funding within three years.

Excuse me! They did not accept even that? It continues:

> They questioned the need for a competitive rate —

no, we don't need a competitive rate, we'll just hike it up —

> arguing that investment decisions were based on a wide range of factors including availability of skilled labour and infrastructure, with workers compensation premiums only one factor …

They do not understand how the real world works. It continues:

> The trade union representatives also believed that, if a benchmark competitive premium rate were to be set, it should be calculated by excluding Victoria because the relevant benchmark is the other states' premium rate not its own.

That is a very good idea! But honourable members should listen to the next bit:

> In relation to the full funding parameter, the trade union representatives supported a longer period of five to seven years to achieve full funding, and proposed that a levy or surcharge be used to achieve this if necessary.

The unions not only want to put up the premiums, they want to slap a surcharge on top and to delay the period of getting back into the black. Then the union representatives questioned the need for a premium safety margin, because they did not believe in Workcover's conservative investment returns. Finally, and this is the doozey of them all, the report states:

> Trade union representatives did not accept the analysis of scheme costs presented by …

the actuarial advisers. Those guys are so smart they will not even accept the actuary's report. I say, 'Excuse me!'. The government promised it would look after small business but it has deserted it.

I turn to the minister's contribution on the issue. Last spring the opposition asked the minister a few questions about the matter. On 23 November 1999 Mr Katsambanis asked the minister whether she would guarantee that Workcover premiums for small businesses would not increase. That was in line with the government's commitment to its small business policy.

Hon. R. M. Hallam — No, it's not; it said they would — —

Hon. BILL FORWOOD — Okay, she said they would go down. The opposition was not even asking for them to go down, was it? It was just asking the minister what she would do. The first thing she said was, 'Whoops, not me; Workcover premiums are an issue for the Minister for Workcover'. The opposition did not ask that; it asked what she was doing as the Minister for Small Business.

Just as in previous years, the Shop, Distributive and Allied Employees Association gave funds to the Labor Party so that it would withdraw from the SDA's case — $879 000 in 1995–96, another $571 000 the following year and another $637 000 the next. Each year the SDA gave funds to the Labor Party so it is no wonder Labor withdrew from the SDA case and walked away. As the opposition said last year, the current government was given $152 000 extra, so it is no wonder it walked away. The SDA has proved that the government is a captive of the trade union movement. It pays Labor to do what it wants. The same applies with Workcover.

In answer to the opposition's asking her what she was going to do to protect small business in relation to Workcover, the minister said, firstly, that it was not her problem. A discussion took place about that and ultimately the minister said she was concerned about Workcover premiums and intended to speak on behalf of small business about the changes. The opposition says, 'Thank you'. The opposition has established that the minister can speak, although she does not do it much.

The minister said, 'However, I will be representing small business in any discussions that are held.' Yesterday the opposition asked her whether she made a submission and whom she talked to. The answer was no-one.

Hon. M. R. Thomson interjected.

Hon. BILL FORWOOD — The minister interjects that that is not right. I await her contribution with real interest. I am interested to know what she has done for her constituency. She is so bound up with the trade union movement and playing factional games that she does not know who to represent. A report in a newspaper yesterday said something along the lines that the factions were doing a deal so there would not be any challenges to sitting members. I suggest to the minister that she is so busy playing factional games that she does not think or care about the small business constituency that she is meant to be representing.

On 23 November 1999 Mr Hallam said in relation to Workcover, 'Okay, there will be a working party to look at Workcover', and asked the minister whether she expected to be represented on that working party to protect the interests of small business. The opposition has established that she did not make a recommendation or put in a submission, but was she going to be there? Guess what she said?

An Honourable Member — What did she say?

Hon. BILL FORWOOD — She said, 'Discussions on the composition of the committee are being conducted. I will be advocating representation of small business interests'. Perhaps the minister might care to tell us whether she actually did that, because if she did she got rolled, and if she did not she did not do what she told the house she would do. It is pretty simple. One need only go to the introduction section of the working party's report, which is at page 7, to see who was on it. One who springs to my mind is Billy Shorten of the Australian Workers Union. Honourable members know him not just as the bloke who was going to represent Melton in the lower house but withdrew, but as one of

the people who were thanked by the minister in her inaugural contribution in this house as being her friends and mentors.

Hon. M. R. Thomson interjected.

Hon. BILL FORWOOD — Yes, read your own speech.

Hon. M. R. Thomson interjected.

Hon. BILL FORWOOD — I'll say he's your friend. The minister was going to advocate that there be small business representatives on the working party, but there was just her mate from the trade union movement, Billy Shorten, and a few good bureaucrats — Chloe Munro, Elizabeth Eldridge and Helen Silver from the Victorian Workcover Authority. That is the committee that was to look at Workcover and with which the minister was going to look after small business. Leigh Hubbard and Martin Kingham were also members!

Hon. K. M. Smith interjected.

Hon. BILL FORWOOD — Oh, yes, small business got a real look in, didn't it? At the bottom of the list of members are representatives of the Australian Industry Group, the Self-Insurers Association of Victoria, Nicole Feely from the Victorian Employers Chamber of Commerce and Industry, and then a self-interested group — the mates of the Minister for Workcover in the other place, Bobby Cameron — a solicitor from Stringer Clark and Geoff Provis. The minister said she would get small business representatives on the working party but they were not there.

All honourable members know that Geoff Provis was the president of the Law Institute at the time the committee was established. He spent a lot of time running around trying to protect his pay packet. I understand that Richard Morrow of Stringer Clark, who comes from the country, is a well-known activist in the Workcover area.

Victoria has a minister who has neglected her small business portfolio, because under the current government Workcover premiums will go up. However, they do not have to go up. The system will go back into the black early next year if the government leaves it alone — and the government knows it because that is what the government's report says. Instead, the government is after an extra $150 million from small business, imposing a 15 per cent increase in premiums. People out in the farming community will be facing rate increases so their premiums will be 7, 8 or 9 per cent. The government will put people out of business, which will cost Victoria jobs. Why is the Minister for Small Business not advocating on behalf of small business?

The third part of the motion deals with the government's:

> … failure to include sufficient small business interests at the Growing Victoria Together summit.

Recently the opposition asked the minister what she was doing about small business representation at that summit. The Honourable Wendy Smith asked :

> I understand approximately 80 businesses have been sent invitations to attend … how many invitations have been sent to small businesses and which small businesses have been invited?

I also note that a spokesperson for the Minister for Small Business said recently that small business would receive equal representation. How did the minister respond to Ms Smith's query about who would be at the summit? She responded by saying:

> Limited places are available for peak bodies representing small business; the attendee list is not large.

Why the secrecy? The government has invited the Leader of the Opposition and the Leader of the National Party, so why does the minister not give the opposition the 80 names? Why the secrecy from a government that is meant to be open, transparent, accountable and honest? What is so secret about who will turn up at the summit?

The minister said there are not many places and that she does not think there will be many there anyway, and she then went on to say:

> Importantly, the government has set up the Small Business Advisory Council to allow small businesses to have direct input …

It is interesting that the minister says the government has set it up when it has not. She should have said, 'We are sort of in the process of setting it up soonish, maybe, I think', because that commitment was in Labor's policy when it got into government in October last year.

On 26 February this year — by my calculation more than four months later — the government placed an ad in the paper under the heading 'Appointments to Victorian government small business advisory council'. One would have thought that a minister who was interested in small business and who wanted to establish an advisory council would have got around to putting the advertisement in the paper in the first, second, third or even the fourth week of the government's term, or before Christmas, or perhaps in

early January. Surely if the minister were keen to represent the interests of her small business portfolio she would have got around to doing it before 26 February!

We have established that the minister has not set up the advisory council but is in the process of doing so. However, that still leaves unanswered the question of who will be at the summit. I invite the minister to say who will be there.

I hope the talkfest or the summit is a success. I am not talking Victoria down, I want Victoria to work. However, I worry about the minister's contribution. The agenda for the Growing Victoria Together summit on 30 and 31 March contains workshops on building a smarter, skilled work force; Victoria's infrastructure; regional development; knowledge, innovation, science and engineering; social development; manufacturing; new workplace relations; and the services sector — but none for small business! I remind the minister that in her inaugural speech last year she said:

> As a member of a pro-business, pro-investment Bracks Labor government I will work to ensure that the concerns of small business are not subjugated to the interests of big business.

It seems to me that no-one is listening to the minister. Where is small business in the Growing Victoria Together summit?

I congratulate my colleague Ms Smith on her work in that area. It is worth quoting from an editorial of the Victorian Automobile Chamber of Commerce published in early March:

> History has shown that some so-called business summits are little more than generic gabfests designed more to give the appearance of proactivity and progress than actually achieving anything.

That is my view of the Minister for Small Business — she walks the walk and talks the talk but she does not walk the talk. She does not do the things she has to do. It is not enough to be nice or to talk to people; she has to do something and she has to produce. She has to get some outcomes.

Another brochure published by the VACC states:

> VACC has further issues to raise. We have already undertaken a review of the government's policy statements in the absence of any actual policies.

It would be useful to have a few policies. That absence does not reflect well on the government's performance.

A spokesman for the minister said all sectors of the community would be equally represented at the summit. It will be interesting to see from the list of attendees at the summit what 'equal' means for small business.

The fourth paragraph of the motion refers to the government's:

> … failure to ensure that small business is represented at the Premier's round table.

The Minister for Small Business is on the record as saying that she would look after small business instead of big business. This open, honest, transparent and accountable government will again not tell the opposition who among the elite have been summoned to the top table. A few names are available: BHP's chief executive, Paul Anderson; Ansett's chief, Rod Eddington; Max Beck; Fosters' Ted Kunkel; Coles Myer's Dennis Eck; and James MacKenzie, who was at the Traffic Accident Commission and is now with ANZ funds management.

Hon. W. I. Smith interjected.

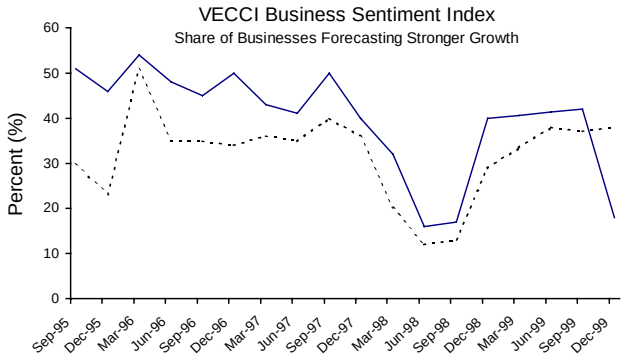
Hon. BILL FORWOOD — As my colleague Ms Smith says, where is the small business representative? What has the minister responsible for looking after small business done to ensure its voice is heard at the round table? The minister might care to enlighten the house with that information as well. That is another area in which, by my book, the minister has failed.

The simple question remains — what is the minister doing? She does not need me to tell her that she is failing, because four surveys have been conducted since the change of government — two by Yellow Pages, one by the Victorian Employers Chamber of Commerce and Industry (VECCI) and the most recent was the National Australia Bank February Business Survey, which reported just last month that:

> Business confidence in Victoria fell the most of any state.

I will not go through the Yellow Pages *Small Business Index* surveys. However, I have a graph from the VECCI survey of business trends and prospects that I seek to have incorporated in *Hansard*.

Leave granted; graph as follows:



Source: Victorian Employers' Chamber of Commerce and Industry (VECCI) — Survey of Business Trends — *December Quarter 1999 Performance and March 2000 Outlook* — page 4.

Hon. BILL FORWOOD — The graph headed 'VECCI business sentiment index — share of businesses forecasting stronger growth' covers the December quarter 1999 performance and March 2000 outlook. The survey was taken after the change of government. It is interesting to note from the graph that for the first time the trend lines for Australia and Victoria go in different directions. According to the graph, Victoria, represented by the heavy black line, suffered a massive slump. The Bracks government comes in and small business confidence slumps while the rest of Australia stays on the upward trend.

Hon. M. R. Thomson interjected.

Hon. BILL FORWOOD — I will have to do it. The minister squawks, 'The small business survey'.

Hon. R. A. Best — Do you want the National Bank survey as well?

Hon. BILL FORWOOD — I have mentioned the National Bank survey which showed that in Victoria small business slumped more than anywhere. The minister wants me to raise the February 2000 Yellow Pages *Small Business Index*. On page 8 under, 'Attitudes to state or territory government policies', Victoria in February 1999 was plus 30 per cent; May, plus 27 per cent; August, plus 20 per cent; November, after the government was elected, minus 5 per cent; February 2000, minus 13 per cent. Get that into your head, Minister!

The DEPUTY PRESIDENT — Order! Through the Chair, Mr Forwood.

Hon. BILL FORWOOD — Through the Chair, Sir, the minister invited me to quote from this survey. I just did, and it shows small business has no confidence in the government.

The motion invites the house to condemn the government for its neglect of small business interests in Victoria. Today I have comprehensively demonstrated that although government members come in here and mouth the words, they have done nothing. I know for a fact that since becoming the Minister for Small Business the minister has issued just four or five press releases. One that springs to mind was about her consultations in Horsham. It is good that she is in rural Victoria consulting with small businesses. I am not sure the others were matters of any weight at all.

It is unfair to judge the minister by her press releases. I would prefer the minister to work on getting the consumer sentiment up, to be in there arguing in the Shop, Distributive and Allied Employees Association case for the interests of small business, to argue for small business in the current Workcover deliberations. I would prefer the minister to be in there arguing for small business at the small business round table and at the Growing Victoria Together summit. However, if we use the number of press releases she has put out, my recollection is there was one in October, one in December, one in January, one in February, and one in March. The minister stands condemned. I ask the house to support the motion.

Hon. M. R. THOMSON (Minister for Small Business) — The hypocrisy of the opposition is overwhelming. I will deal with the paragraphs of the motion as they appear and I will talk about the hypocrisy, the past seven years of a Liberal–National party government and what it did for small business, and then examine the contrast. What have we seen in industrial relations? Seven years of an environment of conflict, not of cooperation. An ideological game has been played out rather than what is in the best interests to grow Victoria together.

The former government actively intervened in the case involving the Shop, Distributive and Allied Employees Association, also known as SDA, which is a dispute about whether workers should be covered under a federal award. The claim was lodged by the SDA. The Bracks government is on the record as wanting to see workers protected under an industrial award, and it does not run away from that. The government believes all members of the Victorian community have the right to fair and decent wages and conditions and the right to be able to improve their lot as part of Victoria's growth.

The government believes in the Australian Industrial Relations Commission. There should be an independent arbitrator and an independent umpire. The government also believes that the parties in the SDA dispute, both the retailers and the union, have a right to appear before

the AIRC and for that dispute to be heard and decided by it. It is the role of the bodies representing the retailers to present a case to the commission on their behalf. The government has not intervened, nor would it intervene, in those award negotiations. That is for the commission to determine, not the government. It is important that the case is argued by the parties and that the AIRC is able to independently determine the outcome.

The Kennett government did away with the Victorian industrial relations system and took away the rights of workers in the state. That has been said in this house before. No-one is saying that consideration should not be given to the economic circumstances that are faced by employers. Of course it should, but it should be and will be undertaken in the AIRC by those bodies who represent the retailers, including the Australian Retail Association, the Victorian Employers Chamber of Commerce and Industry and even the Australian Industry Group.

We need to encourage an environment of cooperation where workers and employers work together for the betterment of the whole state. I have no doubt that Victorian employers want certainty too. They want to know what they are expected to pay their employees. I believe the majority of them are proud of and respect their employees and want their employees to share in the growth from their work. Yet we have employer pitted against employer taking an unfair advantage. An employer might want to reward his or her workers for the input given to make the business a success, but another employer might be exploiting his or her employees. Some certainty is needed so that those employers who want to treat their employees with respect can do so without economic detriment.

Opposition members have spoken about Workcover as if they already know the outcome. They are doing better than me because the matter has not yet been resolved by cabinet. The government is discussing the report and it intends to meet its commitments. What are Workcover liabilities now? I have not heard the opposition deny that there is now a $338 million liability in the Workcover scheme. The government is committed to restoring and maintaining a fully funded scheme.

What did the opposition do with Workcover when in government? It set a percentage rate of 1.9 per cent, which sounds good until you talk to small business people who say, 'They gave us 1.9 per cent, but then they put in superannuation'. They saw it as a con.

Hon. Bill Forwood — Will you take it out?

Hon. M. R. THOMSON — You have not left us in a financial position to do so. The opposition touts cross-subsidisation from large to small employees as a wonderful thing it introduced when in government. Page 72 of the *Report of the Working Party on Restoration of Access to Common Law Damages for Seriously Injured Workers* states:

> The cross-subsidy from large to small employers has decreased significantly over the seven years of the application of the experience rated system.

I repeat: it has decreased significantly over the seven years of the application of the experience rated system. What hypocrisy for opposition members to say the former government looked after small business!

The report continues:

> The remuneration deductible is the key remaining contributor to the cross subsidy. The impact of the current level of the deductible has declined with inflation and the inclusion of superannuation in the remuneration base on which the premium rate is paid.

There was nothing in it for small business. It is still paying through the nose. The government made a commitment prior to the election that it would restore common-law rights. It will meet that commitment.

When the former government decided to do away with common-law rights in 1997 there was no consultation and nobody was involved. This government is examining Workcover and the reintroduction of common-law rights. A working party has been established that includes the Victorian Employers Chamber of Commerce and Industry and the Australian Industry Group. As I said, the government said it will restore common-law rights. It is committed to doing so. It has also said — it does not run away from it — that it will protect small business. Those are the issues for Cabinet when determining a final outcome on Workcover, the reintroduction of common-law rights and the re-establishment of full funding.

Hon. Bill Forwood — You did not make a submission?

Hon. M. R. THOMSON — Submissions were not the basis of a working party; the stakeholders were the basis of the working party. Contributions will be made within cabinet, in which I will play a role. At page 6 of the report the former Minister for workcover states:

> In order to assist and for the purposes of the working party, the Minister for Workcover set more detailed parameters for competitive premiums and full funding.
>
> The minister advised that the maximum premium, which was consistent with the government's objective of a competitive

premium level for Victoria for the purposes of the working party, was the Australian standardised average premium rate. This rate is expected to be 2.39 per cent for 1998–99. This is equivalent to a maximum Victorian average premium of 2.18 per cent. The rates for 1999–2000 and 2000–2001 will not be known until the end of those financial years.

I reassure honourable members that the government is intent on ensuring that the scheme is fully funded and that small business is not overburdened by the premium rates. The premiums have not been set. Cabinet will take into account all the issues about the restoration of common-law rights, looking after small business and ensuring that funding is available.

The industrial relations system the opposition decided on is based on ideology and conflict, not on trying to bring people together. It removed common-law rights under Workcover without discussion with the stakeholders, business or the trade union movement. In seven years the Kennett government divided the community. Not once did the Kennett government bring the community together. This government is bringing together academics, employers, the business sector, the community sector, unions and government for the purpose of setting goals and working towards them.

The opposition quoted from the Victorian Automobile Chamber Of Commerce (VACC) journal. I received a letter dated 21 March from David Purchase, the association's executive director. The letter states:

Dear Minister

With reference to the article entitled 'Labor summit leaves small business out in the cold'… I wish to clarify the VACC's current position in relation to the summit.

Our concern has always been to ensure that small business was adequately represented at the summit and not simply big business.

We are very pleased that the government has invited small business representatives to the summit and VACC very much welcomes the opportunity to participate to represent its 5000 retail automotive businesses.

It would be remiss of me not to acknowledge your government's acceptance of the need to provide small business with a voice at this important activity.

While big and small business have many things in common, they also have many different business imperatives and that is why we believe it most important for both groups to be separately represented.

Minister, thank you for reassuring small business in general and VACC in particular will be represented at the summit. The government is entitled to claim much credit for taking a bold step that has the potential for some positive and worthwhile outcomes for the state.

Hon. Bill Forwood — After the motion was put!

Hon. M. R. THOMSON — Certainly not after the motion was put.

Honourable members interjecting.

The DEPUTY PRESIDENT — Order! The house will come to order.

Hon. M. R. THOMSON — The obvious peak bodies will be there, representing not only large business but speaking on behalf of small business. Some small businesses attending will also act in a representative capacity. Representatives from the engineering, retail and service industries will also contribute to the summit.

Honourable members interjecting.

The DEPUTY PRESIDENT — Order! The constant interjections from the opposition are getting beyond a joke!

Hon. M. R. THOMSON — The Deputy Leader of the Opposition mentioned workshops. Everything in the economy affects small business — the skill shortage and a range of other issues. It is therefore important to have a voice in those workshops.

I reiterate that the government will do more than hold just one summit for small business; it will create a small business advisory council with access to all levels of government, including direct access to the Premier. The council will consist of 15 small business operators who will have access to all of government.

Honourable members may wish to know why the government delayed establishing the small business advisory council. It is because I wanted to talk with small business operators to learn the concerns they wanted addressed. I have now spoken to more than 200 small business operators particularly in rural Victoria.

Honourable members interjecting.

Hon. M. R. THOMSON — It is a lot more than my predecessors did! We are not just saying hello. We are talking about the things that concern them. We are trying to address their concerns where we can.

I was asked why small business is not represented on the Premier's round table. There is no round table. Honourable members might have seen a press report that states there will be a round table, but I am here to tell you there is not. The Premier had one meeting with some individuals. The Premier talks regularly to many

different people from many different areas and many different walks of life. That is what that meeting was. The government has not established a Premier's round table.

I will return to the question of hypocrisy from the other side. The opposition has given a pious — that is a good word for it — defence of small business. I will look closely at that. Many issues affect small business and industrial relations is one, but it is just one of many others.

An Honourable Member — It is important.

Hon. M. R. THOMSON — Of course it is important but — —

The DEPUTY PRESIDENT — Order!

Hon. M. R. THOMSON — Let us examine what the surveys show as the first concern of small business.

Hon. Bill Forwood — On a point of order, Mr Deputy President, the motion is very tightly worded. It deals with the failure of the government to support small business in the log of claims and covers the subjects of Workcover, the Growing Victoria Together summit and the representation of small business at the Premier's round table. It does not deal with the goods and services tax, and I did not mention it in my opening contribution or at any stage of the debate.

A government member interjected.

The DEPUTY PRESIDENT — Order!

Hon. Bill Forwood — The motion is specific to parts (a), (b), (c) and (d). I ask you, Sir, to bring the minister back to discussing those issues.

Hon. M. R. THOMSON — On the point of order, Mr Deputy President, the Deputy Leader of the Opposition asked whether I was meeting the needs of small business. That is the subject I am responding to. I am responding to what was raised by the Deputy Leader of the Opposition during the debate. I have been arguing the motion and I will continue to argue the motion.

Hon. N. B. Lucas — On the point of order, Mr Deputy President, the motion says that the house condemns the government for its neglect for four reasons. Those four reasons are to do with the log of claims, Workcover, the summit, and the failure to ensure that small business is represented at the round table. They are four reasons why the government should be condemned. None of those reasons relates to the goods and services tax. I was here for the whole of Mr Forwood's contribution and he did not canvass GST in any way.

Hon. G. W. Jennings — On the point of order, Mr Deputy President, in his contribution Mr Forwood drew heavily on evidence published about business confidence in Victoria. The minister is now venturing to talk about the qualitative nature of that evidence that supports the quantitative material Mr Forwood has presented. Given that the opposition has relied heavily on that material, it is only appropriate that the minister be allowed to comment on its substantive nature.

Hon. Bill Forwood — On the point of order, Mr Deputy President, I point out that the Honourable Gavin Jennings is factually incorrect. The only issues I dealt with in relation to the small business survey were trends of attitudes towards the Victorian state government.

Hon. M. R. THOMSON — And confidence.

Hon. Bill Forwood — Attitudes towards the Victorian state government!

The DEPUTY PRESIDENT — Order! On the point of order, the minister as the lead speaker for the government is entitled to some latitude when responding to the motion. I do not uphold the point of order but I ask the minister to home in on the motion.

Hon. M. R. THOMSON — Thank you Mr Deputy President. I was talking about confidence in Victorian businesses, and small business confidence in particular. The GST is the most important issue to small business. The opposition has been silent even though I have called on its members to assist small businesses by lobbying the federal government to provide adequate assistance for its implementation.

An Opposition Member — Do you want us to do your job?

Hon. M. R. THOMSON — I am doing it. You need to pull your weight. The Liberal backbenchers in Canberra can do it but the state opposition cannot. I am not asking you to denounce the goods and services tax (GST). I am asking you to help small business because it will experience genuine and ongoing hardship with cash flow problems.

I shall also speak about other issues being followed up that are important to the government. The opposition talks about vested interests. The Deputy Leader of the Opposition says that the government is beholden to the

Shop, Distributive and Allied Employees Association. There is no evidence to suggest that the government is doing anything other than governing for Victoria.

In relation to retail tenancies, it took 2000 retail tenants to demonstrate their concern about retail tenancies before the Kennett government, now in opposition, would do anything; and even when the property council put the kybosh on the initiative little occurred and small retail tenants paid the price. It is something the government will redress.

The government will not reopen the issue of shop trading hours, but a number of small businesses have contacted me expressing their wish to close their shops to have more time with their families. They are struggling. Was adequate attention given to them? I believe not. They are small family concerns run by husband and wife teams who want to spend more precious hours with their families. I put on the record that the government will not set the clock back on this issue, but more consideration should have been given to consulting small businesses to ensure that what was introduced would not bring about so much hardship.

The opposition should be ashamed at moving this motion because its record in government was abysmal. During the period of the Kennett government big business won every time on issues that pitted it against small business. That will not occur under this government. I am proud of the initiatives the Bracks Labor government has taken and will continue to take to assist small business. It will not just spout platitudes but will deliver to small businesses during the next four years.

Hon. B. N. ATKINSON (Koonung) — During the adjournment debate on 15 March I raised for the attention of the Minister for Small Business an issue concerning small business. I left the chamber annoyed and frustrated — —

Honourable members interjecting.

Hon. B. N. ATKINSON — I do not intend to apologise, but I do intend to indicate why I left this place so frustrated and annoyed on that night.

Hon. M. R. Thomson — What about the hand gestures?

Hon. B. N. ATKINSON — There were no hand gestures. On that night, as has happened on many other nights, ministers consistently avoided answering questions. They have not fulfilled their responsibilities to the house on any issue except in answering dorothy dixers. The dorothy dixers prepared by the staff of ministers are answered fully, usually in a way that enables them to take pot shots at the former government or other governments in other jurisdictions. They put on the record some of their achievements — and some achievements have been brought to the attention of the house as part of the dorothy dixer process. The Minister for Small Business in particular uses dorothy dixers to have pot shots at the goods and services tax.

Questions or matters brought to the attention of ministers by opposition members are inevitably stonewalled or are the subject of clever games, but no information is provided. Members need look no further than *Daily Hansard* of last Wednesday to compare the question asked of the Minister for Small Business with the answer given. The minister showed an appalling contempt for the parliamentary process by not providing an answer.

Hon. M. R. Thomson — An answer was provided.

Hon. B. N. ATKINSON — No it was not; no information was given. The government may say this has occurred previously, that ministers of the former Kennett government did not answer questions and that it is the minister's prerogative to answer the question the way he or she wants. I believe that when they were ministers of the Crown my colleagues answered questions more fully than current ministers. Notwithstanding the history, what is more significant is that the behaviour of ministers in evading questions is in direct contrast to one of the basic tenets the Labor opposition set itself in coming to government. In response to the Independents charter the former Leader of the Opposition, now the Premier, said that he would instruct all ministers to answer all questions directly and in a manner that did not waste the time of Parliament, and that he would lead by example by answering all questions specifically with the required detail to fully inform members of Parliament of the issues raised.

I am not sure that even calling on the historical precedents for the answering of questions would be a productive exercise for the government. Having established the charter as the high ground the government has run away from it. Ministers in this house have walked away from the charter, especially the Minister for Small Business. The only minister who has made a genuine attempt to fully answer questions or issues raised with him has been the Minister for Sport and Recreation. He has attempted to give answers on issues, and when he has been unable to provide the information at the time of the request, he has provided it later.

The opposition understands that ministers are new to their jobs. Some of them are new to Parliament and need to be extended some leniency regarding their responsibilities, but the Minister for Sport and Recreation has said he would go away and get the information and has later presented it to the house. That genuine attempt by the minister to fulfil his commitment to the house is appreciated by opposition members. Other ministers have not acted in that way.

Last week I raised with the Minister for Small Business issues regarding the Shop, Distributive and Allied Employees Association, known as the SDA, and I received an outrageous answer. The minister completely ignored the question.

From that point of view, I ask the minister to recognise that I am not here representing Bruce Atkinson. I am here representing the constituents of my electorate, just as other honourable members are representing their constituents. So, when the minister answers questions, she is not answering me but my constituents. On this occasion particularly I dare say the minister has ignored me, and ministers generally have ignored members of Parliament who pose such questions. When they do so, they are actually ignoring the constituents. I was elected to this place to represent my constituents' views, attitudes and concerns. In this case many small business people have come to me expressing a wide range of concerns about the Labor government's lack of policy setting and the positions it has taken.

I believe I am not only entitled to do so but also it is incumbent on me as a member of Parliament to raise such issues with ministers. It is incumbent on ministers to answer and respond to the issues raised fully and properly, in a way that informs the house, and therefore my constituents, on those issues. If ministers do not do that, I am led to one of two conclusions: either it is a contempt of the process of Parliament, or it is an incompetence by the minister. I accept that in many cases the ministers here are new and perhaps they do not have full command of all areas of their jurisdiction. I hope that is the case rather than contempt of the process, which I believe is a crucial issue. It is interesting to observe how ministers pick and choose some of the questions they will answer.

In the context of the industrial claim by the Shop, Distributive and Allied Employees Association it is interesting to note that on several occasions in debates in this place ministers, particularly Minister Gould and Minister Thomson, have relied on the fact that the current industrial relations system is a system that, according to them, promotes, invites and demands conflict. They have said that people have to process their claims and enterprise agreements and so forth by way of a position of conflict.

Yet there are clear examples, including in the SDA area, where results have been achieved without conflict. The Master Grocers Association of Victoria recently completed an enterprise agreement without any conflict — without the conflict which ministers have suggested the whole process is built on and which it has to have as an inevitable conclusion. You cannot pick and choose those sorts of things.

Recently in response to a dorothy dixer, the Minister for Industrial Relations admitted something that she is not prepared to admit in response to any opposition queries: that the government has the opportunity to intervene in matters before the Australian Industrial Relations Commission. She admitted that in a particular dispute the government had decided not to intervene, but implicit in that is the fact that the government could have intervened. Also, the state government was a party to the dispute involving the SDA, but the Bracks government elected to withdraw from the case. Last week during the adjournment debate I raised a matter for the attention of the Honourable Marsha Thomson. The last paragraph of the matter I raised states:

> I ask the minister to tell the house tonight what action she has taken regarding the log of claims before the AIRC and what submissions she might have taken before the cabinet in advocating for small businesses and pointing out the impact the log of claims will have on small businesses.

I asked the minister what action she had taken on that log of claims. I accept that the minister is entitled to defer on the matters that she might have raised in cabinet. To that extent she might well have mentioned that as part of her answer to the matter I raised with her last week. But all she said was — —

The DEPUTY PRESIDENT — Order! The honourable member is stretching the issue of quoting from *Hansard* and I ask him to paraphrase what was said.

Hon. B. N. ATKINSON — The minister said that industrial laws in fact create confrontation and not cooperation. She said it was important that we get back to another system. Some members interjected and she then said something to the effect that there was an indication that small business would prefer to resolve issues without conflict. I accept that. But that was the end of the answer. There was no indication of any action she was going to take.

In that context I think I was entitled to be very aggrieved at the answer I was given, because the answer did not address the issue of what might have

been done. I suggest to the minister today that a number of options were open to her, even if the government has pulled out of this particular hearing. I accept that it has, but even having done that, the minister could have said to the house, 'We have pulled back from this particular hearing, but we have left the survey information there so the hearing can be informed on issues and the commission can reach a position based on all information available to it. But that was not the government's position. As the Honourable Bill Forwood mentioned, the government withdrew that information, or advised the commission that it was not to be relied upon as part of the hearing.

The government and the minister could have said the other night, 'We withdrew it', or 'We found that information to be inaccurate'. In fact, she could have said the government had found better information, that it was better able to inform the commission, the public generally, the small business sector, or, indeed, the Parliament, on a more appropriate position regarding small business obligations and concerns and the impact of the claim on small business. But the minister did not choose to do that.

The minister could have told the house that she had published some information for small business — even on a web site if there was a need to keep it cheap — to advise small businesses on how they might deal with the union's log of claims. One issue raised in the SDA log of claims was that it was served on people who had never seen a union log of claims in their lives; these are the mum-and-dad businesses across Victoria, and many of them telephoned the offices of members of Parliament and trade associations — as the minister can determine — and were absolutely frightened. Some of them were crying because they recognised that they would lose their business under this log of claims.

I understand what another honourable member said before — it is only a log of claims and it is an ambit claim. We all understand that, but the people who received the log of claims did not understand what an ambit claim was or how to deal with it. The document contains some 108 claims. The people who received the log of claims were confused and frightened. I noticed the minister nodded that some people who had telephoned were crying. Apparently she has been informed that many people were frightened by the log of claims and it is simply because they did not know how to deal with it. I understand that.

I understand entirely what an ambit claim is and that this is not what it is all about. But the fact is that the people who received the log of claims did not understand that and the minister gave them no reassurance and no direct support in any way, so far as I can ascertain from my questions, about how they might go about addressing and dealing with the claims so that they could be assured of the proper process. Those people were dealing with a process that was new to them — something they had never encountered before.

Honourable members interjecting.

Hon. B. N. ATKINSON — I am not able to ascertain whether the minister did anything. The former government was party to the hearing and it also undertook a survey of local government to understand what the concerns were. That survey was withdrawn from the Australian Industrial Relations Commission. The former government had taken some action. I am not attempting to judge whether it was the best action that could have been taken. Government members may be right, that it might not have been the best action, and what I am suggesting now might have been a better alternative. I was not the minister; I was not in a position to do that.

An Honourable Member — Shame.

Hon. B. N. ATKINSON — No, it is not a shame at all.

From that point of view, this might have been a better action to take. Last week I invited the minister to tell me what she had done about the matter. Having turned back the clock on some of the actions that had been taken, there was nothing in their place to support small business — and that was my concern. It was a genuine concern that I raised. I do not play games in this house. I bring issues to this house that I think are important and particularly represent the needs of my constituents. If the minister really had the interests of small business at heart, she might also have gone to the SDA and said, 'Look, on this occasion the process of an ambit log of claims is not appropriate in the context of the people to whom you sent it. Can we return to the more realistic claims you want to pursue?'.

I accept and agree with the minister's comment that people are entitled to an adequate working wage. They are also entitled to certain benefits and entitlements that reflect some of the demands.

Hon. Kaye Darveniza interjected.

Hon. B. N. ATKINSON — The honourable member talks about us doing away with the award. Perhaps she ought to study industrial history a little closer, because the SDA went to the federal system before the state industrial relations apparatus was handed over to the federal government, which the

Labor opposition was also fairly keen to see happen at the time. The historical record is that the SDA sought federal coverage before there were any changes to state and industrial laws.

Hon. Kaye Darveniza interjected.

Hon. B. N. ATKINSON — So get your facts right.

Hon. Kaye Darveniza — My facts are right.

Hon. B. N. ATKINSON — Get your facts right. The SDA sought and received federal coverage. From that point of view, in the context of my question to her the other night the minister could also have said, 'I have had a word with the unions', or, 'I have brought it to the notice of the unions that the people who have received the log of claims are really not major players in the context of industrial relations and many of them have been confronted with the situation for the first time. Perhaps you ought to come back to a more realistic log of claims'. But, no, the minister simply declined to answer. I was fairly aggrieved with that.

The minister claims to be an advocate of and to understand issues that have an impact on small business. She consistently has dorothy dixers raised by which she can attack the goods and services tax (GST). Interestingly it seems that in most of the attacks she clearly advocates the Labor Party's position as a poor man's federal opposition rather than being in the business of looking after small business.

Reflecting on the GST, it will be interesting to see what the government's attitude is down the track. One of the fascinating aspects of the entire debate at the time was that Premiers Carr and Beattie said little about the GST. They did not dare because they recognised that it was part of a total tax package — that is, it was not just a GST but total tax reform. In fact the tax has significant advantages for state governments, so I will be interested to hear the Victorian government's future position on the GST.

While at every opportunity the Minister for Small Business homes in to slather and whack at a federal minister — in the same way Minister Gould tries to slather and whack at Minister Reith — she goes missing on other issues that affect the small business sector. If taxation is the area the minister is most concerned about, she has put no alternative taxation proposition. She has been missing on the Workcover changes and has told the house she has made no submissions on them. Furthermore, she has not really sought to achieve small business representation at the business summit; she has looked at only some major industry associations that I suggest are involved with both large and small businesses. The president of the Australian Retailers Association will be a representative at the summit. Most of the income of that organisation is derived from and much of its membership is made up of major retailers. The minister has made no advocacy on behalf of small businesses on industrial claims or business round table representation.

I agree with the minister that many issues affect small business. However, she cannot simply pick and choose the issues on which she wants to represent the sector. She ought to recognise that some of the issues raised by opposition members are not picked out of the air but are raised with them by small business constituents and are therefore legitimate issues she ought to address.

In all her whacks at the GST I wonder whether the minister has considered what impost wholesale sales tax will impose on small businesses and what concerns small business operators have in dealing with that tax. There is a familiarity with the tax now because it has been in place for a long time, but the costs for small businesses associated with it are significant. I also wonder if the minister has asked small business what it thinks about provisional tax being abolished under the new tax system? I suggest one of the greatest concerns of small businesses is provisional tax because it takes money out of their businesses and therefore affects cash flow.

In June 1998 the SDA served a log of 108 claims on 35 000 retailers. Among the claims, some of which have been mentioned by the Honourable Bill Forwood, were requests that employers pay all medical and hospital costs of employees, pay a $500-a-week minimum wage plus $25 for each year of service, abolish junior wage rates, provide a clothing allowance, provide a retirement gratuity over and above superannuation of 26 weeks pay, provide superannuation at a rate of 20 per cent of wages, provide a 35-hour week, provide for a 1-hour meal break after 3 hours of work, pay 5 weeks bonus pay in the second-last week of December each year, provide for 10 minutes of rest after each hour worked, provide full reimbursement of child-care costs, allow 10 days a year conference leave, allow 30 days a year education leave, grant 2 days a year shopping leave, allow union representatives 5 hours a week fully paid to conduct association business, provide for a $500 000 fatality and injury payment exclusive of workers compensation, common-law settlement and other entitlements, and provide that work should stop if the temperature went above 30 degrees or below 10 degrees Celsius.

I am not sure what days employees would have chosen to turn up to work, because they would not be there

very often if the claims were added up. I can understand why when they received the ambit log of claims many of the 35 000 retailers — most of which are in Victoria, and the few who were not were subject to the federal dispute — were frightened. Some were crying and some thought they would have to close the doors of their businesses. Very little explanation was given for the log, which came out of the blue, was served by ordinary post on these people without warning and made them frightened. It is part of the dispute that is currently before the Australian Industrial Relations Commission and has yet to be determined. From that point of view, Minister, I think there needed to be a fuller response.

Mr Forwood referred to campaign contributions. I suggest one of the other reasons the government withdrew immediately from the SDA claim was that since it rejoined the Australian Labor Party several years ago the SDA has been pivotal in Labor Party politics. Since the SDA rejoined the right of the ALP has been in the ascendancy. I suggest one of the reasons for that — and I notice the Honourable Gavin Jennings grinning widely, because he knows this to be true — is that the SDA is one of the few unions that is showing membership growth due to the high degree of casualisation in the industry over a period and the requirement under enterprise agreements for employees with the major chains to be union members. There has been a tremendous growth in the union's membership and it swung the balance of power in the ALP dramatically to the right, with which most of the allies of the Minister for Small Business are associated in Labor Party politics.

I suggest one part of the log of claims was fairly significant even in Labor Party politics — that is, that employees of all the shops across the country operated by mums and dads were expected to hold union membership.

The ambit log of claims was also part of a membership drive for the Shop, Distributive and Allied Employees Association. It was designed to entrench the position of its right-wing allies in the Labor Party — in other words, to keep them in the ascendant and maintain the influence they currently have.

I also note the minister's comments on the Workcover issue, which goes to the second part of the motion. It is the only other issue I want to comment on substantially. The minister needs to understand that the policy settings governments put in place have an enormous impact on the confidence and vitality of businesses, and small businesses in particular, which often do not have great buffers to ensure their survival.

The administration of Workcover is a matter of major concern to the opposition, just as it was when the coalition parties came to government in 1992. The minister has referred to the current ongoing Workcover liability. That can be compared with the ongoing liability of over $2.1 billion which existed when the former coalition government came to office and which at that stage was increasing.

However, when referring to a number of reports the minister did not mention the most recent audit of the Workcover scheme, which was designed to facilitate the changes to Workcover the government is proposing. An actuarial review of the situation as at 30 June 1999 was conducted by Tillinghast-Towers Perrin, a firm of highly respected actuaries. The report, which is dated 20 August 1999 and which was released to the opposition under freedom of information, found that:

> … with its current settings and current premium levels, Workcover is projected to be fully funded by February 2001.

According to that actuarial review, Workcover will be fully funded by February next year. The report found further that:

> … of the $816 million of factors contributing to an increase in the estimated liabilities of Workcover between June 1998 and June 1999, $732 million consisted of an increase in liabilities for pre-November 1997 common-law claims.

If common-law claims are reinstated — the government seems to have a slightly differing view from that of the union movement about how some of those reforms might be accomplished — the system will either require a massive increase in premiums or again become unfunded.

Minister, I agree with you that no-one wants an unfair system that does not compensate people who are genuinely injured and who deserve compensation. Neither do we want to go back to the bad old days when some legal firms around town earned most of their revenue — $6 million, $7 million or $8 million of their annual turnover — from Workcover claims and playing legal games rather than addressing the workers compensation needs of Victorians.

According to the actuarial report:

> … the current annual cost of the Workcover scheme is running at only 1.68 per cent of wages, compared with an average premium level of 1.9 per cent.
>
> …
>
> Under the Cain and Kirner governments, Workcover premiums hit 3.3 per cent of payroll …

At that stage, as I said earlier the unfunded liabilities had reached $2.1 billion.

The actuarial report gives the lie to the claim that Workcover is bleeding. The system is recovering strongly and, according to an actuarial report that the government has not disputed, will be fully funded by February 2001. However, the government has some other policy settings it wants to change, and they will have a price tag. Those issues were taken to the people in the election campaign and their implications were understood. However, the minister now has to persuade her colleagues that those policy settings should be kept at a fair and reasonable level; otherwise, the cost to small business will simply be too much to bear.

A press release issued yesterday by the Victorian Employers Chamber of Commerce and Industry went to the heart of the issue. I propose reading some of the comments made in the press release for the benefit of the house. Nicole Feely, the chief executive officer, said that research by VECCI had shown that farming and rural industries will be particularly hard hit if Workcover premiums are raised to fund a return of common-law rights.

Ms Feely also said:

> … small businesses have few avenues to reduce their Workcover premiums, so they will pay higher average premiums;
>
> larger businesses … have the ability to reduce their premiums through improving claims management;
>
> a 0.3 percentage point premium increase is likely to lead to the loss of nearly 7000 jobs due to cost pressures — especially on regional and smaller businesses.

VECCI has quantified that a 0.3 percentage point increase in Workcover premiums could lead to 7000 jobs being lost across Victoria. That is a strong result, which the minister should bear in mind when making the representations she tells us she will make to the cabinet.

In the press release Ms Feely also says that the union movement is pushing for significantly higher premium rises and that such an unbelievable campaign would have devastating consequences for Victorian industry:

> … especially in areas where the government has professed a special sympathy — namely, regional Victoria and small business.

She also believes that the proposed policy settings will have an impact on workplace safety by not encouraging businesses to pursue best practice in workplace safety.

I note that for reasons that are not entirely its own fault the government has reached the position where it is bereft of ideas about how to maintain economic activity in Victoria. Undoubtedly there are some ominous warning signs, some of which would have been apparent had the former Kennett government been returned to office — and some of the issues would have been the same. However, I believe the former government had policies that would have addressed those issues had it been returned to office.

The current government has come to office without any policies to address economic development. In many cases it is already borrowing from the competence and goodwill of the former government. It is no coincidence that unemployment levels fell and significant employment growth occurred under the former government. That was because of the high level of confidence in the business and investment communities brought about by the infrastructure projects the former government undertook. Those projects involved investment attraction, export development, and lower costs to business through lower municipal rates, electricity charges and workers compensation premiums in particular. All those policy settings of the former government translated into jobs growth. The current government is starting to play with those policy settings, and as VECCI has clearly stated, ‘Play with those policy settings at your peril, because if you do the chances are you will have an impact on employment growth’.

The prevailing view in the Australian Labor Party is that the Cain and Kirner governments are largely blameless for Victoria’s economic slide in the 1980s. Its view is that those governments were in the wrong place at the wrong time and that everything that went wrong was just bad luck. Many of the Labor Party members who have recently formed government or who were part of former ALP governments have no understanding of the adverse impact their policy settings have had on the vitality, profitability and even survival of small business.

The minister is new to the Parliament and does not have any experience with the portfolio. It is understood that she is dealing with an area with which she is unfamiliar. I have no doubt that the small business policy taken to the election was not a policy that she had developed. Heading into the election she was not even expected to be a government minister.

Having achieved that position it is incumbent on the minister to recognise two things: firstly, the need to respond to the house on issues that are raised in an honest and open manner for the benefit of people

represented by other members of Parliament, which is consistent with the undertaking made by Premier Bracks; and secondly, to advocate far more strongly on behalf of small business on a range of issues, including those listed on the notice paper today. The opposition believes the Minister for Small Business has simply not developed strategies, prepared reports or provided sufficient information on policy deliberations to ensure that small business will continue to have a successful future in Victoria and will not be adversely affected by the policy settings established by the government.

Hon. G. W. JENNINGS (Melbourne) — I am happy to respond to the challenge laid down by the Honourable Bill Forwood in the motion. Mr Forwood said he believes it to be a precise motion that can be somewhat objectively measured by the effect of each of the paragraphs (a), (b), (c) and (d). During the contribution of the Minister for Small Business, the Honourable Marsha Thomson, by way of interjection Mr Forwood indicated that some outcomes that may be measured, particularly with Workcover, are yet to be determined, so he is prepared to wait to see the outcome. I believe Hansard would have recorded that interjection earlier in the debate.

Unfortunately, the precise nature of the motion indicates that Mr Forwood is unable to satisfy that expectation of waiting to see because the opposition is hell-bent on passing the motion today. The motion condemns the government on the basis of measures which do not satisfy any objective assessment of the criteria as determined by the motion and which would warrant the adoption of the motion.

To create a different hierarchy of issues, and to allow me to conclude my contribution at the high point, I will address the issues in the reverse order to that in which they appear in the motion. The government is being condemned today for its failure to ensure small business is represented at the Premier's round table. As a matter of logic that rationale cannot be justified on the basis it has been reported clearly to the house today that there has been no formal, ongoing round table instituted by the Premier. There is no fixed membership of any group that would be understood to be the Premier's round table. The opposition has relied on a newspaper report from the *Age* of 11 March.

Hon. Bill Forwood — You do not believe the *Age* either.

Hon. G. W. JENNINGS — Whether I believe the *Age* or not, the *Age* reported on 11 March that a meeting had been held between the Premier and various leaders of industry.

Hon. Bill Forwood — Were you there?

Hon. G. W. JENNINGS — I have said that I cannot attest to the authenticity of that because I was not in attendance. Having said that, I am happy to rely on the article.

Hon. Bill Forwood — I relied on it.

Hon. G. W. JENNINGS — Clearly. Is the opposition saying that it is inappropriate for the Premier to meet in the august company of Paul Anderson, the chief executive of BHP? Is it inappropriate for him to meet with the executive chairman of Ansett Ron Eddington. Is it inappropriate for the Premier to meet in the company of property developer Max Beck? Is it inappropriate for the Premier to meet in the company of Fosters Brewing boss Ted Kunkel? Given that the substantive part of the motion is concerned about the log of claims — —

Hon. Bill Forwood — Are we dealing with (d)?

Hon. G. W. JENNINGS — I am happy to flip from paragraphs (d) to (a) and back to (d). Is it appropriate that the Premier meet with Dennis Eck, the chief executive of Coles Myer? Is it appropriate that James MacKenzie, the funds manager of ANZ, should meet with the Premier? Does the opposition feel it is inappropriate for the Premier at any time to discuss matters of investment in the Victorian economy with investment banker Michael Tilley? Is it inappropriate to discuss mining and resource development issues in Victoria with Joseph Gutnick? Is it inappropriate to discuss agricultural value adding in the Victorian economy by having a discussion with James Brown from Brown Brothers? Is it inappropriate for the Premier to meet at any time with an executive officer of the Bendigo Bank, a bank that has stepped into the breach over the lack of responsibility of some banks in the financial sector to discuss issues that may be relevant?

Hon. R. A. Best interjected.

Hon. G. W. JENNINGS — I am pleased to hear Mr Best's interjection, which indicates that the opposition parties would support the Premier maintaining appropriate business links with the business sector. Mr Forwood's argument fails because the opposition did not ask whether that meeting excluded either present or future opportunities for the Premier to discuss at length with small business representatives their interests and expectations for policy direction in Victoria.

Hon. Bill Forwood — It is a very tortuous argument.

Hon. G. W. JENNINGS — In the words of Mr Forwood, this is a precise motion. The government is being condemned because it has failed to satisfy the establishment of a round table which includes small business. The government's response is that there is no formal round table and no fixed meeting structure. The Premier will provide opportunities for discussions with industry, small and large, manufacturing and commercial interests and investment in Victoria, and opportunities to maintain dialogue in an instructive fashion as is incumbent upon the Premier. By applying the precise nature of Mr Forwood's motion, his test has failed in paragraph (d) because there is no round table.

Hon. Bill Forwood — There is no round table. We had a meeting but it was not at a round table — we sat at the square table!

Hon. G. W. JENNINGS — During the debate, and implied from questions and matters raised during adjournment debates, the opposition has demonstrated its alarm about the government forming ongoing strong relationships with leaders of industry.

It is clear that the opposition is concerned about the issue. The government has been condemned for talking with one sector in a public way. For its motion the opposition totally relied on a report that appeared in the *Age* on 11 March.

At the conclusion of his contribution, Mr Forwood said he wanted to resist the temptation to measure the performance of the minister on the basis of a press release, and immediately proceeded to do just that. If the contribution of the opposition has any relevance, it is about confidence and what contributes to confidence. By implication, the contributions of the opposition today indicate that confidence is generated by press releases. Publicity may play a role, as may attitude, government support and facilitation.

Hon. W. I. Smith — Contributions to Workcover premiums may have an impact.

Hon. G. W. JENNINGS — Yes, just as the goods and services tax, inflation and interest rates do.

Hon. C. A. Furletti — They are global and one cannot change them.

Hon. G. W. JENNINGS — Mr Furletti is saying that a number of national and international factors affect confidence. The tenor of my argument is that confidence is fragile and intangible. The opposition said a variety of issues impact upon confidence, some within the rubric of responsibility of the state government and some outside.

It is inappropriate for the opposition to rely heavily on people's attitude towards the Victorian government alone as the measure of business confidence in the state. According to the motion, the Victorian government stands condemned today for its inability to support small business. It is appropriate to acknowledge that the state has obligations and must do what it can to satisfy the expectations of small business. It is part of the mix of issues with which small businesses is confronted that contributes to the level of confidence and ongoing strength in its contribution to the Victorian economy.

Paragraph (c) of the motion refers to the failure to include sufficient small businesses in the Growing Victoria Together summit. One can argue about what is sufficient. It is reasonable for the opposition to make a point about the appropriate level of membership of the summit. It could be argued that the mix may not be correct. I support the government's intention to bring parties together, regardless of whether they come from the business or community sectors or the trade union movement to create a consultative and positive framework and establish an agreed understanding and agreed goals. I shall not waste the time of the house in establishing the key criteria. Let us agree that it is arguable to question the appropriate level of coverage achieved with an 80-person summit.

It is important that the minister has put on the record the government's intention to include small business. I know that the 35 000 small businesses and others identified in paragraph (a) of the motion would be hard to fit into the Legislative Assembly chamber. Due recognition must be given to the appropriate number of small business associations or representatives thereof. Both sides of the chamber have argued about what constitutes sufficient coverage of small business interests.

I turn to paragraph (b) of the motion. It is incumbent upon the mover of the motion to more than presume that the government will not satisfy its election promise about Workcover premiums. I do not know the basis on which that argument has been pursued. However, the interjection from Mr Forwood earlier indicates that he is prepared to wait and see the outcome. Unfortunately the motion is written in such way that it appears the opposition is not ready to wait and see.

Hon. Bill Forwood — We will judge you week after week, day after day.

Hon. G. W. JENNINGS — I am happy for the interjection to be put on the record and for the government to be accountable in that way. That is the appropriate role of the opposition. It is not the first time I have said that, not that one receives credit for saying those things. As recently as last night I was misquoted on the basis of my generosity and spirit in recognising — —

Hon. Bill Forwood — Not from me.

Hon. G. W. JENNINGS — Certainly not from Mr Forwood. I have a feeling that Mr Lucas may know who the culprit was. As Mr Atkinson said, it would be appropriate for government members to move beyond the hyperbole and give due recognition to the points made by the other side. However, it would be disappointing if after those rare moments occur they are later abused by one side of a house or the other. Mr Atkinson, I give you due credit for the suggestions you put on the record this morning.

Paragraph (b) of the motion refers to the failure of the government to abide by its election promise in relation to Workcover premiums. I believe that paragraph is premature. It is appropriate for the opposition to express its concern about the outcome to changes to the Workcover system and put those concerns on the public record, but it is inappropriate to say that the government stands condemned for actions that have not been concluded.

To satisfy paragraph (b), I will read into *Hansard* a brief extract from the Labor Party election commitments about Workcover premiums.

> Labor is strongly committed to a workers compensation system that provides fair and just compensation for workplace death and injury. At the same time it must be a system that is affordable and competitive with other states.
>
> At the moment too little recognition is given to those small and medium-size businesses that are providing their employees with a safe and healthy workplace.
>
> Labor will introduce workers compensation premiums that better reward the efforts of those small businesses, providing a safe and healthy workplace.

I will discuss the components of that commitment one by one.

A system that is affordable and competitive with other states is clearly within the parameters of the *Report of the Working Party on Restoration of Access to Common Law Damages for Seriously Injured Workers*, which was prepared under the auspices of the Minister for Workcover. Through the working party the government has flagged a clear intent to ensure that Victorian premiums are competitive with those in other states.

The report states that the national average premium is 2.39 per cent. It also states that based on the working party's own assessment and financial advice, the Victorian equivalent premium is 2.18 per cent which, when Victorian employers contribute additional benefits on top of that, would equate to the national average. The government has made clear its intention to ensure that Victorian premiums do not rise above the national average and remain competitive.

In many instances Victoria seems to be a competitor to New South Wales, and the premium that applies in New South Wales is 2.96 per cent. Nowhere in public or private discussions has the Victorian government displayed any intention to exceed the national average or to go anywhere near the premiums that apply in New South Wales.

I now refer to the test of measurement. The incoming Labor government recognised that little recognition was given to small and medium-size businesses that are providing their employees with safe and healthy workplaces. However, determining rates is a complex issue because, as most honourable members would be aware, Workcover premiums vary across industry sectors. Therefore the mechanisms that will apply to providing financial incentives to benefit small business will have to be driven in part by changes in workplace occupational health and safety culture. Those changes may lead to a reduction in premiums across industry sectors.

Under the heading 'Mechanisms to protect small employers' page 12 of the report succinctly addresses the variations in premiums that apply across industry sectors'. It states:

> The lower weighting given to current experience in the setting of premiums for small employers protects these employers from major fluctuations in premiums which may otherwise result from a single workplace accident or conversely from an accident-free year. Other mechanisms which assist small employers are:
>
> > costs above $150 000 for an individual claim are not included;
> >
> > rate rises are capped year on year from 20 per cent (for most employers) to 500 per cent (for very large employers);
> >
> > the premium rate is applied to the employers' annual remuneration less $15 500; small employers benefit most from this threshold; and
> >
> > employers with remuneration below $7500 do not pay premium but are covered.

The report identifies four mechanisms that specifically address the opposition's concern about the government's satisfying its commitment to protect small business. The government is acting totally in accord with its election commitments. It has identified mechanisms to lessen the burden on small business in the application of premiums. Therefore there is no justification for paragraph (b) of the motion to be agreed to by the Legislative Council.

Finally, paragraph (a) of the motion condemns the government for its failure to support small business in the costly log of claims by the Shop, Distributive and Allied Employees Association that is currently before the Australian Industrial Relations Commission.

The most valuable contribution to this debate, apart from the minister's, came from Mr Atkinson. He rightly put on record the legitimate concerns of some employers who may feel overwhelmed on receiving a log of claims because they have had no previous experience of such a device. Mr Atkinson's measured contribution was startlingly different from that of Mr Forwood, which was somewhat hysterical in tone and equated the device of a log of claims with some horrendous act of street violence against small employers. It was out of kilter. Although I accept Mr Atkinson's substantive point that those who are not well versed in current industrial relations practices may be upset, I doubt that the delivery of a log of claims could cause the degree of distress that has been attributed to it.

I certainly hope any small business operators who rang the electorate office of any member of the former government during July 1998 rang Mr Atkinson rather than Mr Forwood. Mr Atkinson would have allayed their fears and placed the log of claims clearly into perspective — something that seemed to be lacking in Mr Forwood's contribution.

I will encourage my ministerial colleagues to examine whether there is a role for the government to play in clarifying the status of the log of claims.

Hon. Bill Forwood — We ask you to do that.

Hon. G. W. JENNINGS — In response to the interjection, I should say it is disappointing that the then government did not introduce a scheme that would alleviate the anxiety of small business operators. That would have been the appropriate mechanism for the Kennett government to adopt. I suggest the substantive way the former government intervened in this case and the actions of the Labor government should not be of concern to the opposition. The case did not proceed with the incoming government for two reasons. Firstly, the government has great confidence in the Australian Industrial Relations Commission to determine whether the log of claims was delivered appropriately.

I have noticed on a number of occasions during this session and the previous session that the opposition has been wary of government initiatives being poll driven or being driven by survey material. The opposition is correct when it says there should be appropriate standards for the delivery of public policy decisions. I take the point that there needs to be a philosophical and intellectual underpinning of government policy. We need to have a full appreciation of the direction of government policy and I am optimistic that the Bracks Labor government will rise to the challenge and satisfy the various demands made upon it.

I turn now to the issue of the funding of political parties. Financial contributions from affiliates of the Australian Labor Party are acknowledged and are on the public record. The process is transparent. The government has confidence in the accounting practices adopted and it acknowledges that Labor Party supporters have been prepared to stand with it through the good and bad times. I believe the issue falls into the category of people living in glass houses and also the parable about stone throwing. I do not believe Liberal members would like the government to debate in this place the financial status of the Liberal Party. The opposition would not be comfortable with a debate on the Cormack Foundation. It would be an interesting debate to analyse the contributions and the assets of the foundation and how it supports the Victorian branch of the Liberal Party. That is not an issue opposition members would be enthusiastic about debating in this place.

The transparency of the financial affairs of the Australian Labor Party is a model that the Liberal Party could well replicate. The Labor Party has no fear about discussing its financial arrangements in the house, but they are not relevant to the debate, the policy position the government has adopted or the role the government has played in the log of claims currently in dispute before the Australian Industrial Relations Commission. On that basis the opposition has not made a satisfactory case that would enable members of this place to support the motion.

Hon. G. B. ASHMAN (Koonung) — I speak on the motion because this is one of the most important issues that has been raised in the chamber for many years. The small business sector represents just under 50 per cent of private sector economic activity in the state and is clearly the engine room of the economy. The

government is destroying the confidence of that important sector of our economy. The motion condemns the government for its failure to represent small business before the Australian Industrial Relations Commission; its failure to abide by its election promise on Workcover premiums; its failure to include sufficient small business interests at the Growing Victoria Together summit; and its failure to ensure that small business has consistent and proper access to the Premier and the decision-makers of the state.

I hope the Growing Victoria Together summit will provide representation for all small business interests, because a large number of employers and small business operators are not part of employer associations. It is incumbent on the minister to ensure that she invites people from the Victorian Employers Chamber of Commerce and Industry, the Victorian Automobile Chamber of Commerce, printing and allied trades and road transport associations, et cetera, whose members may comprise almost 90 per cent of small businesses, but they do not cover the spectrum of small business completely. It is most important to identify those employers who are not members of industry associations and to indicate how they will be involved, because their views are also important. Some of their views are reflected by major employer groups, but many will have views not expressed by those groups.

The house has discussed the log of claims by the Shop, Distributive and Allied Employees Association, also known as the SDA, that is before the Australian Industrial Relations Commission. It is a disgrace that the government has withdrawn from that hearing and has sought to withdraw the evidence provided to the commission by the previous government.

There needs to be strong advocacy on the part of small business. Having been part of an employer association and having sat in the chair when unions have served logs of claims on members, I understand the impact the receipt of such a log has on small business operators, particularly small family businesses. Such businesses might be employing only mum and dad and a couple of family members. They are absolutely devastated when a log of claims such as the one that has come from the Shop, Distributive and Allied Employees Association lobs on the table. They do not know how to deal with it. They believe their whole business is under threat. They look at some of the claims in it and wonder what is the point of being in business. It is just soul destroying for them. I know that in many cases, after the shock of receiving something like the SDA log of claims many of them stop and think hard about whether they want to be employers or whether they should just confine their business to the immediate family. A very large number of them make the decision to confine their business activity within the family unit and not become employers.

That situation needs to be addressed by the Minister for Small Business when she encourages those people to take the next step and expand their business just that little bit so they are employing one or two people beyond the family. The problem with that is that when unions like the SDA submit a log of claims, those small business people just think it is all too hard and that it is an area in which they do not want to be involved. When they consider some of the claims and the rate of return on their business they question again why they should become employers.

Why would a small business accept a ratio of 10 permanent employees to 1 part-time or casual employee? Small business requires casual or part-time employment. It is the way small business grows. You do not immediately create full-time jobs; you create part-time jobs initially and they grow to full-time positions. But the log of claims seeks to make it almost impossible for small business to grow. The hourly rate being sought under this log of claims is really quite stupid. The requirement for the payment of an employee for a minimum of 5 hours when he or she is called in is not practical. There are thousands of people in the community actively seeking part-time work that provides them with 2 or 3 hours work a day.

I could go on at great length about the log of claims. It has been dealt with in some minor detail today. Honourable members should have a full debate on that log. Other honourable members have made major contributions on the Workcover issue, but the retrospectivity of the claim for common law terrifies small business. The minister should get out and talk to small business people to discover what really motivates them and what they require of government. Only then will she start to be a successful small business minister.

House divided on motion:

Ayes, 28

Ashman, Mr	Furletti, Mr
Atkinson, Mr	Hall, Mr
Baxter, Mr	Hallam, Mr
Best, Mr	Katsambanis, Mr
Birrell, Mr	Lucas, Mr
Boardman, Mr	Luckins, Mrs
Bowden, Mr	Olexander, Mr
Brideson, Mr	Powell, Mrs (*Teller*)
Coote, Mrs	Rich-Phillips, Mr
Cover, Mr	Ross, Dr
Craige, Mr	Smith, Mr K. M.
Davis, Mr D. McL.	Smith, Ms

Davis, Mr P. R.
Forwood, Mr
Stoney, Mr (*Teller*)
Strong, Mr

Noes, 14

Broad, Ms
Carbines, Mrs (*Teller*)
Darveniza, Ms
Gould, Ms
Hadden, Ms
Jennings, Mr
McQuilten, Mr (*Teller*)
Madden, Mr
Mikakos, Ms
Nguyen, Mr
Romanes, Ms
Smith, Mr R. F.
Theophanous, Mr
Thomson, Ms

Motion agreed to.

Sitting suspended 1.02 p.m. until 2.06 p.m.

QUESTIONS WITHOUT NOTICE

Port of Melbourne

Hon. G. R. CRAIGE (Central Highlands) — I ask the Minister for Ports when the government will commence the development of the Westgate terminal at Webb Dock.

Hon. C. C. BROAD (Minister for Ports) — I have indicated on a number of occasions and am very happy to reiterate to the house today the government's view about the implementation of this very important election commitment — that is, it will not proceed unless and until the government is satisfied, and in particular I as the responsible minister am satisfied, that there is interest in participating in the project.

The shadow minister may be aware of the recent appointment of a new chief executive of the Melbourne Port Corporation. I am very interested in receiving advice from the corporation and my department on the details of a successful implementation of the project. In view of its history under the previous government, this government has no wish and believes it would be very damaging to proceed unless there is a very high expectation of success in attracting a third stevedore for container operations in the port of Melbourne.

Electricity: network inquiry

Hon. E. C. CARBINES (Geelong) — Will the Minister for Energy and Resources inform the house of the government's response to the decision of the Office of the Regulator-General to conduct an inquiry into the performance of electricity distribution networks in regional and rural Victoria?

Hon. C. C. BROAD (Minister for Energy and Resources) — I thank the honourable member for her continuing pursuit of this area.

Hon. M. A. Birrell — It's the first time she's raised it.

Hon. C. C. BROAD — That is not correct.

The government welcomes the inquiry announced by the Office of the Regulator-General in response to the concerns of the government and a number of members of Parliament on both sides of the house, in particular Mrs Carbines, about the significant reliability problems that are much higher than acceptable and customer complaints that have recently been experienced in regional and rural areas.

The inquiry announced by the Office of the Regulator-General will inquire into the performance of the electricity distribution networks, particularly those operated by Powercor and Eastern Energy in regional and rural areas. In fact the Office of the Regulator-General announced his decision to conduct the inquiry yesterday, which I do not think anyone would consider to be a long time ago.

Hon. G. R. Craige interjected.

Hon. C. C. BROAD — As part of this very important inquiry the Office of the Regulator-General will be reporting on the way compliance with standards is reported. At the moment it occurs only in a very generalised way, which does not allow scrutiny of the local problems that have been experienced by households and small businesses, particularly in the Geelong area. The standards are vitally important, as they describe the quality of service customers and small businesses can expect.

I also advise the house that if changes to standards are required as a result of the inquiry of the Office of the Regulator-General the government will amend legislation and regulations to ensure that a reliable electricity service is delivered to all Victorians, particularly Victorians in regional and rural areas, which is a great deal more than anyone could say about the previous government.

Energy and Resources: ministerial adviser

Hon. PHILIP DAVIS (Gippsland) — Will the minister for Energy and Resources advise why facilities at the Orbost office of her department, the Department of Natural Resources and Environment, have been appropriated for the political purposes of accommodating a ministerial adviser, the endorsed Australian Labor Party candidate for the seat of East Gippsland in the last state election, Mr Bill Bolitho?

Hon. C. C. BROAD (Minister for Energy and Resources) — This is not a matter about which I have any advice. I have no way of knowing whether or not the information the honourable member has just referred to is accurate. I will seek information about the Orbost office of the Department of Natural Resources and Environment.

The PRESIDENT — Order! And report back to the honourable member.

Hon. C. C. BROAD — When I have the information.

Senior Citizens Week

Hon. JENNY MIKAKOS (Jika Jika) — Will the Minister for Consumer Affairs inform the house of what action her department has taken to protect the consumer rights of senior citizens?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — As honourable members would be aware, this week is Senior Citizens Week. As has been raised by honourable members on both sides of the chamber, older persons are vulnerable to scams and to bogus tradespeople. The government is concerned that older people should be aware of their rights and obligations and the things they need to be aware of regarding potential scams.

This week the Victorian Seniors Expo 2000 is on as part of the Senior Citizens Week activities. The Office of Fair Trading and Business Affairs has established a stall at the expo and will provide information and advice to senior citizens in relation to not only their rights and obligations but also questions they may have in relation to potential scams and bogus tradespeople.

Industrial relations: building industry

Hon. M. A. BIRRELL (East Yarra) — I refer the Minister for Industrial Relations to her totally contradictory statements on whether the government will appear before the Australian Industrial Relations Commission to help end the crippling construction industry dispute. Last Tuesday she told the house:

> The government will intervene in the commission proceedings at the appropriate time.

She said the government will intervene. However, last night she told the house that the government had:

> … made an assessment that seeking leave to intervene in the matter would not have assisted the resolution of the dispute …

I therefore ask the minister why in a period of six days the government did a backflip on the issue, or was it that the earlier statement of 14 March was not a true statement?

Hon. M. M. GOULD (Minister for Industrial Relations) — As I indicated in the house last evening, the government has been monitoring and assessing carefully the matter before the commission with respect to the building industry, and I have advised the house previously that the government would intervene at the appropriate time.

I advised the house last night that the government was carefully monitoring the proceedings in the commission, that negotiations were continuing between the parties and that strong public indications show that a settlement was close, at least with some groups, and that in those circumstances the government would not be intervening in the proceedings.

The government is about ensuring there is a fair and equitable negotiated outcome to the proceedings and to arguments put by both the employers and the unions in the building industry. It was appropriate on this occasion for the dispute to be settled by the parties.

Water safety: funding

Hon. G. D. ROMANES (Melbourne) — Will the Minister for Ports inform the house what action her department has taken to assist waterway managers in providing adequate and safe public boating facilities?

Hon. C. C. BROAD (Minister for Ports) — I am pleased to advise the house that the government will provide more than $2 million in 2000–01 to assist in the provision of safe public boating around the state.

Honourable members on both sides of the house would be aware of recent boating tragedies in this state, as recently as last weekend. Those tragedies stand as a reminder of the need for constant vigilance to improve boating safety in the state. One of the ways in which the government can assist in providing improved boating safety is through the public recreational boating facilities grants program. The Marine Board of Victoria is about to seek applications for grants under the program.

Those facilities will assist in making boating safer. The application process has been made easier to encourage people to apply for grants. Information about the process has been placed on the web site of the Marine Board of Victoria to enable people to both learn about and apply for grants through that mechanism.

Opposition members interjecting.

The PRESIDENT — Order! I am finding it difficult to hear the minister, and I am sure Hansard is as well. I ask honourable members to desist from constantly interjecting.

Hon. C. C. BROAD — In addition to the program I have described, grants will also be provided to Victoria Police to assist it in meeting the cost of search and rescue, enforcement and water safety programs that focus on education to avoid the sorts of tragedies that have recently been witnessed in Victoria.

Women: small business finance

Hon. W. I. SMITH (Silvan) — Given Labor's policy to promote and encourage better access for women to finance from banks and non-banking financial institutions, what activities has the Minister for Small Business undertaken to ensure that women have better access to finance from those institutions?

Hon. M. R. THOMSON (Minister for Small Business) — The government has a number of things listed in its policy that it will achieve over four years. Today the house has debated the extent to which the government has been accessible to small business. This government has been far more accessible to small business than its predecessor. It is committed to doing a number of things to assist women in small business. One of them is setting up a networking and mentoring program, which is currently being piloted with New South Wales in the Albury-Wodonga border area.

The government is aware of the issue. During the debate on the motion about small business earlier today honourable members talked about what I have achieved in my first five months in office. In her first five months in office my predecessor, the Honourable Louise Asher, managed to attend the small business summit of the federal council of ministers, while I attended after just one week in office. The first bill introduced by the Honourable Louise Asher abolished the Small Business Development Corporation.

The PRESIDENT — Order! The question relates to women's access to finance. I do not think the minister's comments are relevant.

Hon. M. R. THOMSON — Mr President, I alert you to the fact that the government will be addressing the issue and that I have had some initial discussions about it with officers of the Department of State and Regional Development.

The Honourable Louise Asher held her round table of small business representatives almost a year after being appointed a minister in 1996.

Australasian Public Sector Games

Hon. S. M. NGUYEN (Melbourne West) — Will the Minister for Sport and Recreation inform the house what steps his department has taken to promote health and fitness in the workplace?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I thank the honourable member for his question. As honourable members may be aware — and if they are not, I remind them — the Australasian Public Sector Games will be held in Melbourne between 26 and 30 April. The public sector games were first hosted in Melbourne in 1998, when they attracted 3000 participants, 2600 of whom were Victorians. Of the participants in 1998, 150 came from Papua New Guinea; this year more than 200 are expected from that country.

There has been an excellent response to the games to date, with large numbers of participants coming from interstate. The first application for attendance was received from a team from the Toowoomba municipal council in Queensland.

This year the Albert Park precinct will be the focus of the events. The games have encouraged many nominees to train in the expectation of their participation. They will include 18 sports ranging from athletics to volleyball and netball to touch football. I have nominated myself for the volleyball, and I believe the Honourables Bob Smith and John McQuilten will nominate for the golf.

I encourage members of the opposition to nominate. The Honourable Bill Forwood might be interested in getting his golf handicap down; the Honourable Ken Smith might be interested in lawn bowls; and the Honourable Ian Cover may even be interested in mixed netball. It is unfortunate that the Leader of the Opposition is not here, as I wanted to apologise because the games do not include polo.

Hon. B. C. Boardman — On a point of order, Mr President, I understand the minister's enthusiasm in responding to a question about promoting health and fitness in the workplace. However, I draw the attention of the house to the fact that the minister's response has been misleading because entry to the games has already closed and it is therefore impossible for honourable members to nominate. I correct the minister on that point.

The PRESIDENT — Order! The honourable member had a smile on his face when he raised the point of order. I will regard his comments as a point of clarification that does not require a response.

Hon. J. M. MADDEN — I encourage opposition members to seek an exemption from the minister!

Latrobe Valley energy park

Hon. P. R. HALL (Gippsland) — I refer the Minister for Energy and Resources to the government's commitment to providing $2 million for an energy park in the Latrobe Valley, and in particular to the establishment of a task force to inquire into how the park can best be established. I remind the minister that those commitments were given in early December last year. I ask the minister whether it is true that the task force is yet to be established, despite the Premier giving March 2000 as the deadline for the task force to report back to her?

Hon. C. C. BROAD (Minister for Energy and Resources) — In relation to the important election commitment reiterated by the Premier in December last year, I am happy to inform the house that since then a great deal of work has been undertaken by the Department of State and Regional Development on establishing the task force, including discussions with the Shire of La Trobe on the development of its proposal. I am confident that the government will very shortly be in a position to make announcements about progressing the matter, including establishing the task force.

Industrial relations: *IR Update*

Hon. D. G. HADDEN (Ballarat) — I ask the Minister for Industrial Relations what action the government is taking to ensure that unions, employers, government and the public have speedy access to information about daily developments in industrial relations?

Hon. M. M. GOULD (Minister for Industrial Relations) — I thank the honourable member for her question. The industrial division of the Department of State and Regional Development has commenced a new distribution initiative with the recent publication of *IR Update*. I was amazed to find on coming into government that the previous government had put out only one publication in this area, and that was the *IR Update*. The former government was not interested in informing the community and industrial relations practitioners about what was happening in industrial relations. Under the previous government access to that information was limited. However, the current government is committed to ensuring that the public and private areas of industrial relations as well as the community at large are made aware of developments.

The *IR Update*, which was first published back in 1994, was circulated to public servants only. Its distribution has now spread to the private sector and industrial relations practitioners. Currently 400 people receive a daily update of that newsletter.

The government has now upgraded the publication. It is available on the Internet to ensure people have wide access to it. Internet access will allow easy retrieval and research facilities for industrial relations practitioners, both in the public area and the private sector.

The government is committed to inform the community at large, both the private sector and the public sector. If honourable members have any constituents who may be interested in getting access to the daily update, I ask them to get in touch so they can become a recipient of that update and be kept informed of industrial relations, something this government, unlike the previous government, is prepared to do.

JURIES BILL

Second reading

Hon. M. R. THOMSON (Minister for Small Business) — I move:

That this bill be now read a second time.

Honourable members may recall that the former Attorney-General, Mrs Jan Wade, introduced a Juries Bill into the Legislative Assembly during the 1999 autumn session of Parliament. The bill implemented many of the recommendations made by the Law Reform Committee in its 1996 report on jury service in Victoria. That report focused on the long-recognised need for juries to be more representative of the community. I thank the members of the committee for their efforts in producing that report.

It is now my pleasure to introduce a new bill to reform the jury system. This bill incorporates many of the features of the bill introduced earlier this year. However, as a result of consultation on that bill conducted by this government, a number of significant changes have been incorporated into this bill.

Before outlining the contents of the bill and the changes made by this government, it is important to reflect on the importance of the jury system in a democratic

society. I note that the former Attorney-General, Mrs Jan Wade, also accepted the importance of these principles. It is fundamental in this state that the question of whether a person is guilty of a serious criminal offence is determined by a jury of his or her peers. Trial by jury is essential if the criminal justice system is to remain comprehensible and accountable to the community it exists to serve. Jury service allows citizens to directly participate in our system of criminal justice. It is also important that parties bringing civil actions in the County and Supreme courts should have the opportunity to have the issues determined by a jury.

Juries should be more representative of the community

A jury must be representative of the community if a person is to be tried by his or her peers. This bill makes significant changes to address this need, effectively by widening the pool of persons available for jury service.

All persons on the electoral roll over the age of 18 may now be included on the jury roll unless they are disqualified or ineligible. However, those living over 50 kilometres from Melbourne or over 60 kilometres from the court in the country may seek excusal. Under the 1967 act any person who lived more than 32 kilometres from the court could be excluded from the jury roll by the Electoral Commissioner. This change will be particularly important in increasing the participation of regional Victorians in the jury system.

The bill abolishes the right of many classes of persons to be automatically excluded from jury service. Some of those persons will remain ineligible for jury service; however, the majority must now seek excusal for good reason in their individual case — for example, on the basis that jury service will cause substantial financial or other hardship, or inconvenience to the public. The bill also provides for a person's jury service to be deferred to a more convenient time where necessary.

These initiatives will spread the obligation of jury service more equitably amongst the community.

New and improved procedures

The bill overhauls the procedures relating to the administration of the jury system and the conduct of jury trials. These changes will enable the administration of the jury system and the conducting of jury trials to be flexible and efficient.

Various procedures have been streamlined to enable the timely adoption of new technology — for example, the electronic service of documents, and computerised selection processes.

Currently the jury system is administered by a Deputy Sheriff of the Supreme Court. Under the bill this will now be the role of the Juries Commissioner. His or her responsibilities will include the summoning of jurors and the provision of juries to both the Supreme and County courts. The creation of this office will result in a number of improvements to jury administration, including a more uniform approach across the state, and improved services for jurors and courts at the country courts.

The bill clarifies the powers of the courts relating to juries, for instance the powers to:

- grant an exemption from further jury service where a person has served on a jury;
- excuse persons from jury service;
- discharge a single juror in certain circumstances;
- order that two extra jurors be empanelled in a civil trial where necessary; and
- order that jurors be referred to by number rather than name during the selection process and thereafter where necessary for security or other good reason.

In 1998 the Department of Justice conducted a review of the jury system. It emerged that although the vast majority of jurors found their jury service to be a rewarding experience, they also believed that counselling should be available following jury service where a trial has been distressing. The bill therefore enables jurors confronted with disturbing facts and circumstances to receive counselling or treatment from a medical practitioner or psychologist.

As I indicated earlier, this bill contains a number of significant changes from the bill introduced by the previous government.

Jury vetting by the prosecution in a criminal trial and the disqualification of persons with criminal convictions from jury service

The Juries Act 1967 disqualifies certain people from jury service if they have been convicted of certain offences or received certain sentences. Only very minor amendments have been made to those provisions since 1967. The Chief Commissioner of Police would provide information to the Deputy Sheriff to remove from jury panels persons with prior convictions which disqualified them from jury service. However, the provisions were inadequate and did not reflect community concerns and expectations about who should be disqualified from jury service. It was sought

to address the inadequacies of that situation by a practice known as jury vetting.

To vet a jury, the Chief Commissioner of Police provided the prosecution in a criminal trial with details of potential jurors' prior criminal convictions. These prior convictions could be for any offence, no matter how minor. The prosecution then used this information in deciding whether or not to have a person excluded from the jury. This practice ceased on 30 September 1999 when the High Court, in the case of *Katsuno v. R*, held that the Juries Act did not provide the chief commissioner with the necessary powers to enable him to provide the prosecution with details of potential jurors' prior criminal convictions.

The practice of jury vetting is open to significant criticism, for instance:

that it is unfair, in that the Crown has the advantage of information not available to the defence;

there is a perception that it may be abused;

that it decreases the representativeness of juries;

that it offends against the principle of random selection of juries; and

that it involves assumptions about how people will behave on juries and does not accord with the concept of rehabilitation.

Accordingly, the bill does not provide for the reinstatement of this practice. This is in no way a criticism of the chief commissioner or the Director of Public Prosecutions. As I indicated earlier, the practice of jury vetting sought to address the inadequacies of the provisions of the Juries Act 1967.

It is preferable that persons should only be excluded from their right and obligation to sit on a jury pursuant to clear legislative criteria. The bill therefore contains a regime for the disqualification from jury service of persons with prior convictions which is significantly more rigorous than that contained in the 1967 act. The disqualification will be temporary or permanent depending on the seriousness of the criminal conduct. This new regime addresses community concerns about persons who have committed criminal offences sitting on juries. It reflects the approach adopted in New South Wales, Queensland, South Australia and the Australian Capital Territory, where jury vetting by the prosecution on the basis of information received from the police does not occur.

Majority verdicts

The bill maintains the current situation whereby majority verdicts are available in trials for all Victorian indictable offences other than murder and treason. It is important that a verdict in a trial for murder or treason be unanimous because these are the most serious offences, for which an offender may be imprisoned for life.

The Crown's right of stand aside

In 1993 the previous government abolished the longstanding distinction between the right of the accused in a criminal trial to challenge persons during the selection of the jury, and the prosecution's power to stand aside persons where necessary in the interests of justice. Those amendments meant that both prosecution and defence were exercising what was to be known as a right of peremptory challenge. This created the misleading impression that the prosecution has the same right as the accused to have persons excluded from the jury. It is important that the role of the prosecution during the jury selection process — namely, to seek the exclusion of persons only where necessary in the interests of justice — be clearly distinguished. Accordingly, the bill reinstates the Crown right of stand aside, but limits the number of stand-asides allowed to the same number of peremptory challenges available to the accused.

Protecting the integrity of the jury system

The bill re-enacts the existing offences relating to the jury system but increases some of the penalty levels to reflect adequately the nature of the offence.

The bill also contains several new offences including:

intentionally making a false statement at any stage of the selection process;

failing to inform the Juries Commissioner if disqualified or ineligible for jury service; and

offences directed at employers who terminate or threaten to terminate or otherwise prejudice the employment of an employee because of their absence from jury service; in these circumstances the courts will now have the power to order that an employee be reinstated or, in circumstances where that is impracticable, to award damages.

Conclusion

The justice system will be improved by this bill because it promotes the participation of all Victorians in it.

Greater participation of the community will engender greater confidence in the justice system. Jury service is an important right and obligation. People have many demands on their time and the new powers, procedures and flexibility introduced by this bill will enable more Victorians to effectively participate in the justice system. Just as this government is delivering a more open and accountable government, this bill will deliver a more open and accountable jury system in Victoria.

I commend the bill to the house.

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

Debate adjourned until next day.

BUSINESS OF THE HOUSE

Sessional orders

Hon. M. M. GOULD (Minister for Industrial Relations) — I move:

> That so much of the sessional orders be suspended as would prevent new business being taken after 8.00 p.m. during the sitting of the Council this day

Motion agreed to.

MELBOURNE CITY LINK (AMENDMENT) BILL

Second reading

Debate resumed from 15 March; motion of Hon. C. C. BROAD (Minister for Energy and Resources).

Hon. G. B. ASHMAN (Koonung) — The three major provisions of the Melbourne City Link (Amendment) Bill are:

(a) to enable the registration of vehicles for tolling purposes to be limited to specified toll zones rather than all toll zones;

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

(c) to spell out the obligations of the bodies that collect tolls in relation to the keeping of accurate records of tolling and of the registration and exemption of vehicles for tolling purposes.

There was much opposition from the current government when the City Link project was first mooted. However, now that it is in government it is starting to embrace the project. The Minister for Transport is beginning to make comments that, although not totally supportive, are far more complimentary than those he made as the opposition spokesperson on transport.

The project had a long gestation period. It proceeded because significant transport problems were developing and evident throughout Melbourne. In 1992 when the Liberal coalition government was elected a number of freeways led nowhere. Roads had been constructed to freeway standard but contained traffic lights. The Kennett government decided that the freeways should be linked and that the then South Eastern Arterial, which was to have been a freeway but was, in effect, an arterial road, should be upgraded to freeway status.

The former government introduced the 3-cent fuel levy, which was a stroke of genius. While there was some criticism of it at the time, all road users appreciated and understood the works that have been carried out as a result of the levy. It has had a significant impact on rural and urban roads. It allowed the government to raise the necessary funding to remove the traffic lights on the South Eastern Arterial. That alone reduced travelling times from Dandenong to Toorak Road by about 20 minutes, depending on the time of day.

The next issue the former government addressed was the linking of the Tullamarine Freeway to the South Eastern Arterial and the Eastern Freeway extension. There was clearly an obvious need to link the freeways, particularly the South Eastern Arterial and the Tullamarine Freeway.

I shall not go into detail about the number of transport movements on each section of freeway; suffice it to say that both freeways are used by a large volume of commercial transport to get to and from the docks, the airport and the central business district. They are important linkages for industry and commerce.

In 1992 the government inherited a debt of about $30 billion. If freeways were to be connected some means had to be found to fund them. The logical conclusion was tolling, and tenders were called. It is history now that the various consortia of the Transfield group were successful and won the right to own and operate the project for 34 years. Other associated roadworks as part of the upgrade have taken place and additional lanes have been added to the South Eastern Arterial, now the Monash Freeway, from Toorak Road through to Springvale. There is now some requirement for additional lanes from Wellington Road through to Dandenong.

The scale of the $2 billion City Link project was significant. During the construction phase it created between 8000 and 10 000 jobs. On completion it will provide somewhere in the order of 2000 permanent maintenance and operational jobs.

The project now connects the south-east with the west. A journey that took 2 hours prior to City Link will now be take between 50 minutes and 1 hour. In only a short time the complete link will open. When that happens I am certain the Minister for Transport and the Premier will both be down there to cut the ribbon, claim a great deal of credit for it and maintain that the project had their full support from day one. Nothing can be further from the truth!

The significance of the project probably rivals the Sydney Harbour Bridge and the Snowy Mountains Hydro-Electric Scheme, both of which were significant engineering feats for their time. Fifty years into the future when people reflect on City Link and the benefits it has delivered to Victoria, it, too, will be viewed as one of the most significant engineering feats Victoria has undertaken.

The project is now recognised worldwide for its engineering excellence. A significant number of construction techniques developed on the project are world firsts, and the companies involved are now in a position to capitalise on their expertise in international markets.

In a short time the Domain Tunnel will open and, although everyone recognises there are problems with the Burnley Tunnel, I am confident that the engineering skills of the respective companies will solve them and the tunnel will be open in the mid to latter part of the year. Because it is important for transport operators to segment the various sections of the project and toll accordingly, the bill will enable operators to toll particular zones. A number of users of the project are seeking to restrict the access of their vehicles to particular parts of the freeway, and the bill will enable them to register vehicles for use on particular sections. It will also enable Transurban to toll the Exhibition Street extension, which I understand is not part of the raft of legislation the former government passed.

I referred to some of the benefits to be gained in travelling times. Other significant benefits will include reduced emission levels. Vehicles that are travelling at a constant speed are far more fuel efficient than those that are stopping and starting. Properties adjoining the Monash Freeway in particular will benefit from reduced noise levels, which have been a problem. Most people in properties adjoining City Link will have noise levels no greater than 63 decibels.

As well as connecting east with west, City Link will provide a significant level of improved efficiency right across Melbourne's transport network. It is interesting to note the growth of residential development in areas to the south-east and to the north-west. People are now looking to those areas for new residential development because City Link provides them with quick and efficient access to the city and to places of employment adjacent to the City Link project.

Further projects are necessary to complement the City Link. One is the continuation of the Eastern Freeway through to Ringwood and the subsequent development of the Scoresby freeway, which will provide industry and commerce in the east with access to the airport and will reduce operating costs and travelling times. The government will need to address quickly the problems that exist at the city exits of the Eastern Freeway. It will need to decide how to link that traffic through the City Link to Flemington and beyond. The current bottleneck is a major impediment to the transport of goods and services.

The project has produced significant benefits for rural industries. We often forget that all Victoria's primary produce comes through Melbourne to get to market. Whether that produce goes to Footscray, the docks or the airport, it is very likely to come via City Link. The benefits to rural industries are significant. Complaints have been received about tolls; rural communities are not happy about them. On balance, however, industries gain significantly from such quick access. Produce transported on the old road system would often arrive bruised or damaged with a depleted value or, as Mr Baxter pointed out, it would be late. Transporters can now schedule their trucks with a high level of certainty that the produce will arrive at the market in the same condition it left the packing shed.

The project was funded by the private sector; it was the former government's only option. Already the project has been shown to be an enormous success, and it is worth commenting on the way the construction companies have managed such a huge project. A total of $2 billion worth of construction work has been carried out with minimal disruption to traffic flows.

As a regular user of the Monash Freeway, on some days I would allow myself 45 or 50 minutes to get from Wantirna to Parliament. More frequently than not I was pleasantly surprised that it was a 30 or 35-minute journey. There were not many days in the off-peak period when it was much longer than that. I can recall a

couple of days when traffic was channelled down to one or one and a half lanes to allow work to be undertaken and even though the amount of traffic was considerable it continued to move and the disruption was minimal.

The tolling system is unique because there are no cash lanes. About five years ago I spent some time in the United Kingdom, Germany, the United States of America and Canada looking at tolling systems. The German system was the closest to achieving what Victoria has with its e-tag system, but it still requires vehicles to slow to 20 kilometres an hour when going under the gantry. The Victorian system, which allows vehicles to pass at full operating speed, is a world first. The technology will be sold internationally and will be a significant revenue earner for Transurban. It has had some initial teething problems, but the odd glitch is understandable given the complexity of reading a number plate, matching it to the e-tag and doing it in milliseconds. It is now working well on the western link and will work well on the south-eastern link.

The agreement entered into by the former Kennett government allows Transurban to toll users of City Link and the Exhibition Street extension. The bill recognises the agreement and makes other minor changes regarding the collection of tolls. Although they will continue to be processed as they were originally intended the amendments will enable the PERIN system to be used for the collection of fines. It is worth noting that the fines collected do not go to the Melbourne City Link Authority or to Transurban but to consolidated revenue. The link operators receive only their toll value plus a small administration charge.

The bill also spells out the obligations of Transurban in relation to record keeping. Because of the penalty system that is in place for toll evasion it is critical that the records of Transurban be 100 per cent accurate. The government has taken the sensible step of providing a maximum court-imposed penalty of $10 000 for inaccurate records to ensure the company keeps accurate records. There is also the option for the issuing of an infringement notice carrying a fine of $2000 as an alternative. I am sure the penalty provisions will not be used but they provide some reassurance for consumers that there is some means of recourse if there are problems.

The bill indicates the current government's position on City Link. I conclude by quoting from the second-reading speech:

> The government considers that these amendments are consistent with the existing arrangements between Transurban and the state. The intention is to strengthen and clarify these arrangements.

I commend the bill to the house.

Hon. G. D. ROMANES (Melbourne) — I support the Melbourne City Link (Amendment) Bill, which strengthens and clarifies the administrative arrangements between Transurban and the state. The bill implements the Labor Party's election policy to introduce heavy fines on toll companies that overcharge motorists or misuse credit cards.

The existing legislation, which was introduced by the Kennett government in 1995, allows for Transurban to be prosecuted for tolling administration offences in open court and provides a maximum fine of $10 000. The bill improves the existing enforcement regime in a number of ways and provides a better balance between the rights of tollway companies and the users of toll roads. The bill strengthens the existing requirement to maintain proper tolling records by setting out in detail Transurban's obligations in relation to accuracy and will prevent errors that may lead to unwarranted prosecutions for toll evasion.

The bill introduces on-the-spot fines for Transurban in respect of three existing toll administration offences: the misuse of private information, failing to keep proper records and preventing an inspector of tolling records from carrying out an inspection. On-the-spot fines will carry a penalty of $2000 and will be exercised with discretion and according to certain protocols. They are a less severe but more efficient alternative to prosecution through the court system. Honourable members know that the worst place for people to end up in is the courts. It is an expensive option.

Another feature of the bill is its facilitation of a more flexible system, with the introduction of lower tolls for country and occasional users. Section 73 of the principal act is being amended to change the definition of the offence of toll evasion to include driving in a toll zone for which a vehicle is not registered, which will better enable the authorities to pick up toll evaders. Proposed section 73A(2)(d) allows for the registration of a vehicle for a particular toll zone, which is a fairer system than the current provisions in the principal act. Instead of the a flat fee of $7 for a day pass there is provision for a Tulla day pass costing $2.50 for the use of the Tullamarine section of the City Link and a pass costing $3.50 for a calendar day. When the Burnley Tunnel is open there is the possibility of a new more flexible day pass, including a weekend pass.

As a member of Parliament who represents an electorate that has the City Link running right through

the middle of it, I believe the impact of City Link on that community has been divisive. Members of that community have had to cope with paying charges on a road that they had previously used freely, along with other commuters from other parts of Melbourne and Victoria.

The burden of the City Link tolling system has disproportionately hit the people in my electorate, many of whom have used and need to continue to use the City Link daily to get from their place of residence to work and home again. It has engendered among people in the north-western suburbs of Melbourne a sense that there is one deal for metropolitan residents with certain postcodes and a more favourable deal for those who live in areas with other postcodes. I suggest that is symptomatic of the division felt acutely by Victorians because of many of the actions of the former Kennett government.

Instead of having public infrastructure that serves the whole community, we have a privatised City Link road system. Those living in the north west of Melbourne and beyond who previously travelled freely on the Tullamarine Freeway now have to pay a tax. They still have to sit in a queue if they want to exit the Tullamarine Freeway onto Flemington Road. Nothing has changed there — it is the same as before — but they now have to pay a tax. A discriminatory fee is being imposed on the residents of the north west. The City Link was designed to take 80 000 vehicles a day off suburban streets. There is still the potential that City Link will do that and that the residents of Moonee Valley, Moreland and inner parts of Melbourne will benefit to that degree from City Link when all the problems are ironed out.

Mr Ashman suggested that many people associated with rural industries have benefited significantly from the opening of City Link. That may well be the case, but there is a long way to go before those benefits are spread equitably among other members of the community, particularly those in the north west. The current anomalies mean that City Link is a burden rather than a benefit. As soon as the tolls were introduced, some 30 000-plus vehicles shifted from the Tullamarine section of City Link each day and onto the arterial roads and back streets around Moonee Valley, Moreland and Melbourne — vehicles that have not travelled on those roads and streets for a long, long time. So from Monday to Friday, but also on Saturday and Sunday, there is gridlock in many parts of the affected municipalities and very heavy movement of traffic. The residents of those municipalities are experiencing enormous difficulty in travelling through the area.

People in the north west are also suffering in other ways. Transurban has been beset by problems, delays, leaking tunnels, and billing technology that is letting toll evaders off the hook. The City of Moreland is still trying to get Transurban to take seriously the issue of damaged houses. The council is trying to obtain from Transurban an independent assessment of the problems created by the construction of City Link in Moreland. The mayor reports that there has been no sign of action on 10 sites that were designated for landscape treatment by Transurban along the Moonee Ponds Creek.

If one takes a drive along City Link and the Tullamarine Freeway section, one gets some appreciation of why the people of the north west feel they got the worst deal from the Kennett government. The noise walls are of atrocious design, quality and finish — what you see is grey, grey and grey. Honourable members should compare that with the Eastern Freeway extension, which was publicly funded. There are no tolls or taxes for the people out east. The sound walls are architecturally designed and there is landscaping along the length of the extension — the works are sculptured and beautifully done. They are a delight to drive through because they are award-winning treatments of urban architecture. Turning a freeway and sound walls into an architectural award-winning project shows exactly what can be done and what is done by the public sector.

The gridlock situation and other problems experienced by people in the north west highlight the urgency and difficulty we are facing. There is an urgent need to address transport requirements across the whole of Melbourne and Victoria in a coordinated, planned manner, integrated with all forms of transport. Governments cannot just tackle transport issues at one level, which I fear has been done with City Link, at great expense.

The Moreland City Council's *Moreland Integrated Transport Strategy* that was completed in November 1998 deals with the huge growth in demand for travel that is predicted. The strategy states at page 8:

> For some time, Vicroads has predicted that the number of vehicle kilometres travelled in Melbourne will grow by 2 per cent per annum. Growth of this order has been observed over the past two decades.
>
> The most recent predictions are contained in data presented to the Scoresby corridor EES. This data predicts that the total of vehicle kilometres travelled in Melbourne will grow by 37 per cent between 1995 and 2011. The Scoresby study also predicts that the number of trips per person in Melbourne will grow by 21 per cent. This is based on projected changes in population and household size, and on the location of housing and employment.

> While the centre of this growth will be in the south-eastern suburbs, population growth to the north of Moreland and growth in service-sector job opportunities in the inner region will lead to greater demand for travel on Moreland streets.
>
> If the share of the transport mix continues to be dominated by the car, congestion will inevitably increase.
>
> Vicroads planners expect that even with the extra road space provided by City Link and other major road projects, this increase in car use will lead to an average growth in congestion of 8 per cent per annum. This is because delays at any one intersection cause ripples of congestion that flow back in all directions. Congestion will grow exponentially across Melbourne's grid of roads as traffic volumes increase.
>
> This will force a greater proportion of essential commercial traffic into previously quiet periods, particularly at night. Travel by light commercial vehicles, such as delivery vans, is predicted to grow the most rapidly.

The strategy further expands on those points. The congestion predictions are alarming. They leave me and many others to reflect on what could have been achieved with the investment of $2.2 billion, which was spent on City Link, in a public transport and freight system and wonder what wide-ranging impact that alternative measure would have had on tackling the overall traffic and congestion problems.

Hon. W. R. Baxter — So we would have delivered all goods to your factory by train?

Hon. G. D. ROMANES — We also had the Tullamarine Freeway before City Link. Not much has altered in some areas, except that we have paid out $2.2 billion.

Now that City Link is operational the government wants to maximise its use and make it work. The bill will ensure Transurban pays attention to detail in tackling administrative issues involved in the tolling system to ensure that tolling administrative offences are not avoided and are followed through accurately. I commend the bill to the house.

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — It is a pleasure to join the debate on the Melbourne City Link (Amendment) Bill. I have listened with great interest to the contributions of Mr Ashman and the Honourable Glenys Romanes, and I intend to address some of Ms Romanes's comments.

The principal act the bill seeks to amend is the Melbourne City Link Act of 1995, which at 700 pages is quite a read — not that I claim to have read the whole document. The act resulted from a visionary bill introduced by a visionary government. It put into place the framework for the Melbourne City Link project. As an aside, I have been told that the carriage of the legislation lay with the Honourable Bill Baxter in his former capacity as Minister for Roads and Ports. I have also been told by members of the house who have been here longer than I that Mr Baxter carried the legislation through a committee stage. Given the act's 700 pages, he obviously did a good job.

Hon. W. R. Baxter — And over 18 hours.

Hon. G. K. RICH-PHILLIPS — The City Link project is Australia's largest urban road project. It connects three of Melbourne's four major freeways: the Tullamarine Freeway, the West Gate Freeway and the former South Eastern Arterial. When the project is fully completed and open it will enable Victorians to drive from Pakenham in my electorate nonstop to Geelong in Mr Cover's electorate, and then travel nonstop from Geelong to Bendigo, in Mr Best's electorate. Once they have seen Mr Best, Victorians can drive from Bendigo all the way nonstop back to Pakenham. In that sense the project is extraordinary; it will allow Victorians from regional parts of the state to travel through the capital city without having to stop at traffic lights.

In facilitating the City Link project for Melbourne the coalition government delivered a significant boost to capital investment in the state. The project cost in the vicinity of $2 billion, which flowed into the civil engineering and construction sectors. During construction the project provided between 6000 and 8000 jobs in the construction area. Once the project is fully operational it will provide in the order of 2000 ongoing positions.

The project is nearing completion and the onus is now on the Labor government to facilitate new capital works in the state. The loss of the Mirvac and Studio City developments means it is not off to a great start. Add to that the distinct lack of announcements of new projects for the state by the Minister for Major Projects and Tourism in the other place, the Honourable John Pandazopoulos, and one has fair reason to wonder just what is happening on that front.

The construction of City Link has created some significant engineering challenges, particularly the two tunnels, as Mr Ashman touched on briefly in his contribution. The Burnley and Domain tunnels cover a distance of approximately 5 kilometres, and I understand they constitute the most significant tunnel construction since the Snowy Mountains scheme was undertaken in the 1950s and 1960s. Parts of the tunnels were blasted from solid rock and parts were fabricated on site. They provided an opportunity for Australian engineers to develop new technology and new

techniques in engineering, which can now be exported to the rest of the world.

In January, together with some other members of Parliament, one of whom I think was Mrs Coote, I had the privilege to tour the City Link project as a guest of Transurban. Part of the project we saw was the Domain Tunnel, where we were able to inspect some of the amazing technology that has been put in place.

Of particular interest to me was the technology relating to the incident and emergency control systems. The technology includes a massive water deluge system, which can be activated in the event of a fire in the tunnel, and closed-circuit television facilities that allow operators to control movements in the tunnel from a remote control room in South Melbourne. They can determine whether vehicles have broken down in the tunnels and if necessary automatically close lanes and redirect traffic. There is also a radio broadcast facility in the tunnel. A powerful radio transmitter allows City Link operators to override car radios to transmit emergency messages.

City Link is the first Australian application of much of the technology, some of which was developed in Australia just for the project. It goes without saying that without the City Link project Australia would not have access to such technology.

However, the City Link project is not just about the benefits it has brought to the construction and civil engineering industries. City Link provides real benefits for all Victorians. One of the main benefits will be the removal of, or at least reduction in, the stop-start traffic in peak hours that currently clogs arterial roads, which according to research by the Australian Road Research Board will significantly reduce direct operating costs for both passenger and commercial vehicles. It has also been estimated that each year freight vehicles will save in the order of 20 000 tonnes of fuel through the efficiency gains achieved by using City Link. That is a significant gain not only for freight companies but also for Victoria's environment.

Transurban has undertaken modelling to estimate the effects of the City Link project on future traffic movements in and around the city area. It is of particular interest to members of Parliament that the figures produced are for the major roads we use to get to Melbourne. Transurban estimates that when City Link is fully opened and commissioned, Punt Road traffic flow is expected to drop from 90 000 to 70 000 cars a day; Wellington Road traffic is expected to drop from 37 000 to 21 000 vehicles a day; Brunton Avenue traffic is expected to decline from 33 000 to 20 000 vehicles a day; and traffic on the Swan Street Bridge, which is now the major connector between the former South Eastern Arterial and the West Gate Freeway, is expected to drop from 66 000 to just 36 000 vehicles a day.

As well as improving traffic flow around the city, City Link will improve the amenity of the city region. Getting many cars off the road and underground will have a significant environmental impact because it will remove much of the pollution at ground level. Honourable members who have sat in traffic at Punt Road and wound down their windows can attest to the fact that there is a less than ideal environment for breathing in such a location.

However, the benefits from City Link will extend beyond the inner city and the constituents I represent in Eumemmerring Province will be significant beneficiaries of it. Transurban estimates that once the project is fully opened and commissioned travel from Melbourne to Dandenong will be able to be completed at an average of 80 to 100 kilometres per hour. That will be a significant improvement on the current situation, of which traffic jams near the city are a significant feature. Transurban estimates that during peak hours travellers on City Link will attain a minimum speed of 65 kilometres per hour. I stress that that is a minimum speed. Honourable members can make a comparison between that estimated speed and the current situation. When travelling on the Monash Freeway this morning I took the time to estimate my average speed.

I was travelling, at best, at 40 to 45 kilometres per hour — and in places the minimum speed was definitely zero! An average speed of 65 kilometres per hour on the arterial will be a significant improvement.

To put those improvements into context, Transurban has estimated that given the existing road system 30 minutes of travel from the central business district of Melbourne will allow a motorist to reach the Toorak Road off-ramp. It is estimated that when the City Link project is fully operational, that same 30 minutes of travel will allow a motorist to reach the Heatherton Road off-ramp. That will be of enormous benefit to the people I represent in Eumemmerring Province.

I note from the minister's second-reading speech that the government now recognises that the interests of both motorists and the general public are well served by the City Link contracts. It is pleasing that it now appears the government has abandoned its pre-election opposition to City Link.

Given the importance of the project to my electorate and to Victoria generally, it was with considerable interest that I approached the debate on the amending bill. Unlike the Melbourne City Link Act, which was a visionary piece of legislation well managed by Mr Baxter, a former Minister for Roads and Ports, the amending legislation is a disappointment. My first impression of the bill was that it is the type of legislation that a government introduces when it does not have a legislative program.

Given the size and scope of the City Link project, the amendments are relatively minor. They have only three purposes: to create toll zones for day passes; to provide for infringement notices to be issued against the operator as an alternative to prosecution; and to prescribe the record-keeping obligations of the tolling company.

Given the minor nature of the amendments, it was all the more puzzling to read the press release issued by the Minister for Transport when the bill was introduced into the Legislative Assembly. The press release, which was issued on 16 December 1999, is headed 'Government strengthens customer protection on City Link'. In the third paragraph the minister is quoted as saying:

> This legislation fulfils the Bracks government's election commitment to protect Victorian motorists using the City Link tollway.

So the three inconsequential amendments in the bill fulfil the government's commitment, to use the minister's words. Despite all its pre-election protests about how unfair the tollway was, the government is now prepared to wash its hands of the matter by introducing this minor bill. The minister's statement that the legislation fulfils the government's commitments is all Victoria is to hear on the matter. The only conclusion I can draw from his statement is that the Labor government has now realised the true benefits of City Link for Victoria.

When the Labor Party was previously in government and the Treasury was empty as a consequence, the then Deputy Premier, the Honourable Jim Kennan, announced that the government would seek expressions of interest from the private sector in the construction of two tollways. It was not until the Labor Party's period in opposition that it appears to have developed an ideological opposition to the concept.

The Labor government appears not to like tollways which are very much a user-pays system. The person who uses the road is the person who pays for it. Many Victorians would think that is reasonable and fair, but not the Labor government. It would much rather see rural and regional Victoria, about which it likes to spruik so enthusiastically, pay for the major road improvements in the city. The Labor government's preferred option is to double the Better Roads levy to 6 cents a litre for 10 years to pay for the project rather than implement tolls.

That issue was picked up by the Honourable Glenyys Romanes when she spoke of the burdens she believes City Link is placing on her electorate. Judging by the honourable member's contribution, it would appear she would rather have a road system in her electorate that is paid for by motorists who live in Mildura and who never travel further south than Bendigo than by motorists who live in the city. That is the Labor Party's idea of a fair and equitable system.

I now turn to the three purposes of the bill. Clause 5 provides for the creation of toll zones. That will enable the sale of day passes, which provide access to certain sections of the City Link project at a reduced cost compared with the full day pass. I understand that the first application of that is the Tulla pass, which allows motorists to travel on the old Tullamarine section of City Link at the reduced cost of $2.50. That is notionally a good idea, and I support it. However, one of the government's pre-election objections to the project was the perceived complexity of the e-tag and day pass systems. If the former opposition believed the single full day pass was too complex, surely day passes for different City Link zones will only make the situation worse.

I question the relevance of clause 5, given that City Link sales figures show that 85 per cent of all transactions involve the e-tag system. Of the balance of 15 per cent, 95 per cent involve standard day or late day passes, which people buy the day after they have travelled. The Tulla passes represent only 5 per cent of total day pass sales. That equates to only 0.75 per cent of all City Link transactions.

Clauses 6, 7 and 8 pay lip-service to Labor's anti-tolling ideology, which I suspect is somewhat of an embarrassment now that it is in government.

Under the principal act — that remarkable piece of legislation of which Mr Baxter had the carriage — tolling companies can be prosecuted in court and fined a maximum of $10 000 for any errors in the administration and record keeping of toll avoidance data. The proposed amendment will allow the issuing of infringement notices under the PERIN court system that will, as an alternative to court action, carry a maximum penalty of $2000. The government lauds that

minor amendment as one that strikes a better balance between the rights of toll road companies and toll road users, to again quote the minister's press release of 16 December.

Reference is made in the minister's second-reading speech to protecting City Link users from billing errors and unwanted allegations of toll evasion. The amendments will not accomplish either of those goals. The bill will not make tolling companies more accountable. The burden of proof in cases involving toll evasion has not changed. The penalties for toll companies that make errors in issuing infringement notices have not been increased. In practice, they will be reduced fivefold, because where a penalty is warranted the bill will ensure that an infringement notice is far more likely to be issued as a $2000 PERIN court fine than a $10 000 fine through court action.

The provision merely reduces the administrative burden on the government to prosecute for errors by toll companies. It in no way changes the balance of rights between toll companies and road users as the government claims. The second-reading speech implied that City Link customers are in some way disadvantaged because of errors by tolling companies that can result in customers being fined. That situation is not unique in customer–supplier relationships. For the government's edification, as it seems blissfully unaware of other examples, I refer to public libraries. As honourable members know, public libraries fine patrons when they do not return overdue library books. Public transport operators fine patrons who travel without tickets. The Traffic Camera Office of the Victoria Police issues infringement notices for red-light camera and speed-camera offences. All those groups can issue infringement notices against their client groups and all are capable of making errors when doing so.

If the government is serious in its intent with the amendment, why does it not propose similar legislation to fine public libraries $2000 for imposing erroneous library fines? It does not do that because the amendment is driven by the Labor Party's ideology and it has no basis in logic.

Figures to date for City Link show that fewer than 1 per cent of road users are referred to Victoria Police for infringement action. Fewer than 0.12 per cent of those become repeat offenders. When discussing infringement notices issued by Transurban the government conveniently overlooks the fact that the penalty payable on those infringement notices does not go to the operator of the toll road, but to the government after the deduction of the avoided fare and a small administrative charge. The government benefits from the issuing of infringement notices, not Transurban.

Hon. W. R. Baxter — Listening to Mr Batchelor, one would think it is Transurban!

Hon. G. K. RICH-PHILLIPS — Mr Baxter has picked up on the minister's comments. As Minister for Transport, Mr Batchelor will benefit by $15 million to $20 million per annum through the collection of infringement payments from City Link fare evaders.

Clause 10 substitutes proposed new section 92 which prescribes the types of records that must be kept by the toll road operators. The existing legislation only requires that records be kept. Basically, the toll road operators will be required to keep records of their customers. If they have customers they need to keep records of their e-tags, and if they have e-tags they need to keep records of their car registration numbers. The clause is an absolute nonsense. Companies will be required to keep records of customers that they would ordinarily keep in the course of their business. If a company does not keep those records it cannot conduct its business.

The bill legislates for the government's ideological prejudices rather than for any tangible shortcomings in the City Link project. The success of City Link speaks for itself. Figures from Transurban reveal that more than 430 000 e-tags have been issued in Victoria. To correct a point that was raised by the Honourable Glenyys Romanes, the figures from City Link show that since tolling commenced on the western link of City Link the usage rates are up to the levels they were before tolling was introduced. Any claim that people are avoiding the western link and using alternative routes is clearly false. Even if the government does not recognise or will not acknowledge the benefits of City Link, it is apparent that Victorian motorists are embracing the system.

In conclusion, despite the government's hype on the matter, the bill is not the panacea for all the allegations the government has made about City Link. It is just a housekeeping bill that takes care of matters of little consequence in the lives of average Victorians. I do not oppose the bill.

Hon. G. W. JENNINGS (Melbourne) — I support the bill to amend various administrative matters of the Melbourne City Link Authority and the activities of Transurban, the body with the control over this essential infrastructure for the next 34 years. It is a significant issue. During the debate opposition speakers

have been preoccupied with a discussion along ideological lines about the administration of the infrastructure and how it relates to the efficient and effective use of information systems for tolling operations and penalty clauses that may apply to consumers of the road service and the toll operators.

The incoming Labor government has been determined to ensure the effective administration of the tolling regimes to enable a fair system for users of the road and to provide administrative practices that assist the toll company rather than inappropriately penalising it. The government is determined to introduce a more standard penalty regime for the incorrect use of tolling information than one that may be imposed through a fairly dramatic and draconian practice through the courts. The system will enable on-the-spot fines for toll evaders and for tolling companies that inappropriately make charges against users of the road to satisfy their undertakings to the tolling company.

In terms of the proper administration of the tolling regime, the government will try to ensure that there is enhanced capacity for users of the road to tailor their toll payments to more accurately reflect their use of roads. This seems to be a significant issue that the previous speaker, the Honourable Gordon Rich-Phillips, failed to appreciate. He could not see the rationale for the capacity of toll road users to be registered in certain zones within the system. Once that capacity is available under the legislation, motorists who use only sections of the road will have access to reduced payments that will not apply to the whole length of the road network. That is the underlying fundamental principle that applies to the rationale of the registrations within the zoning system.

It is not totally accurate to rely on clause 1 to give the full purpose and application of the impact of the bill. Clearly, it is the government's intention to protect the private details of City Link users and ensure that any information about users of the road system is dealt with appropriately.

It is clearly intended to ensure that the tolling company operates in a fair and reasonable way when administering the system. It creates the opportunity for different pass arrangements to apply to certain sections of the road network. Although the bill has been described as inconsequential it has a number of consequential impacts to users of the road and the company that manages the road.

Hon. N. B. Lucas — When are you going to build the Scoresby freeway?

Hon. G. W. JENNINGS — Mr Lucas indicates that he is satisfied with the government's contribution because he is already moving on to a new road network. I am pleased that he is implicitly accepting the initiatives the government has introduced. At its general meeting the chairman of Transurban said the company is comfortable with the initiatives the Labor government has introduced and the negotiations that have taken place since its election.

The Bracks Labor government has had a good working relationship with Transurban through the application of this bill and the measures the company introduced at the government's request in respect of a variety of pricing arrangements for day passes.

A significant issue that emerged about the outgoing regime was its underlying rationale to ensure there was no ongoing public sector debt for significant investment infrastructure. It was with some alarm that I raised the matter in the house last week, and I will revisit it in this debate. Recently the government sought an inquiry into payments made by the outgoing Kennett government in respect of a consortium dispute between the company constructing City Link and Transurban. As a result of that inquiry it was found that the public sector was liable and a payment of some $10 million had been made by the previous government as part of the dispute settlement. The press release from the Minister for Transport of 14 March reports the following findings of Mr Costigan:

> As a result of City Link contractual arrangements, the state had an exposure to Transurban and its contractors arising from the Western link component of the project;
>
> The decision by the Melbourne City Link Authority to settle, rather than defend the litigation, was justified;
>
> There was no reason why the details of the settlement should not have been made public; and
>
> In relation to the Western link global settlement, the City Link contract did provide sufficient protection to the interests of the state and taxpayers.

Mr Costigan found that it was appropriate in these circumstances to make the payment. He obviously would have preferred that in the interests of public accountability the payment had not been kept secret. The rationale that had been promoted in the Victorian community for the best part of a decade was that the infrastructure was privately funded on the basis of removing the possibility of public sector debt and sovereign risk. The payment clearly exposed a degree of sovereign risk which had the capacity to rope-in the entire project to public sector debt.

Clearly for the best part of a decade the previous government made great play about public sector debt reduction. If that public sector exposure had been disclosed its story would have been somewhat diminished. The Labor Party has expressed concern for some time about the tendering and licensing arrangements and lack of detail of the previous government.

Another City Link proposal is the yet-to-be-completed tunnel network. The original terms of the contract were that the tunnels would be completed and available to the travelling public in July this year. While it may be premature to say one way or the other that the timetable will be met, it is unlikely that the tunnels will be available. From the information given to me by the Minister for Transport I am led to believe that the under the terms of the contract entered into by the previous government there are no penalty clauses for the lack of delivery of those tunnels in July this year. The government is concerned about the nature of quality control of contracts and licensing arrangements that were entered into during the 1990s. The government will ensure that future contracts that may financially expose the Victorian community are carefully scrutinised. The government will ensure that the interests of the Victorian community are protected at all times.

City Link is near and dear to the residents of the northern and north-west section of my province. The tunnels that end in the south east are also of concern to my constituents. It is not surprising that in the other place my colleagues from Essendon, Coburg and Richmond directed attention to the concern expressed by their constituents about the real and perceived impact on them, the environment and other amenity aspects, such as traffic evasion into surrounding networks.

A resident from my electorate of Melbourne Province prepared a feature article that appeared in the *Herald Sun* on 12 January. Mr Gabriel Rossi told of his concern as a resident living within 10 kilometres of the centre of the city. He and his wife calculate that if they travel to the city each day their toll bill will be in the order of about $210 a month, which he argues is a large component of their disposable income. He is also extremely dubious that he will experience the reduction in petrol consumption, which was Transurban's rationale for people using the system. He has probably some justification to suggest that he will never redeem anything like the savings suggested, because he and his wife commute from Moonee Ponds to the centre of the city.

At the conclusion of the article Mr Rossi is referred to as a Melbourne comedian and writer. Perhaps he is more entertaining and lively in his professional career than he is in the article. It does not contain many humorous things; rather, it is indicative of the disproportionate costs and financial exposure that residents of Melbourne Province face because of their proximity to the city centre.

Air quality is another aspect of extreme importance to the citizens of Melbourne Province. The ventilation stacks in Burnley are close to a number of residences and to a primary school. The honourable member for Richmond identified that problem and referred to a study from the Department of Human Services entitled *The Victorian Burden of Disease Study — Mortality*, which points to the citizens of the City of Yarra as having a lower-than-average-life expectancy in Victoria. It is one year lower in the case of women and four years lower in the case of men. That is not a trumped-up piece of information as part of an ongoing publicity campaign about City Link but a significant issue for the citizens of my province. I suggest that a four-year reduction to the life expectancy of men in the City of Yarra is statistically very significant to public health in Victoria.

The article states that the morbidity pattern within the City of Yarra has a heavy emphasis on cardiovascular disease, cancer of the lung, chronic bronchitis and emphysema. The potential for increased air pollution will therefore impact significantly upon citizens in my electorate.

The honourable member for Richmond also referred to an article that appeared in the *Metro News*, a local newspaper in Melbourne Province.

An Opposition Member — Of a very high standard!

Hon. G. W. JENNINGS — It is glossy and colourful and sometimes has substance. The substance on this occasion is weighty. It quotes Dr Brian Robinson, the chair of the Environment Protection Authority, who made a series of strident comments about the performance of Envirogen, a company that is reviewing the ventilation stacks. Dr Robinson suggested that some of the readings taken by the company were 'scientifically fraudulent'. I suggest that the chair of the EPA did not make that statement lightly. It warrants the consideration of Parliament because it has the potential to impact upon the health and wellbeing of constituents in my electorate.

Hon. P. A. Katsambanis — When were those comments made?

Hon. G. W. JENNINGS — Earlier this year.

Hon. P. A. Katsambanis — What has the government done about it?

Hon. G. W. JENNINGS — I have not discussed it with the Minister for Transport so I am unable to respond to that very reasonable question. I will talk to both the Minister for Transport and the Minister for Environment and Conservation to ascertain their approach to the issue.

Hon. P. A. Katsambanis — It is a serious issue.

Hon. G. W. JENNINGS — I will address it in the spirit in which it has been raised.

I turn now from the context in which the bill is understood. I am disappointed that the Honourable Gordon Rich-Phillips did not remain in the chamber because in his contribution he seemed to be floundering to discover the government's motivation for the bill. However, the context that I have given about the administration and purpose of the bill — —

Hon. N. B. Lucas — He would not have obtained any advice if he had stayed and listened to you!

Hon. G. W. JENNINGS — It would have been useful. I am sure Mr Lucas always appreciates any opportunity to come to terms with the purpose of a bill. His interjections earlier revealed his implicit support for the speedy passage of the bill.

I will deal with the mechanics of the bill's privacy provisions. There are three aspects in respect of the maintenance of records, the ability of the company to use those records and the mechanism that will enable the toll company to be prosecuted under the act should it inappropriately fine road users.

The first issue is that the registration system compiled by the company will now include certain toll zones that were not previously in existence. They will be sub-sets of the entire road system. That is one advantage of their not being in place before. There will be a clear linkage between that registration and any fines imposed. That provision will replace the previous arrangement, which contained a vague and simplistic requirement that the company maintain adequate records.

The bill specifies that information gained by City Link operators cannot be passed on to other companies or used for other purposes such as direct marketing or public surveillance. It is to be used solely for the purpose of collecting information about the use of the roads. Independent inspectors will be appointed to authenticate the information gathered and to assess whether that information is used appropriately. The government will rely heavily on the independent inspectorate to ensure the system is maintained properly in protecting the rights of road users and the company.

The provision imposing a maximum fine of $10 000 on Transurban for failure to keep proper tolling records was seen as onerous. Although the government has maintained that maximum fine, a system will be put in place to enable the speedy application of the fine through an on-the-spot regime. Not only will there be greater confidence in the system but also it will be more reliable. Transurban has indicated that it is a reasonable obligation and accepts it. Although there may be the potential for a greater number of on-the-spot fines, it is not the government's intention to use the provision as a mechanism to increase state revenue, but rather as a mechanism to ensure the efficient operation of the system. The opposition has not acknowledged that as a desirable approach.

The provisions provide benefits to road users, the administration of the tollway and the predictability of the system. The tolling regime is transparent, which is important for the smooth working of the system and a good relationship with Transurban. Transurban and the tolling system are here to stay. The government will work constructively with this significant public infrastructure program that will be with us for at least the next three decades. However, the government is acutely aware that it must protect the interests of road users to ensure they are not inappropriately fined for errors that are not of their own making. Road users can be certain that the registration system will not be abused by private companies or the Victorian public sector and that the government has used its best endeavours to ensure the provisions will protect them now and in the future. As a consequence of raising those significant issues, I am pleased to support the bill.

Hon. ANDREW BRIDESON (Waverley) — I do not oppose the bill and I acknowledge the outstanding contributions of Mr Rich-Phillips and Mr Ashman. I support and endorse those contributions. City Link is Australia's largest road development. It is an exciting $2 billion project and, as the house has heard from previous speakers, its engineering feats are a world first. City Link will reduce traffic congestion and will link three of the four major arterial roads, the former South Eastern Freeway, now the Monash Freeway, the Tullamarine Freeway and the West Gate Freeway. It has put an end to the bottlenecks that were created by

the gridlock that occurred on those roads, particularly during peak travel times. Travel times have been reduced, even though the system is not fully up and running. The Domain and Burnley tunnels are still not open, but I am sure our engineers will in time right the problems that currently exist.

Melbourne has a relatively sophisticated system of roads and futuristic plans by Vicroads will complete Melbourne's road network. The western link has opened up economic benefits for the communities through which it passes, but we need to complete the Eastern Freeway extension and connect it, probably by an underground roadway, to the City Link network.

The other road network that is paramount to the people in my electorate is the Scoresby freeway. The majority of my constituents who work in the area are held up getting to and from their workplaces. A number of businesses suffer economic hardship because of the additional costs imposed in transporting raw products to their factories and transporting finished products from their factories to their markets.

The government does not propose to proceed with the Scoresby freeway. Instead it wants to create a horror road along Stud Road. Although an additional lane is proposed, it is already such a narrow road that all the additional lane will do is create further bottlenecks and require more traffic lights. The City of Maroondah, the City of Whitehorse, the City of Knox, the City of Monash, the City of Greater Dandenong and the municipalities on the Mornington Peninsula want the government to give priority to the completion of the Scoresby freeway.

Hon. R. F. Smith — On a point of order, Mr Acting President, I thought the house was debating the Melbourne City Link (Amendment) Bill, not the extension of the Scoresby freeway. I ask you to instruct the honourable member to come back to the bill.

Hon. ANDREW BRIDESON — On the point of order, Mr Acting President, this debate is wide ranging. All speakers have expressed views on issues other than the City Link project. I have referred to the benefits of City Link and the way the development of other roads will link up with the project. I submit there is no point of order.

Hon. K. M. Smith — On the point of order, Mr Acting President, the debate is wide ranging because City Link is a major project. The provisions refer to tolling and other important issues regarding roads. Mr Brideson is highlighting some issues and is really only answering some of the matters raised by government members during the debate.

The ACTING PRESIDENT (Hon. C. A. Strong) — Order! There is no doubt that this has been a wide-ranging debate dealing with a major road system that benefits the state. It is appropriate that the debate be wide ranging, but I remind honourable members that the bill is relatively narrow and in the interests of time it may be appropriate to keep the wide-ranging nature of the debate as narrow as possible.

Hon. ANDREW BRIDESON — I had almost completed my remarks on the Scoresby freeway. I will conclude by saying I acknowledge that honourable members opposite, such as Mr Bob Smith, are totally opposed to the construction of the Scoresby freeway.

Hon. R. F. Smith — On a point of order, Mr Acting President, the honourable member has no knowledge of whether I am totally opposed to the construction of the Scoresby freeway.

Hon. Bill Forwood — On the point of order, Mr Acting President, we can cut the honourable member a bit of slack because he has been here for only a short time, but — —

The ACTING PRESIDENT (Hon. C. A. Strong) — Order! I do not think there is any point in debating the point of order. There is no point of order.

Hon. Bill Forwood — Mr Smith can get up in the debate and make his point. Use the forms of the house!

The ACTING PRESIDENT (Hon. C. A. Strong) — Order! I have dealt with the matter.

Hon. ANDREW BRIDESON — I acknowledge the point of order and I shall now comment on the City Link tolling system. I suppose the tolling system is at the forefront of Transurban's highway revolution. It has aroused an enormous amount of interest around the world, and also within our community. It is interesting to discuss the issue with both older and younger people. I shall cite a couple of family examples. My 80-year-old mother does not have a clue about what City Link or a tolling system is; whereas over the past 12 months my 3-year-old grand-daughter has loved travelling along City Link to see the blue lights on the gantries and to hear the beep on the e-tag. It is interesting to hear such a young toddler with a vocabulary — —

Hon. D. G. Hadden — She's been indoctrinated.

Hon. ANDREW BRIDESON — She may well be indoctrinated, but I think it is just part of the normal way of life of the current and future generations. It is also interesting to note the sophisticated scanning system. During his speech the Honourable Gordon Rich-Phillips pointed out that cars do not have to stop at the tolling points. That is a significant cost benefit to all drivers.

When I was in the People's Republic of China two or three years ago, I was travelling in a bus along a major four-lane highway when to my great surprise the road branched out into numerous lanes — in fact, at one stage we counted 18 — at the end of which were tolling booths, with two or three people employed at each. Obviously there was no problem with employing people to staff those booths. I was certainly surprised when the bus driver had to stop the bus and pay a toll. I was even more surprised after travelling about 5 kilometres along that straight highway that we had to stop again, join the queue of traffic and pay another toll, and so on. Every 5 kilometres along that freeway we had to stop and pay tolls and there was so much traffic there that each time there was a stoppage to pay the toll the vehicles just banked up further and further.

It is a great engineering feat that the tolling system that has been implemented in Melbourne keeps the traffic flowing. The Honourable Glenyys Romanes acknowledged the spectacular construction and she mentioned the international gateway. I am not sure whether she mentioned the design of the sound tube.

Hon. G. D. Romanes — That was the Eastern Freeway, where there are well-designed sound walls.

Hon. ANDREW BRIDESON — The walls along the City Link on the Tullamarine section are outstanding, and if the sound tube has not won an award I would certainly like to nominate it for one. The Bolte Bridge is another gateway to Melbourne, and international visitors are just overawed by what they see when they drive along the Tullamarine Freeway.

The benefits of City Link to my constituents in Waverley Province are significant. It takes them 18 minutes to travel from the Waverley–Springvale road intersection to the city. That represents a significant saving of probably 20 minutes. It takes them another 15 minutes to travel from the city to Melbourne Airport at Tullamarine.

Hon. G. R. Craige — And only one set of lights — at the airport.

Hon. ANDREW BRIDESON — It takes them 33 minutes to travel from Springvale Road to the airport. I do not think anybody would complain about that because the cost of the toll would be more than offset by the time savings.

In addition, there is a reduction of traffic volumes on many roads in the inner suburbs, despite the facts that were presented by the Honourable Glenyys Romanes. Other benefits will occur essentially to business. Freight costs will be considerably lower. The Honourable Gordon Rich-Phillips mentioned some work done by the Australian Road Research Board in which the board acknowledged that transport operating costs will decrease. I think the honourable member said freight companies will save 20 000 tonnes of fuel per annum. The Victorian Road Transport Association has also carried out some costings. It suggests B-double transport will save at least $1.50 a minute travelling along City Link; and normal semitrailers will save about $1 a minute.

Hon. G. R. Craige — What about B-triples?

Hon. ANDREW BRIDESON — I would imagine the saving for a B-triple may be in the vicinity of $1.75. That is a rough calculation for the benefit of the former Minister for Roads and Ports.

Other major benefits to businesses have been mentioned. In summary, they are: better access to ports; better access to rail facilities; better access to the markets in the Footscray Road area; and improved travelling times, particularly for freight forwarders to Melbourne Airport.

I should like to mention some safety features, particularly in the City Link tunnels. Honourable members have heard about the system for putting out fires if they happen to occur but, more importantly, it has been a policy decision right from the outset that vehicles such as petrol tankers carrying flammable liquids will not be allowed to travel through those tunnels. That is a significant safety measure.

Over the past couple of weeks I have been speaking with senior police officers in the road safety section. They would like to see the installation of speed cameras so that motorists speeding through those tunnels can be booked for doing so. The police are concerned that some of the hoons on our roads will try to set records on the speed at which they can race through the tunnels. It is important that we put a stop to that, so some further legislation may come before the house to deal with safety issues, and I would certainly welcome that.

The Acting President has said that this is a relatively narrow debate, and so far honourable members have ranged relatively widely — I know it was a wide-ranging debate in the lower house — so perhaps it is time for me to return to the bill.

The amendments proposed by the government enable infringement notices to be issued against Transurban should it fail to keep accurate records of its City Link records. The bill also allows infringement notices to be distributed to tolling companies that are found to have disclosed private tolling information, not kept tolling records or prevented the authorised inspections of relevant records.

It is interesting to note that Transurban's web site sets out in full all the privacy conditions. Although they are lengthy, they certainly protect the rights of motorists: they state that any personal information kept by Transurban will not be forwarded to other companies for other purposes.

The bill makes a unique change by modifying day passes so they are specific to City Link zones. I welcome that positive change, which will encourage more drivers to use City Link. However, the necessity for that part of the bill can also be questioned as the role of making City Link more user friendly will be driven by market forces. Transurban must be able to charge a price that encourages drivers to use City Link. If the prices are too high people will be forced off the tollway and City Link will become non-viable.

I imagine that in time Transurban will offer alternative passes. I encourage it to offer an off-peak pass or a midnight-to-dawn pass to promote wider use of City Link. As I said, to maintain its commercial viability and to ensure City Link is paid for in 34 years, Transurban will have to provide other products and services. I note in passing that day passes can now be bought from Shell service stations. Motorists who do not use that brand of petrol will obviously be at a disadvantage so I invite Transurban to do a deal with the other service stations.

I thank you, Mr Acting President, for your indulgence in allowing a wide-ranging debate. I do not oppose the bill and wish it a speedy passage.

Hon. R. F. SMITH (Chelsea) — I support the Melbourne City Link (Amendment) Bill. City Link is a significant engineering project that is yet to be completed, and when and if it is I have no doubt it will be considered to be of significant benefit to Victoria, economically and otherwise. I hope that in the long term the freeway system can be further developed by including something similar to the Scoresby bypass which would extend to Frankston and Western Port and which could lead to the development of Western Port Bay as a major shipping or container terminal.

The City Link project has created thousands of jobs for Victorians and has had a major impact on the economy, not just in the construction industry but also in the steel, concrete, bitumen, gravel and quarrying industries.

I am not a Johnny-come-lately supporter of the City Link project. In my previous career as the secretary of the Australian Workers Union I publicly supported it because of all the work that would flow to my members.

Honourable members interjecting.

Hon. R. F. SMITH — I do not and never have had a problem with tolls being charged on privately owned freeways. I see no problem with the application of the user-pays principle in this instance, and I see no justification for motorists in Mildura, for instance, having to pay for something they may never use. But I have always had a problem with tolling on roads that are publicly owned. It is unfair to toll or tax people for things they already own; but I do not have the same problem with roads that previously did not exist.

The bill makes minor amendments that deliver on the promises made by the government prior to the last election. They are favourable to motorists in that Transurban will be forced to moderate some of its charges, thereby making them fairer. For instance, instead of having to pay a flat fee of $7, motorists who want to use only the Tullamarine section of City Link will be able to buy a $2.50 Tulla pass. There will be a $3.50 day pass for motorists wanting to use only the western link. In addition, the government has provided flexibility by allowing people to buy 24-hour passes that apply from Monday to Friday or weekend passes that apply from midnight Friday to midday Sunday. That deal is much fairer and is again consistent with the government's election promises.

The government has also delivered on its promises by applying financial pressure on Transurban in the form of fines for abusing credit card use and overcharging motorists. The government now has the flexibility of applying the PERIN court procedure or that of another court. The fines will range from a base of $2000 to a maximum of $10 000.

As I said, the bill makes minor changes to make the tolling system fairer, as the government promised before the election. On that basis, I commend the bill to the house.

Hon. W. R. BAXTER (North Eastern) — I enter the debate feeling a certain amount of responsibility for the City Link project. As Mr Rich-Phillips pointed out, the Melbourne City Link Act is probably the thickest tome on the statute book. More than that, it happens to have my name in it in several places, so I suppose I therefore bear a greater responsibility for it than most honourable members.

This number of years down the track the thing that gives me the greatest satisfaction is that the City Link agreement, which was negotiated so strenuously and sometimes at odd hours of the night, has stood the test of time. It has not failed and it has not needed to be brought back to the house for any major change. There have been some changes at the edges — for example, it has been extended to cater for the Exhibition Street link — but by and large the agreement has proved its worth.

I do not claim all the credit for that — in fact I claim very little credit. I pay tribute to all those involved in the negotiations and in the construction of City Link, including people from the Melbourne City Link Authority, the state Treasury and Transurban, as well as the various advisers, bankers and solicitors whom the parties to the agreement engaged. The City Link agreement was a trailblazing achievement. City Link is the first build, own, operate and transfer (BOOT) project of its magnitude in the world. It is another landmark for Victoria. When one looks back over history, one sees that Victoria has been in the vanguard of progress in many things.

As has already been noted by most speakers from this side, and perhaps grudgingly by those from the other side, City Link is a magnificent project whichever way you look at it, whether from an engineering, conceptual or environmental perspective. A proposal to build a freeway of 22 kilometres through the centre of one of the world's largest cities was accomplished with little disruption, few houses and buildings demolished and little public space and parkland resumed.

I well remember prior to construction the many discussions that took place about how many truckloads of earth would be removed from the tunnels while they were under construction and what sort of congestion that would cause. The matter gave me some concern as a non-engineer, but I cannot recall seeing one truck load of earth going down the roads. The process was so well handled, scheduled and organised that the huge volume of earth was shifted with little disruption.

There have been some glitches along the way. It would be expecting far too much for everything to go smoothly 100 per cent of the time on a project of such complexity and magnitude. As has already been pointed out by a number of speakers, the tolling system is a world first. It enables tolls to be electronically and automatically debited to accounts as traffic moves along the freeway and under the gantries at the legal speed limit without slowing down. There is no stopping at toll plazas, no delay and no resumption of large areas of land, which would be the case if toll plazas were to be installed.

Electronic tolling involving so many different toll sections and different rates of toll is a state-of-the-art system and a world first. I am not surprised that it took Transurban's engineers a little time to get the system working with 100 per cent accuracy. I suppose one could say that travellers on the western link were given a bit of a bonus because they had toll-free travel for quite some time while work was being done. However, the link is now in operation and so far as I can see — I use the Tullamarine Freeway reasonably often — it is working extremely well.

It is unfortunate there is an engineering problem with the Burnley Tunnel. Who is surprised about that? This is not Sydney, which is based on sandstone where tunnelling is easy. This is Melbourne, with shifting Yarra silts that are very difficult to tunnel in, as has been previously discovered with tunnelling in the city for the city rail loop, major sewerage tunnelling for the north-western trunk sewer, and so on. It is not easy terrain in which to tunnel.

Hon. K. M. Smith interjected.

Hon. W. R. BAXTER — Yes, Mr Smith, many buildings have had foundation problems because of the nature of the underlying soils in the locality. One of the worries I had as minister was whether a tunnel of such length and depth could be successfully built in the soils of the Yarra Valley. I was convinced that it could be done when I visited Tokyo and saw the contractor that subsequently successfully tendered for the project, Obayashi, building a tunnel 200 feet under Tokyo beneath an existing tunnel in soil not that dissimilar to the soil in Melbourne. That convinced me that the technology existed to do it and that it could be done.

That both tunnels have been built so speedily and with so little disruption is a tribute to the engineers. I reiterate that it is disappointing that difficulties are currently being experienced with anchoring the floor of the long tunnel, but the engineering expertise is such I have no doubt the problems will be overcome. I understand they are well on the way to being overcome and I hope the July opening date can be adhered to,

although I share Mr Jennings's sentiments that it might be asking a bit much for that to occur.

The experience points to how thankful Victorian taxpayers should be, because they are not bearing the costs of the repairs. That is the principle behind build, own, operate and transfer, or BOOT, projects — in this case the risk resides with the contractor, Transurban. It is bearing the risk and incurring the costs of the repairs, whatever they are. I assume the cost of rectifying the difficulty will be in the range of millions of dollars. No doubt it will be a barrister's banquet as Transurban and its contractors go through turmoil in the courts to find out who will pay. The main point is that it will not be the taxpayer.

Hon. G. D. Romanes interjected.

Hon. W. R. BAXTER — Yes, Ms Romanes, if you go to the library and read Mr Costigan's report, which was commissioned by the Labor government, you will find that he gave a big tick to the payment.

There is somewhat of a delicious irony in all of this. The honourable member for Thomastown who as the shadow minister was so opposed to the City Link project throughout its formative stages is now the Minister for Transport and in charge of the Melbourne City Link Act. He has to defend the project and make it work. I well remember when the original bill was debated in this house, particularly the committee stage of some 18 hours on one long day. The honourable member for Thomastown was hunched up in the public gallery writing notes and passing them down over the side to his puppets sitting on the opposition front bench, who would get up and ask questions. And what inane questions they were. Were they asking about the financial arrangements? Were they asking about the engineering technicalities?

Opposition Members — No!

Hon. W. R. BAXTER — They were interested in knowing who was paying for the floodlighting on the Bolte Bridge, or who was paying for certain other minor titivations to the project. They had no interest in the technicalities of the legislation or the project. Mr Batchelor, the honourable member for Thomastown, was simply on a political point-scoring exercise. He did not get very far. It was an exercise of asking absurd questions that had no substance.

The other irony of which the house should be reminded is that from listening to Mr Batchelor and other members of the Labor Party one would have thought they were desperately opposed to the project right from the word go, were anti-tolls and against the use of private sector investment in road building.

Hon. R. M. Hallam — Mr Smith is not.

Hon. W. R. BAXTER — No.

Hon. G. R. Craige — And nor are other members of the Labor Party.

Hon. W. R. BAXTER — And, Mr Craige, one does not have to go to the archives to find that out, or to the press releases of the Honourable David White when he was a minister or those of other government members; one has only to look at the statute book of Victoria. Page 153 of the Melbourne City Link Act contains recitals. The first says:

> In May 1992 Vicroads called for registrations of interest to build, own and operate the Melbourne City Link.

Who was in office in May 1992?

Hon. G. R. Craige — Labor!

Hon. W. R. BAXTER — Correct, Mr Craige. The next recital is:

> In September 1992 two consortia were short-listed.

Who was in office in September 1992? Labor was. The public record shows that the Labor Party proposed building a toll road similar to the road Victoria now has. So similar was it that the incoming coalition government was able to build on the work the Labor government had done. After some inquiry and investigation, the former government endorsed the two consortia that Labor had selected, and it by and large endorsed the route that Labor had chosen. Yet all through the years when the Kennett government was in office and he was in opposition, Mr Batchelor, the Minister for Transport in the other place, claimed the Labor Party was opposed to the project and always had been. That is erroneous. The former Labor government intended to pay for the project by introducing tolls because it knew the state was broke and there was no way that it could afford to build the road using public money. Labor also knew that unless it was built Melbourne would become gridlocked and the economy would be substantially and detrimentally affected as a result.

I encourage the members of the Labor government who were elected at the previous election, particularly the honourable member for Gisborne in another place, to turn their minds to the facts I have just outlined. If they do they will understand that Labor has a longstanding policy to build toll roads. I note that the honourable

member for Gisborne has reversed her position on regional forest agreements. I suggest that she also change her mind on toll roads by acknowledging that building them has been Labor Party policy for many years.

If the former government had done what the honourable member for Gisborne and others in the Labor Party wanted and built City Link using taxpayers' money, or if the current government had done what the honourable member for Gisborne has been advocating around the countryside and bought City Link back from Transurban, what would it have achieved? It would have penalised country motorists, who will seldom if ever use City Link. They are the ones who would be most seriously affected if the road had been built using public funds or if it were bought back now — which of course it cannot be.

The house heard Mr Bob Smith and other government members speak about Tulla passes and weekend passes, claiming that the government had forced Transurban to introduce those measures. I invite Mr Smith and members opposite to read the remarks I made in 1995 when Parliament was debating the principal legislation. If they do they will see that I said many times — the lot then sitting on the opposition front bench asked me the same question in a dozen different ways and they got the same answer every time — that because Transurban was in the business of selling road space it would over time introduce a range of innovations to encourage people to use its road. The bill represents the beginning of those innovations.

Different passes are being introduced as Transurban goes about maximising the use of its assets, which is why it is in business. There is nothing new about what Transurban is doing. I do not accept the claim made by Mr Smith and other honourable members opposite that the government has forced Transurban to introduce the new passes. It is all part of the ongoing process of Transurban selling road space.

The house has also heard a number of government members saying the government has upped the penalties that will apply if Transurban does not keep proper records. One could be forgiven for thinking that there are no penalties at all in the original legislation. However, if one fossicks around one finds that a maximum penalty of $10 000 applies to toll operators who fail to keep proper records.

Members opposite make great play of the fact that the amendment will enable operators who do not keep proper records to be taken to a PERIN court instead of being prosecuted through the courts in the normal way. Big deal! PERIN courts exist to prevent the normal court process becoming clogged by cases involving the thousands of people who get parking or traffic infringement tickets.

Will the amendment make any difference? How many toll operators are there? The answer is one. Will it make any difference whether an offence is handled through the PERIN court, the Magistrates Court or the County Court? It will not make the slightest bit of difference. The amendment is designed simply to enable Mr Batchelor to say, 'I have honoured our election commitment. We have given Transurban a kick up the tail', and so on. I believe it is accurate to describe the amendment as meaningless window-dressing.

I will also correct some of the erroneous impressions disseminated throughout the community by members of the Labor Party. Using City Link is optional; there is nothing compulsory about using it. No-one is compelled to pay tolls; there are plenty of alternatives for people who do not want to use the road. Those alternatives will be far easier to use once City Link is fully operational because it will attract volumes of traffic from the side roads. I reject the story being spread around that people are somehow being compelled to pay tolls.

The same is true of Mr Jennings's constituent. Mr Rossi will not be compelled to pay $200 a month— I do not know how he calculated that figure in the first place if he is only coming from Moonee Ponds into the city — because he has plenty of alternatives to choose from if he does not want to use City Link.

I have also heard the criticism that people who find themselves on the tollway without knowing it and without a day pass will get fined. If people inadvertently find themselves on the tollway, they do not deserve to have drivers licences. Given the many signs on the roads and the many newspaper advertisements about City Link, and given the amount of talk about the road, including the publicity about drivers getting day passes if they do not have e-tags or being able to purchase e-tags by ringing the 131 number or going to Shell service stations or most post offices, to suggest that people will inadvertently find themselves on City Link is to stretch the truth too far.

However, even if you do inadvertently find yourself on City Link, there is a remedy — you can ring up by lunchtime the next day and get a late day pass. Every possibility is covered. Much thought has gone into the project: all the possibilities have been considered, and solutions have been provided. Yet if one listens to

members of the Labor Party one would think the bill is a secret deal to trap people into the inadvertent use of City Link and subsequently fine them.

I recommend that virtually everyone buys an e-tag — in fact you do not buy the e-tag, Transurban gives you one for nothing — unless you will use it fewer than six times a year. That would apply to many people in the country as well as to many suburban residents who have no reason to use the Tullamarine or Monash freeways. However, I recommend that everyone else buys an e-tag, and then they are covered.

Hon. T. C. Theophanous — Now you are a salesman for City Link. You are trying to get them more business, are you?

Hon. W. R. BAXTER — Mr Theophanous, I have no qualms whatsoever in recommending that people use City Link because I believe it will save them money in fuel costs and wear and tear on their vehicles. It will also save them time, ease their stress and offer them convenience. I have no difficulty at all in recommending that people secure e-tags and use City Link when it is convenient for them to do so. I repeat, the use of City Link is entirely optional.

I also want to cast aside the myth that has been propagated by Labor Party members that all the fines collected from those who transgress the City Link tolling requirements will go to Transurban.

That is simply not true. All Transurban gets is the tolling charge, plus a small administration fee. The rest goes to the government — to consolidated revenue. The Honourable Gordon Rich-Phillips noted that around $15 million a year in fines will go into consolidated revenue. Let's put aside the myth promoted by some people that the fines in fact advantage — —

Hon. T. C. Theophanous — Who?

Hon. W. R. BAXTER — I certainly heard the Minister for Transport in his previous guise as shadow minister infer that was the case.

Hon. T. C. Theophanous — That's not true. You're just making it up.

Hon. W. R. BAXTER — Let's put aside the criticism — and we heard it again from the Honourable Bob Smith today — why should people pay for a road they have already paid for?

Hon. T. C. Theophanous — Good point.

Hon. W. R. BAXTER — Firstly, Mr Theophanous, the Tullamarine Freeway was built nearly 40 years ago. There are very few motorists around today who in any way helped pay for that road. Secondly, it is a vastly different road. It is a new road. It is no longer a 1960s-style freeway. It is an eight-lane freeway built for 2000. It is a magnificent road and cannot simply be styled an existing road. It is a new road and a much improved route to that which previously existed. I have no difficulty in saying that if we double the size of a freeway, one that was congested and took ages — —

Hon. T. C. Theophanous — Have you driven along there to see how congested it is?

Hon. W. R. BAXTER — Yes, Mr Theophanous, I come in from Tullamarine airport every week. Rather than getting to Moreland Road and crawling all the way up to Flemington Road, now I sail along.

Hon. T. C. Theophanous — You don't. You're telling a porky!

Hon. W. R. BAXTER — Occasionally there is a little bit of queuing at Flemington Road, but nothing like the congestion that was previously experienced.

Hon. T. C. Theophanous — It is exactly the same as it was.

Hon. K. M. Smith — It is not.

Hon. W. R. BAXTER — Mr Theophanous, presumably because of your ideological hang-ups you have not used it so you would not know.

Hon. K. M. Smith — When was the last time you used it, Mr Theophanous?

Hon. T. C. Theophanous — I used it twice this morning.

Honourable members interjecting.

The ACTING PRESIDENT (Hon. G. B. Ashman) — Order! Honourable members should not carry on conversations across the chamber.

Hon. W. R. BAXTER — Finally, I pay tribute to a number of people who have been closely associated with the project since its inception. One of the benefits of the project has been the stability of the personnel — for example, at the Melbourne City Link Authority in 1994 I appointed Mr John Laurie as the chairman. Mr Laurie is still the chairman today. He is an engineer of outstanding reputation who has carried the project forward with a great deal of commitment and dedication. I certainly admire Mr Laurie for the skills

he has brought to the project and the way he has conducted the board, along with his fellow board members.

Mr Richard Parker was the first chief executive officer of the authority and as CEO he has seen the job through. One can look at many statutory authorities around the nation and see changes of CEOs for a range of reasons. I am not criticising it — it is a fact of life. Naturally a change in CEO causes some disruption and upset. We have been fortunate that we have had stability.

I also thank Dr Alf Smith who has been one of the great gurus of the project, a man whom I first met soon after the Kennett government came into office. We met in the Honourable Mark Birrell's ministerial office in Victoria Parade. Dr Smith outlined to two new ministers what was involved in the project. To some extent he scared the pants off us. Dr Smith has been the intellectual powerhouse of the project. We are fortunate that he stayed through the project and has been such a tower of strength in seeing it through. I relied heavily on him for advice when I was minister, as I am sure did my successor Mr Maclellan. I have no doubt the current minister relies heavily on Dr Smith's expertise and assistance. There are many others including Ian Withell, Mary Baker and Mark Miller, people who had a commitment to the project. I admire that commitment and I thank them for it.

On the other side of the fence, Transurban has been fortunate in having people such as Tony Sheppard and Kim Edwards who have brought to the project a strength of character that has been valuable to us all.

The bill is not a big deal. It is largely window-dressing. However, the part that gives me most pleasure is it is an acknowledgment by the Labor government that this was a great project for Victoria and without it Victoria would not have such a booming economy.

Hon. S. M. NGUYEN (Melbourne West) — I am pleased to contribute to the debate on the Melbourne City Link (Amendment) Bill. It is one of the important bills to be debated in this parliamentary session because it impacts on many motorists who want to travel along the City Link every day. The bill implements the Labor Party transport policy announced during the election campaign. The Bracks government wants to deliver to the Victorian community a balance between the users and the toll company.

The bill will introduce heavy fines on toll companies that overcharge motorists or misuse information — for example, credit cards. The Bracks government has promised to protect the community interest, the users of City Link. The important point of the amending bill is to make the system fairer to City Link users and to make the toll companies more responsible. The legislation was introduced by the former Kennett government in 1995 and enabled the prosecution of Transurban for failing to keep proper tolling records, and the fines could be up to $10 000.

Clause 1 of the bill will enable Transurban to sell tolling registration that is limited to part of the City Link. The act requires the users of City Link to register with Transurban for tolling purposes. Now City link users with e-tags can enter the City Link and day passes can also be used. A day pass or a Tulla pass allows motorists to use specified sections of City Link.

Breaching any of the duties under the act is an offence and will carry a penalty of up to $10 000. The bill also allows for infringement notices of $2000. In respect of three of the six toll administrative offences, the alternative is prosecution in open court.

City link is important to the community because many wish to travel from the west to the east. The road has been designed to allow commuters to travel faster and easier but the cost is high. Since the election of the Bracks Labor government the Minister for Transport has introduced a new toll charge that makes City Link cheaper and more flexible for motorists using the Tullamarine section. The new Tulla pass will cost $2.50 a day and that section can be used as many times as one wishes. Under the old system a motorist would have to pay each time he or she used that toll section. It would cost a lot of money for people to travel to and from work or drive children to and from school. Such people use the link five or six times a day.

The bill introduces savings to the public and encourages motorists to use City Link more often. The day pass is for unlimited travel on the Western link. When the Domain Tunnel section of City Link is open motorists will have the ability to travel as many times as they wish for $3.50. The government also introduced a flexible day pass, which will be available when the Burnley Tunnel is open. There is also a 24-hour-a-day pass and a weekend pass, which applies from Friday afternoon to midnight Sunday. That will mean motorists can use the link for the whole of Saturday and Sunday.

The Bracks Labor government encourages country Victorians to come to Melbourne via City Link. Instead of paying $14 they can now use City Link for $7. The principle of the new variation is to make it cheaper and fairer for motorists who use City Link. The chairman of

City Link highlighted in his report at the annual general meeting on 23 November 1999 that three top priorities are, firstly, to introduce tolling, secondly, to open the Domain Tunnel as soon as it is safe to do so and, thirdly, to resolve the construction issues. He also said that the Western link was completed, the road was opened to traffic on 15 August 1999 and that 342 000 e-tags had been delivered to 240 000 customers. Approximately 150 000 motorists are using the Tullamarine Freeway every day.

Almost 83 000 cars travel every weekday from Dynon Road to the Footscray Road interchange, and the weekday traffic on the Bolte Bridge is about 64 000 cars per day.

I will now talk about the people using e-tags. A total of 190 000 individuals and 14 000 businesses have e-tags. Many thousands of people do not. Many people cannot afford them; they think it is expensive if they have to pay $25 and have a credit card to get one. Not everyone in the community has a credit card. Those on low incomes or the unemployed are not allowed to have credit cards. Therefore many people are not able to buy e-tags and are unable to obtain information.

Many people from non-English-speaking backgrounds ask me how they can apply for e-tags and what information they can get. Multilingual information is not available; the toll company has not done any promotion throughout multilingual communities to encourage them to buy and use e-tags when travelling on City Link. Luckily my office can get information, and I can inform the people I know that they will have to buy e-tags if they want to use the City Link; otherwise in two weeks time from today they will have to pay $100 fines.

I am sure many people will be fined. They are not cheaters; they do not mean to get on the freeway and they do not want to pay tolls. A few weeks ago I was travelling in a car with a friend of mine. He was travelling the same way he normally does but because of a lack of information he did not know where he had to get off to avoid a toll.

Hon. W. R. Baxter — There are signs up everywhere.

Hon. S. M. NGUYEN — The signs are where people want to get out, but it is too late. If they miss the sign they have to get on the City Link. His intention was not to use City Link but he had no time to get off. If you are in the left lane when you see the sign you can get out; if you are in the right lane, it is too late.

Hon. W. R. Baxter — But the signs are 3 kilometres from the turn-off. There is plenty of time to change lanes. How did he get his licence?

Hon. S. M. NGUYEN — If there are too many cars it is not safe; you have to get on to the City Link. Many people are forced to use City Link. Many roads are blocked because the residents in some areas do not want everyone to come to their streets. Sometimes the councils block the road to protect the residents and reduce the number of cars joining in with local traffic. Some of the signs say ‘local traffic only’. Many roads are not for the use of motorists who want to avoid City Link, so if a person tries to avoid City Link and is on one of those local roads, he or she might be sitting in the car for perhaps half an hour travelling from one place to another. The only way to go faster and safer is to use City Link, and people have to pay for it. The City Link system is good if you can afford it.

Hon. Bill Forwood — Good!

Hon. S. M. NGUYEN — If you can afford it.

If you do not have a credit card you cannot buy an e-tag and then you have to pay the fine. Thousands of motorists do not have e-tags. If you get out on the road and count how many cars have e-tags you will find not more than 50 per cent of the cars has one.

Hon. W. R. Baxter — That is because many people do not need to use City Link.

Hon. S. M. NGUYEN — They manage. Transurban should do more to promote e-tags. It should explain to the community how it works and make it more accessible. I was travelling to Sydney last month. When I head on to a freeway in Sydney I can pay the toll if I do not have an e-tag, but I do not know how motorists from interstate manage to pay for the toll in Melbourne without e-tags. I have been to the airport a number of times and I see the office where people can buy e-tags. They get off their plane at the airport, produce a card and buy e-tags. The company they hire the car from has explained that they are expected to buy one. That is fine if you are travelling interstate through the airport, but many people in Melbourne do not have e-tags.

That is one thing we can think about: how to sell a day pass to people from interstate when they reach City Link. City Link should be like a train fare. If I want to get on to the train and I cannot buy a ticket at the train station I can go to the shop near the station and get a ticket. People may not intend to use it straight away but they need it in case there is an emergency. People need to know where they can buy day passes when they want to go somewhere. The e-tag is good; it makes things

fast. You do not have to stop to pay the toll and that is great. On the other hand, some people do not use it every day. They want one just in case they want to use it one or two days a year. We therefore have to find a way to make City Link more accessible to the community without people paying big fines.

The bill provides for Transurban to incur on-the-spot fines to ensure it keeps proper records. Fines can be imposed for the misuse of private information collected by Transurban, such as the selling of information without authority, for the failure to keep proper records and for preventing an inspector of tolling records from carrying out an inspection. A further provision will enable police officers to issue infringement notices, to which I referred earlier.

In conclusion, the bill will deliver to the community one of the important aspects of Labor Party policy. It will encourage people to use City Link by implementing a fairer system with more affordable charges. Country users will pay lower charges when using the system. I support the bill.

Hon. E. J. POWELL (North Eastern) — I am pleased to contribute to the debate on the Melbourne City Link (Amendment) Bill. I confess that as a rural member I have used City Link only a couple of times. It is a unique road system that has introduced innovative processes such as non-intrusive sound barriers and extensive landscaping.

I speak as a representative of rural users of City Link. The bill makes a number of minor amendments to the principal act, which was introduced in 1995. The second-reading speech states:

> This government will honour those contracts. The government will also enforce those contracts and the law in the interests of motorists and the general public.

The government does not have a problem with the contract signed by the former coalition government because a great deal of effort was put into the development of the principal act. It is pleasing that the first amending bill makes only minor amendments. As Mr Baxter said, although the Labor Party strongly opposed the City Link project when in opposition, in government it is making only minor amendments to the principal act. Mr Bob Smith endorsed the project and I commend him on his honesty and for his comments.

A number of speakers referred to the history of City Link and highlighted what a great engineering feat it is — one of the largest engineering projects undertaken in Australia. The privately funded toll road cost $2 billion. Tolls have been imposed for a considerable period to ensure the costs fall on future as well as current users of the system. The tolling system has been designed to make sure that the people who use the road in the future will help pay for it.

The City Link project was one of the largest employers of people in Australia, providing 8000 jobs during the construction phase and 2000 permanent jobs. It is still a major employer of Victorians. The former government imposed strict but fair conditions on Transurban, and as the issue has not been raised in the debate the coalition government obviously did the right thing.

Research undertaken by City Link indicates that an estimated 80 000 vehicles a day will be taken off suburban and city streets. That augurs well both for residents who want to use their streets for parking and for strip-shopping centres. City Link is a nonstop expressway that will save commercial vehicle operators 20 000 tonnes of fuel a year because fuel consumption on the expressway will be 30 per cent less than that experienced when vehicles are stopping and starting on arterial roads. Each year approximately 150 serious accidents will be prevented.

Clause 5, which amends section 73A, will allow for low-priced day passes for specific sections of the tollway. As Mr Baxter said, Transurban always intended to introduce new initiatives and the fact the government has introduced this measure does not mean Transurban would not have introduced a similar measure at some future time. It makes sense.

If people have bought a day pass for a certain section of City Link and they are on the wrong section, of course they must be booked. The opposition has no problem with that.

Clause 10 of the bill enables infringement notices to be issued against Transurban under the PERIN system if Transurban fails to keep accurate records of usage of City Link. It also clarifies record-keeping standards required of the tollway administrator under the act. That provision is in the current act. I am not saying that anybody who does not keep proper records should not be fined. The former government would have expected Transurban to have kept proper, accurate and appropriate records, and as a good employer Transurban would have done that. This provision in the bill is nothing new — such a provision already exists. There is already a $10 000 fine if a company is found guilty of breaching the act for unauthorised use or disclosure of information gained from transponders. That is already in the legislation. It is nothing new.

An article in the *Herald Sun* of 21 May 1999 contained the answers to 20 of the most frequently asked questions about City Link. Question 7 was:

> Can any tolling information be used by police to issue speeding fines or traffic infringement notices?

The answer was:

> No. The system is not set up to pass on this type of information. Transurban follows strict privacy guidelines.

Honourable members will recall the former Kennett coalition government was in power then, and strict guidelines were already in place. So that is nothing new either. In this day of new technology people are very wary about how information gained is used. The former government acknowledged that and the provision was already in the legislation.

Originally Transurban was a bit tardy in getting some information to country Victoria. I think we acknowledged it was also tardy in getting other information to Victorians in parts of the metropolitan area. There were also some problems with e-tags and the accounting system. We all acknowledged that. It was the best technology available and it was being used first in Australia — no-one else in the world had used it. We were looking at something absolutely new, so of course it was going to have some glitches.

After many inquiries from constituents in my electorate, suddenly when City Link was almost due to open, rural people realised it would affect them as well. They asked questions like, 'What would happen if someone got on the wrong road?'. Transurban said, as the Honourable Bill Baxter said today, 'You cannot get on the wrong road; there are signs well before you get on to City Link that it is a toll road; if you choose not to go on City Link you can choose another route'.

Originally Transurban said it would not undertake any significant community education program in rural and regional Victoria. When I explained the importance of City Link to some of the transport agencies and primary producers, Transurban offered to send representatives to country Victoria. One of the areas visited was Shepparton in my electorate where Transurban staff met with the City of Greater Shepparton and its economic development unit, and answered many questions asked on behalf of the ratepayers in the area. Transurban also met with transport organisations. It was very important that those people had the opportunity of asking questions and raising concerns with Transurban staff.

The Transurban staff also sat in the mall of the main street of Shepparton and talked to people who were passing by. They offered information on some of the concerns that were raised about all sorts of issues — such as how much a day pass cost, where to get it from, whether they needed to get an e-tag, and similar issues to those honourable members were asking from time to time as the City Link opening drew closer.

My electorate office prepared a brochure that outlined all the questions many constituents had asked. I issued a press release and I think I posted out more than 60 brochures just to the smaller Shepparton area. Many people also came into my electorate office. City Link has a strong bearing on country people and it is important that they are aware of how it will affect them.

City Link is very important for primary producers. The former coalition government's Victorian food industry statement, *Food for Growth*, talks about City Link for fast food and states:

> Melbourne is the largest manufacturing centre and the nation's leading freight handling hub for food destined for domestic and international markets. By connecting three of Melbourne's most important freeways and substantially upgrading two of them, City Link will dramatically improve access to the port of Melbourne, rail facilities, wholesale markets and Melbourne Airport. Food freighting efficiency will be enhanced by travel time savings and lower operating costs achieved through a shift from rigid to articulated trucks. City Link's 30-minute cut in travel time from the city to Melbourne Airport will save more than $11 for a courier van and $30 for a semitrailer, even after tolls. Primary producers and food processors will benefit from City Link's enhancement of Melbourne as a major domestic and export distribution centre.

That was very important to the electorate represented by the Honourable Bill Baxter and me because the City of Greater Shepparton is the transport capital of regional Victoria. Its transport network goes right through Melbourne, Sydney and Adelaide. It is only two hours away from Melbourne's container port, Melbourne Airport at Tullamarine and Melbourne markets. The trucks used to travel from where the fresh food is taken at the orchards to Melbourne within 2 hours. But wear and tear on the trucks is now eliminated because they are able to get there faster and without having to stop and start while getting on and off arterial roads. They do the trip twice a day in some instances and it is very important for them to be competitive.

Victoria produces 62 per cent of Australia's total dairy output and 85 per cent of its dairy exports. Murray Goulburn is one of the largest users of the port of Melbourne, so it is important for that company to be able to get there; more efficiently it is a competitive area to get into. As honourable members know, the Goulburn Valley is the food bowl of Australia, with

25 per cent of the total value of Victoria's agricultural production in Greater Shepparton alone. Primary producers need a competitive edge to compete on a world market.

The benefits of City Link include significant savings in business transport costs; it is estimated there will be savings of $250 million a year. The tolls paid by those businesses are tax deductible because they are being incurred for business reasons. Fuel emissions are reduced. The air pollution standards set by the Environment Protection Authority are among the strictest in the world, and City Link has had to comply with them. Strict conditions were placed on City Link right from the start. Travel times, wear and tear on vehicles, and accidents are reduced. More importantly, it is a user-pays system.

Some rural people were a little unsure about accidentally going on City Link. As I said earlier, City Link is well signed. One issue that is important for country people needs clarifying. We are told that you can have four vehicles on your e-tag account, but many country people use utilities, or utes. They may not use them for commercial reasons, but utes are tolled at a higher rate; they are classified as light commercial vehicles because they have a cab chassis.

The issue needs to be examined because some rural people have utes just because they like to have them. Perhaps every now and again they might put something in the back of it, but they are certainly not using them as commercial vehicles. When they are on City Link they are there as private users and not necessarily for business. Perhaps that anomaly could be examined. Some farm utes are not used for commercial or business purposes, but the owners are still charged the higher tolls on the City Link. They are also not included as one of the four vehicles you can put on an account because they are classified as light commercial and not ordinary vehicles.

As I said earlier, people are happy to use City Link, and if they do not use it they do not have to pay for it. I entered Parliament in 1996, as did many other members of the opposition.

Hon. W. I. Smith — A good year!

Hon. E. J. POWELL — It was a good year, as the Honourable Wendy Smith states — she also came in 1996. I have heard members speak with great passion about the legislation that was passed through the house in 1995 — the Melbourne City Link Act. I commend the Honourable Bill Baxter, who modestly says his name is in that act in some places. It went through Parliament and I understand there was a marathon debate on the bill in this place that went for many hours. As the Honourable Bill Baxter mentioned in his contribution to the debate, the fact that this bill is not changing much demonstrates that it must have been a great effort by the people who had a lot to do with putting together the principal act.

The former coalition government must have got the legislation right because this is only a minor bill. Even with all the criticism of the City Link project, the first bill to come before the house is actually tinkering at the edges. I commend the people who had anything to do with the project and extend my thanks to those people mentioned by the Honourable Bill Baxter.

I also thank members of the Australian Labor Party who have publicly said they support the City Link project and recognise it as an engineering feat. I do not oppose the bill.

Hon. D. G. HADDEN (Ballarat) — I support the Melbourne City Link (Amendment) Bill, which amends and substitutes relevant sections of the primary act, the Melbourne City Link Act of 1995.

Clause 1 defines the three main provisions of the bill, which relate to, firstly, toll administration infringement notices, secondly, record-keeping requirements for Transurban, and thirdly, equity for outer suburban and country motorists by the provision for vehicle registration to be limited to specific toll zones.

In 1995 the Kennett coalition government introduced legislation that allowed Transurban to be prosecuted for tolling administration offences in a court of law and a maximum penalty of $10 000. The amendment bill improves the existing requirement that proper tolling records be maintained by detailing Transurban's obligations in relation to keeping accurate tolling records — namely, that it does not misuse private information. An example is sending marketing information to a person without the consent of the recipient. Today privacy is important because of the expansion of information and communications technology. The company's other obligations relate to failing to keep proper records — an example would be failing to record an account and that action resulting in an unwarranted evasion infringement notice being issued against a customer — and preventing an inspector of tolling records from carrying out an inspection.

Clause 7 of the bill relates to on-the-spot fines for Transurban. Infringement notices will carry a penalty of $2000, which equates to 20 per cent of the maximum

fine of $10 000. Clause 6 provides that not every error by Transurban will result in an on-the-spot fine. Infringement notices will be issued with discretion according to sensible protocols. An on-the-spot fine would provide a less severe and more efficient alternative to prosecution in open court.

Under section 89(4) of the principal act Transurban's records can be produced as evidence in civil proceedings with respect to tolling and the prosecution of alleged toll evaders. In the absence of contrary evidence the matters stated in the certificate produced by Transurban must be accepted as proof. For those reasons the original legislation required Transurban to maintain proper records, a breach of which carried a hefty penalty of a fine of up to $10 000. The bill introduces a quid pro quo situation by providing for fines and penalties for Transurban if it fails to keep proper records or if it misuses information, but at the same time granting a discretion for the issuing of on-the-spot fines.

An article in the *Age* of 4 February this year headed 'Traffic on City Link drops by 40 000 after tolls' — the tolls were introduced on 3 January — contains important information provided by Transurban's managing director, Mr Kim Edwards. It is interesting to note from the article that according to Transurban, once the tolls were introduced on the western link on 3 January the number of vehicles using it dropped by 40 000 per day, and about 1800 motorists or 2.8 per cent per day used the link illegally, had been referred to the police Traffic Camera Office and had been sent caution notices or fines. The article contains further information to the effect that:

> Mr Edwards said heavy commercial vehicles had recognised the benefits of City Link early, making up 10 per cent (or 8000 vehicles a day) of traffic on the western link.
>
> He said many heavy commercial vehicles had come off congested roads such as Boundary Road and Macaulay Road in North Melbourne.

The other interesting fact in the article is that since tolling started local traffic had increased on Bulla Road by 13 per cent, on Milleara Road by 6 per cent, on Mount Alexander Road by 23 per cent and on Pascoe Vale Road by 25 per cent.

I do not need to use the western link of City Link, but I used it during the period of free travel on that section of the expressway.

Hon. W. R. Baxter — And you found it a good road?

Hon. D. G. HADDEN — As the American economist Milton Friedman said, 'There is no such thing as a free lunch'. I utilised the road in the initial period to examine the possibility of using it in the future. I looked at whether entering the western link from the Western Freeway would result in a shorter travelling time and be a more pleasant trip to the city. It was quicker and more pleasant in the early part of the week, but in the latter part of the week I was convinced to resort to using my former route because of the volume of traffic and the number of hold-ups and bank-ups. Once the tolls were introduced I made an economic decision — that is, because of the route I travel from Ballarat I am fortunate I do not have to buy either an e-tag or a day pass.

The dissemination of information about City Link is poor in country areas and should be improved. I carry with me a photocopy of an aerial diagram captioned, 'Get from A to B with a $2.50 Tulla pass'. It is from an advertisement that appeared in the *Ballarat Courier* late last year. I carry it with me in case I need to use that section of the Tullamarine Freeway.

Hon. Bill Forwood — You're a real little boy scout, aren't you?

Hon. D. G. HADDEN — Yes, a boy scout; watch that. I carry it just in case I need to ring the toll number or call into the customer service centre. When I had cause to travel down that section from Kyneton during the toll-free period I missed the turn-off to Bell Street.

Hon. C. A. Furletti — That must be difficult to do.

Hon. D. G. HADDEN — It was not difficult to do at night. From complaints made by honourable members in the other place, by the media and constituents from around the inner city and the outer suburbs, I can say that traffic congestion has increased because motorists do not wish to use the City Link and pay the toll. For example, last Thursday at 8.50 a.m. in the Fitzroy–Carlton area it took me a little over 18 minutes to travel from King William Street to Victoria Street along Nicholson Street.

Hon. W. R. Baxter — What could that possibly have to do with City Link?

Hon. D. G. HADDEN — Motorists are not paying the tolls; they do not wish to use the City Link. It was an experience I will probably have to endure frequently. The congestion was over the top. I commend the bill to the house.

Hon. N. B. LUCAS (Eumemmerring) — City Link is a winner. I will suggest to the house what might have

happened to Melbourne had City Link not been built. I refer to the Labor Party statement in the second-reading speech made by the Minister for Transport in the other place during the 1999 spring sessional period:

> The former government bound the state to contracts that enable Transurban and its associated companies to collect tolls from the users …

And so on. At page 153 of the Melbourne City Link Act one sees in the appendices a recital that is part of the concession deed. The recital states:

> A. In May 1992 …

Let me dwell on that point. Who was in office in May 1992? Was it the Kennett government? No, it was not. In May 1992 the Kirner government was in office. The recital reads in full:

> A. In May 1992 Vicroads —

acting under the Kirner government —

> called for registrations of interest to build, own and operate the Melbourne City Link.

In May 1992 a Labor government said, 'Let's develop the Melbourne City Link, which will be constructed under a build, own and operate (BOO) scheme'.

The Labor Party raised the option in the first place. As a former Minister for Roads and Ports my colleague the Honourable Bill Baxter is well informed about the matter. As he said earlier, not only did the Labor government set out to establish a BOO scheme for the construction of Melbourne City Link, it also short-listed two consortia and almost decided on the route!

Recital B in the appendix to the act states:

> In September 1992 —

the election was held on 3 October, so we are still talking about a Labor government —

> two consortia were short-listed.

As I understand it from what Mr Baxter said, those two consortia were Chart Roads and Transurban. As history unfolded, Transurban won the job.

The Labor government initiated the concept of building, owning and operating the City Link and short-listing two consortia to take the project forward. An election was held in October 1992 and the Kennett government came to power. That was fortuitous, because a Labor government would not have been able to see the project through. If the former South Eastern Freeway, which in the early 1990s was known as the South Eastern Car Park, is an example of what a Labor government achieves with freeways, it shows what Melbourne would have ended up with if not for the election of a coalition government with the strength of purpose to get the project implemented.

In a previous life I recall driving into the city of a morning along the South Eastern Freeway only to find that the traffic had stopped just past the bend near the East Malvern railway station. The cars were stopped at traffic lights on what was meant to be a freeway! The former Labor government's idea of a freeway was something you drove along until you got to the traffic lights — and the South Eastern Freeway had traffic lights at Warrigal, Burke, Tooronga and Toorak roads.

Under the new minority Labor government we are about to get another Labor freeway, the Stud Road–Springvale Road freeways, instead of the proposed Scoresby freeway, which it appears the government has axed. A comparison between what happened with City Link under the former government and what is not happening with the Scoresby freeway under the current government shows what Victoria ends up with when it has a government without any strength of purpose.

I noted a comment across the table by the Honourable Glenyys Romanes, who said it is outrageous that people have to pay to travel on City Link. Through you, Mr Acting President, I inform the honourable member that not only did a consortium put its businesses at risk to build the project, it also found people willing to invest money in the project. I assume from her comments, which were supported by her leader, that the honourable member does not want to pay back those people who have put their money at stake to invest in the state and build the economy. If that argument were taken to its logical conclusion, nobody would ever do anything. Money has to be invested to fund projects such as this, which is why the Kennett government encouraged private investment in the City Link project.

I was pleased that to some extent the Honourable Bob Smith broke away from Labor philosophy and said he supported tolls and the construction of the proposed Scoresby freeway. The Scoresby freeway proposal is an integral part of getting the traffic in my electorate moving. Suburbs on the western side of Melbourne have derived tremendous economic benefit from the Western Ring Road. But the dots in the Melway maps that go through the eastern suburbs from Ringwood through Dandenong to Frankston mean there is no such road for people on the eastern side of Melbourne.

I am concerned that Mr Batchelor, the Minister for Transport in the other place, has said that Labor has no plan to build a Scoresby freeway in the next four years. Not only do constituents who think about it support the building of the Scoresby freeway, but every council in the area — whether it be dominated by the Labor Party or by independent councillors — wants the freeway to go ahead.

The councils of Kingston, Greater Dandenong, Knox, Frankston, Maroondah, Monash, Mornington Peninsula and Whitehorse have put in a lot of work to achieve that end. They all want the Scoresby freeway because they know that independent studies by Vicroads reveal that if construction of the Scoresby freeway is not commenced by 2001 — that is, next year — vehicle trip lengths in terms of distance will increase by 6.6 per cent; trip times will increase by 19 per cent; vehicle speeds will fall by 8 per cent; vehicle operating costs will increase by 45 per cent; greenhouse gas emissions will increase by 46 per cent; and user costs will increase by 45 per cent.

The fact the construction of the Scoresby freeway will not commence for a number of years means we will have big problems. They are exactly the same problems we would have had without City Link. With the Labor Party in charge, the gridlock around the city of Melbourne would be extraordinary; the traffic lights would probably still be in place on what is now the Monash Freeway; and the emissions affecting the environment would be extraordinary.

In the past, four freeways came into the city of Melbourne from various directions but did not flow into another roadway at their ends. They ended at T-intersections and that caused a huge problem. Without City Link and without a government that had the strength of purpose to do something about it, the city of Melbourne would be grinding to a halt. I am proud that we have City Link. I am proud of what the Kennett government did, through its ministers the Honourables Bill Baxter and Geoff Craige, and the other ministers involved in getting this huge project up and now almost completed. I hope the Labor Party will see the error of its ways. If it does not do so, the eastern side of Melbourne will have a huge problem.

I refer to some articles that appeared in the *Herald Sun* last year. On 22 November Ms Wakelin from Wakelin and Wakelin property consultants is reported as saying at page 12:

> … the Western Ring Road, City Link and other infrastructure improvements over the past five years have opened up the west.

On the same day at page 2 Ms McLure from the Western Melbourne Regional Economic Development Organisation (WREDO) is reported as saying:

> … the spark for the west's turnaround was the opening five years ago of the Western Ring Road …

The government knows, the opposition knows, everybody knows, that the effect of the Western Ring Road has been extraordinary. The economic growth it has generated on the western side of the central business district has been worthwhile. I want the same thing to happen on the east side because when one examines a map of Melbourne one recognises that most of its population lives in the east. Most people have moved to suburbs in the east which were designated as future residential areas some years ago and which are now being developed. Melbourne is skewed to the east, particularly to the south-east. If we end up with large residential developments out there, every working day there will be a gridlock of traffic on our roads. It will be a huge problem environmentally, let alone all the other downsides. Almost as important is the problem that businesses will not locate new initiatives in that area as they have done around the Western Ring Road. The Labor minority government needs to consider that issue.

My electorate is growing rapidly. One area is growing at the rate of 40 families a week. All those people want a job and they will want to get to their places of work as best they can. The statistics indicate that less than 10 per cent of commuters will use public transport and in outer suburban areas many people rely on motor vehicles. Already every morning at the intersection of Narre Warren North and Heatherton roads there is gridlock.

I particularly wish to congratulate the work of the Honourable Geoff Craige. When he was Minister for Roads and Ports he announced that the Hallam bypass would be developed at a cost of $175 million. That project has all but commenced. The project site office will be opened this week. The former government approved that project which will provide enormous benefits by moving traffic from Gippsland and from the growing areas around Berwick, Narre Warren, Beaconsfield and further out to Pakenham, on to the Monash Freeway, to City Link, through to the airport, the central business district, wherever the traffic has to go. That is of enormous benefit to the community environmentally, financially, and in terms of people not having to leave their homes as early and being able to come home to their families earlier. We are pleased to have a Hallam bypass, but it is only part of the story because a lot of traffic flows north and south from the

areas around Ringwood, through Knox to Dandenong and to Frankston. That is a different kettle of fish, a different challenge that needs to be considered.

A report of the assessment of environmental effects on the Scoresby transport corridor by the former government quoted a net present value of $1916.6 million as at June 1999, a benefit-cost ratio of 5.2, and importantly with the Scoresby freeway the number of accidents saved over the analysis period, which went out to the year 2021, would be represented by 61 fatalities, 1154 serious injury accidents, and 3062 other injury accidents. In terms of vehicle emissions, the saving would be 3.233 million tonnes CO_2 equivalent over that time.

The benefits are enormous, but the Minister for Transport cancelled the project. An article in the Dandenong *Journal* under the headline 'Freeway axed' reports:

> Plans to build an $800 million freeway linking Ringwood, Dandenong and Frankston will be replaced by 'a more affordable plan' —

that is, digging a lane here and there on Stud Road and making nips and tucks along Springvale Road. That will never solve the problem of the enormous volumes of traffic. The Minister for Transport, on the advice of a former councillor of the City of Greater Dandenong, cancelled the project. He worked to have the project not supported by council, which originally supported it.

The ACTING PRESIDENT (Hon. G. B. Ashman) — Order! I ask Mr Lucas to return to the bill.

Hon. N. B. LUCAS — At the beginning of my contribution I pointed out that I would show the difference between what happened with a coalition government that initiated the City Link project and its benefits and then what happened with a Labor government that does not initiate projects or get on with the job.

Cr Kelly from the City of Greater Dandenong said in the local newspaper that:

> Melbourne's second city will fast become 'closed for business' now that the new government has taken the Scoresby freeway off the agenda.

The *Age* reported the fact that Melbourne's choked roads are costing the city more than $1.8 billion a year. Does the government do anything? No. The Labor government is not in the business of doing the courageous things that the former government did because it is unwilling to take on a project that involves private enterprise.

The commonwealth's *Planning not Patching, an Inquiry into Federal Road Funding* that was undertaken in October 1997 came up with some conclusions. One of the terms of reference recorded at page 99 was to:

> Assess the scope to supplement government funding through innovative arrangements for private sector involvement in the provision and maintenance of roads infrastructure …

The rationale that was discussed on page 100 states:

> Given constraints on government budgets, it was suggested in the evidence that private sector investment may permit some projects to proceed earlier than is possible with government funding …

The inquiry received input from Macquarie Corporate Finance Ltd. At page 105 the report states:

> Further, Macquarie argued that even where private sector involvement does lead to additional transaction costs, these costs may be offset by other long-term benefits from private sector investment.

The conclusion at page 119 states:

> The committee considers that private sector investment in road projects should offer net benefits to the community over public sector delivery of the project.

I agree, and that is what happened. City Link will be fully opened soon. The Minister for Transport wrote to me on 17 November last stating:

> Construction of the Scoresby freeway will not occur during the next four years …

That is a worry to me, the community that I represent and all the councils I mentioned. It is an example of where the Labor government is coming from. In the last term of the former Labor government the South Eastern Arterial was built with traffic lights. I wonder what Victoria will end up after a term of this government. The reason City Link was built was that during the 1990s the Kennett government grasped the nettle and did a lot of work. It received tremendous support from the bureaucracy, which did all the hard work in preparing the documents. Those who have already been mentioned who provided the necessary advice should feel proud at having the opportunity to link Melbourne's freeways and get the traffic moving. A Labor government will never achieve that.

The opposition does not oppose the bill. It is proud of what was achieved during the 1990s but is concerned about what may happen during the term of this government. It is my earnest desire that the Labor government last only a short period because I want to

keep the traffic of Melbourne moving. I do not believe that will happen with the present government.

Sitting suspended 6.27 p.m. until 8.02 p.m.

Hon. P. A. KATSAMBANIS (Monash) — It is an honour to speak on the Melbourne City Link (Amendment) Bill. It is interesting that in my four years here I have not previously had the opportunity to speak on a bill relating to City Link. I say that because the M1, a section of which is part of the City Link project, runs almost in its entirety along the northern boundary of my electorate, basically from Warrigal Road through to where it joins the new western link of the City Link. It goes through the suburbs of East Malvern, Toorak, South Yarra and Southbank.

As many others honourable members have said in this and previous debates, the Melbourne City Link project is one of the largest infrastructure projects ever attempted and successfully completed in Victoria. It is a credit to the previous Liberal–National party government that the project was commissioned and substantially completed. The project was commenced under the old Cain and Kirner regime when the responsible minister was the Honourable Jim Kennan.

However, given the track record of the Cain and Kirner regime I would have been concerned, had it remained in government, about the sort of project that would have resulted. As outlined today by other honourable members, including Mr Lucas, the Cain and Kirner governments gave this state and the people of my electorate the legacy of the thankfully now long-gone South Eastern Car Park. They achieved that notorious and infamous legacy by placing four sets of traffic lights along a major arterial road — at Warrigal, Burke, Tooronga and Toorak roads, all of which are in my province.

It gave me great pleasure a few years ago to see, along with the minister at the time, the Honourable Geoff Craige, the last set of traffic lights along that stretch of road removed. The slight glitch that occurred on that day pales into insignificance compared with the remarkable achievement of removing the traffic congestion from that section of road and allowing the traffic to flow smoothly. That impacted positively on all Victorian drivers, including the people of my province who use the road daily.

The commissioning of City Link will add further positive benefits to the people of Victoria, including those in Monash Province. All the residents of Monash Province stand to benefit from the use of City Link because not only will they be able to travel from their local area into the city and across into the northern and western suburbs and have access to the Tullamarine airport at much quicker speeds than they have ever managed to do so before, but they will also benefit from the immense savings available to truck transport and to the rural sector, as my colleagues have outlined. It is clear that the introduction of City Link and the commissioning of the final stages of City Link will be a big net plus to the people of Victoria.

However, given that the road flows through my electorate, it is clear that there will be a number of issues that my constituents will have to deal with when the road is finally commissioned. One is the issue of emission stacks, to which the Honourable Gavin Jennings has already alluded. There will be two stacks — one located in Burnley in the province of Mr Jennings, right on the border of my province, and the other in my province at Southbank at the other end of the tunnel.

There has been significant debate about whether the emission controls in those towers are sufficient. Throughout the debate I made it very clear to my local community and to honourable members when speaking on other bills and generally on issues such as the addresses-in-reply and budget debates that the Environment Protection Authority (EPA) should be the independent umpire and arbiter of the effectiveness of the emission controls in those towers.

It was interesting to note from Mr Jennings's contribution that in January or some time earlier this year the EPA questioned both the efficiency and efficacy of the emission controls proposed for those towers. It is salutary to note that when challenged about what the government had done about it from January until now Mr Jennings, who was expressing his concern as a local member — genuinely, I must say because I have no reason to doubt that — as a government member was unable to enlighten the house about what the government had done about the EPA report.

What had the responsible ministers, both Mr Batchelor in his capacity as the responsible minister for City Link and Ms Garbutt as the Minister for Environment and Conservation, done? What action had they taken to ensure that appropriate emission controls will be employed in both emission stacks — one at Burnley and the other at Southbank — to take the motor vehicle emissions and disperse them at either end of the tunnels?

The emissions from the towers will impact on the constituents of Monash Province. Having received the report from the Environment Protection Authority it is

incumbent on the government to question the efficiency of the emission controls that will be used. I ask the government to act immediately so that it safeguards the health and safety of Victorians. Mr Jennings said he would take up the issue. I do not know on what basis he will do that because he is not a minister. I ask the minister to give some guarantee that appropriate controls will apply to the emission towers to ensure the air quality in the area does not adversely affect the constituents of Monash Province. The report was issued in January this year, so the Bracks government is the responsible government that should take action to protect all Victorians.

Another issue that I raise that affects my constituents, particularly those living in Malvern, Toorak and South Yarra, concerns the road closures and treatments to roads after the full commissioning of City Link, which is likely to take place some time this year. The road closures and treatments involving City Link were agreed upon in 1995 and, in hindsight, they were appropriate at the time, particularly as they affected my constituents and those using Toorak Road in particular. In 1995 we did not have the M1 freeway, we had the South Eastern Arterial car park that I spoke about before.

In 1995 motorists travelling into the city used Toorak Road to bypass the construction stages of the then South Eastern Arterial because they were fed up with traffic lights on a supposed arterial road. They found it quicker to bypass the arterial road and travel along Toorak and Williams roads — they did not want to enter the Cain–Kirner car park. But it is not 1995 any more. The traffic lights have been removed from the former South Eastern Arterial, and it is now the Monash Freeway. It is certainly no longer an arterial road.

Hon. T. C. Theophanous — Which happened before City Link, you twit!

Hon. P. A. KATSAMBANIS — Mr Theophanous has obviously not been paying any attention. Since 1995 local traffic along Toorak Road and adjoining neighbouring roads in the area has increased. Although the traffic generated from the bypassing of the South Eastern Arterial car park has been improved, local traffic flows have increased. That could not be foreseen in 1995. No-one could have predicted the influx of new residents in the area. Significant urban consolidation and renewal have occurred as a result of the policies of the former Kennett government making it more attractive for people to live in South Yarra, Armadale, Malvern and Toorak.

Many residents have told me that if the Toorak Road clearways were removed during peak hours — that is, for vehicles travelling into the city between 7.00 a.m. and 8.00 a.m. and for vehicles leaving the city between 6.30 p.m. and 8.00 p.m. — traffic gridlock would occur, particularly on the section of Toorak Road along which the no. 8 tram travels. Honourable members would be aware that the Toorak Road tram service is notorious for its inability to keep to its timetable, not arising from the actions of tram drivers or patrons but from the unpredictability of traffic flows along Toorak Road, particularly during peak hours.

I refer now to local traffic and not the bypass traffic that we had in the 1990s until the traffic lights were removed from the South Eastern Arterial. Local traffic is causing further delays with the flow of vehicles along Toorak Road. Some people who have seen me have offered a number of alternatives to the current proposals. They say it may be appropriate that clearways be removed, particularly for the section of road from the City Link off-ramp at Toorak Road through to Glenferrie Road, where there are no trams and from the other end at Park Street where the trams turn off to St Kilda Road.

The representations from my local constituents — I share their views — are that in the initial stages after City Link is fully commissioned, rather than remove the clearways we should have a period where the impact of City Link is properly monitored and where the clearway is maintained during those two 2-hour periods that I mentioned earlier to ensure that local residents are not inappropriately disadvantaged and that they do not experience gridlock and are unable to travel along Toorak Road.

A number of stories have been related to me by people who live in dead-end streets off Toorak Road. They say they have no alternative but to travel along Toorak Road. Honourable members know that if you are caught behind a tram when there is a long line of cars it can take a long time to turn from off-streets into a major road. In 1995 after City Link was commissioned the local people got their local streets back when through traffic was diverted onto City Link. Local residents say that not only should they get the streets back, but they should be able to use local streets. I call on the government to use its good offices in negotiations with City Link and Transurban to ensure that before the clearways are inappropriately removed there will be a monitoring period.

As we know, if the clearways are removed and local councils extend the footpaths into the areas where the clearways once were, it will be impossible to reverse

the process. Rather than making the decision and living to regret it — like the Labor Party did last time it was in government when it put traffic lights on the then South Eastern Arterial — I say let us take a step back and monitor the impact before making an irreversible decision like removing the clearways and condemning the people of my electorate to long-term gridlock on what is a very important local road.

Again I commend this wonderful infrastructure project that is City Link and reiterate the opposition's support for the bill.

Hon. T. C. THEOPHANOUS (Jika Jika) — Unlike Mr Katsambanis, who has never spoken on any City Link bill in this house before today, I have spoken in every City Link debate in this house and have voted against every bill put up by the then government. So this will be the first time that I will be voting in favour of a City Link bill. That is because this bill does something that the whole project was sadly lacking — it restores some equity. The reason I support the bill is that it brings a little bit of fairness into the whole process by providing for the issue of on-the-spot fines against Transurban where it has given out information in a way that should not occur.

Hon. W. R. Baxter — What a shallow argument when the original act provided for very heavy penalties.

Hon. T. C. THEOPHANOUS — The contributions of some honourable members opposite lacked rigour. I shall comment only on a couple of them because I do not intend to speak for as long as I have spoken in earlier City Link debates.

It is a fact that an upgrade of the former South Eastern Arterial, later called the South Eastern Freeway and now the Monash Freeway, was undertaken by the previous government. But it had nothing to do with City Link. The upgrade was carried out using public funds on a public road. The freeway was there before any contracts were signed or any works took place in relation to City Link. That is an important point to bear in mind.

We had a very good freeway, which had no toll attached to it and which enabled vehicles to travel, without stopping, not only to Toorak Road but all the way to Hoddle Street. Those works were publicly funded. Let me make that part clear: City Link links up two pre-existing freeways: the Monash Freeway and the Tullamarine Freeway. No-one on this side of the house is saying that the project and the idea of linking those two freeways is bad. However, when embarking on a project like this, there is a need to consider issues associated with the long-term costs, fairness and equity.

More than anything else, the City Link project delivers tolls, tolls, tolls. Not only does it deliver tolls but it will deliver an enormous amount of congestion as a result of imposing tolls on that road. Mr Katsambanis advanced the ridiculous argument that there was less traffic on Toorak Road as a result of the construction of the Monash Freeway. Of course there is. But that traffic will increase the moment the tolls are applied, as will the enormous pressure such as that already being experienced in Moreland.

Not only is there pressure in the City of Moreland and surrounding areas, but there is pressure on the roads of the Darebin municipality as a result of the imposition of tolls on the Tullamarine Freeway. The imposition of tolls on that existing freeway was an unconscionable act. I drive along the Tullamarine Freeway regularly. It has been said that the number of lanes on the freeway has been doubled from two to four.

Hon. K. M. Smith — Is that right?

Hon. T. C. THEOPHANOUS — That is not true. Firstly, sections of the Tullamarine Freeway already had three lanes. Secondly, one of the four lanes is dedicated to buses, taxis and emergency vehicles. In effect, motorists using the Tullamarine Freeway have gained about half a lane.

Hon. W. R. Baxter — Why don't you drive out and have a look?

Hon. T. C. THEOPHANOUS — For your information, Mr Baxter, I have travelled down the Tullamarine Freeway twice today. I know exactly what happens on the Tullamarine Freeway. You get a bottleneck at the Flemington Road end and you get a bottleneck at the Keilor end. It is no wonder that a whole range of people have already started saying, 'I might as well avoid the toll and go on to the other roads instead'.

I want to restrict my remarks tonight, but I need to say something about the financial arrangements for the project. So far as ripping off Victorian motorists, this is an absolute first. The single fact that honourable members should understand clearly is that the financial projections reveal that the full cost of building City Link will be covered within a maximum period of 14 years. But the people of Victoria will pay tolls for 20 years after that — that makes a total of 34 years. What a disgrace to impose that level of tolls for that period of time on the people of Victoria! The tolls will increase yearly and people living in those areas will

have to pay them. City Link is literally a licence to print money.

Hon. W. R. Baxter interjected.

Hon. T. C. THEOPHANOUS — Of course, a proportion of people will use it, Mr Baxter. Don't make stupid statements, because they don't become you! The truth is that once you get yourself an e-tag, no other service has to be sold so no delivery network is required. All that happens is that every time you drive under one of the transponders it clicks over and another amount of money comes out of your account. It is literally a licence for the company to print money, and the people of Victoria will be paying for that for a considerable time to come.

I have heard that City Link's price for forgoing one tolling station on the Tullamarine Freeway was $45 million a year. People should realise that $45 million multiplied by 30 comes to an extraordinary amount of money — well over $1.5 billion. The upgrade of the Tullamarine Freeway would not have cost $1.5 billion, but that is what the people of Victoria will pay over 34 years. It is an absolute disgrace, and it is absolute nonsense for members of the opposition to pretend that in government they did something that was in any way progressive or fair to the people of Victoria.

Finally, in addition to what I have said, members of the opposition can be shown to be the hypocrites they are by the citing of one single fact that also outlines the unfairness of the system. The fantastic Monash Freeway services the marginal seats in the sand-belt area. When they were in government none of the members of the opposition ever suggested that on the basis of fairness the people living out there ought to pay a toll to use that freeway. This has been a mean and vindictive attack on people in working-class areas in and around Tullamarine and Dandenong. It is vindictive and totally unfair, certainly in light of the fact that there are no other toll roads anywhere else in Victoria.

I have pleasure in supporting the bill, which brings a bit of fairness into the system. But over the decades the government and the people of Victoria will not forget about the money they are and will be required to pay for the luxury of being able to drive their cars along a freeway which they did not need because they already had one!

Hon. K. M. SMITH (South Eastern) — I support the Melbourne City Link (Amendment) Bill. I have never heard such rot from a pack of hypocrites as I have heard today from those sitting on the other side of chamber! Never once have they ever supported anything to do with City Link, which is the greatest engineering feat in Australian history.

Honourable members interjecting.

Hon. K. M. SMITH — You lot have only ever whinged about it. Mr Theophanous, you came up with the rubbish that City Link is servicing only the people of Dandenong and Tullamarine. You're nuts! You don't know what you're on about! It is servicing all of Gippsland, the Mornington Peninsula and the northern suburbs.

The DEPUTY PRESIDENT — Order! Mr Smith, through the Chair.

Hon. K. M. SMITH — Of course, Mr Deputy President. He said it services only those two areas. Before this we had a freeway that was a car park, which was a legacy of your government! Your government put in all the crossroads, so we had a freeway with traffic lights! I cannot believe the hypocrisy of those opposite. You talk about tolls and the cost of building City Link being repaid in 14 years. How would you know, Mr Theophanous? You talk about accountants looking at figures. You are an economic guru of the Labor Party, but you cannot even add 2 and 2! When you came to Parliament, La Trobe University was rapt to get rid of you. The university wanted us to fund your campaign, which we would have been more than happy to do to save the university from you. What an absolute joke!

The house heard Bob Smith's 5 minutes of diatribe earlier today. You managed to struggle your way through that — just as you struggle to come into Melbourne! You were happy when you could move along the freeways that the Kennett government improved. I cannot believe you people.

You talk about the upgrade of the South Eastern Arterial. As I said, that had only two lanes coming in and only two going out, with only one emergency stopping lane. Now there are lanes laid on so people can actually get in — —

The DEPUTY PRESIDENT — Order! Through the Chair, Mr Smith.

Hon. K. M. SMITH — The underground tunnels will eventually be opened. To date City Link has not cost Victorian taxpayers one brass razoo. The previous upgrades that were done south of Toorak Road or north of Burke Road were done to rectify the mistakes you people made in setting up the South Eastern Car Park from both ends!

What a cheek you hypocrites have! I can't believe it. You bring in legislation just to address fines, but the former government always had the fines issue under control. You told lies about the money that was to go to City Link. The money was never going to City Link. Instead, tens of millions of dollars was to go into the coffers of the government.

Hon. D. G. Hadden interjected.

Hon. K. M. SMITH — Don't you start! You use the road.

The DEPUTY PRESIDENT — Order! Through the Chair, Mr Smith.

Hon. K. M. SMITH — The financial projections cited by Mr Theophanous supposedly show that full-cost recovery will be achieved in 14 years. But what risk has there been for the Victorian community? The answer is no risk at all. Instead the risk has been taken by the private sector. The $2 billion that has been spent up to date has come from people who have been prepared to invest in Victoria — not you lot. You would not invest a cent of your money in Victoria. When you were in government you spent all the people's money on nothing that was any good. You left us with a legacy that was a disgrace.

Now you lot are back in government again and you have the cheek to criticise the people in the private sector who have invested their money and taken all the risks and who are entitled to get some return from that magnificent project. In 34 years we will have a project we will be proud of and the people of Australia will talk about. The people of New South Wales cannot even contemplate how good it is. We have the very best project you could possibly have at a minimal cost to the people.

The point is that the people who are using it are the people who are paying for it. Mr Bob Smith mentioned the people of Mildura and others in the rural community who do not come into Melbourne. They have not been slugged — but if they want to use it they can pay for it. They can pick up their mobile or car phones to book in for a day pass by giving their registration and credit card numbers. But that is not good enough for your!

I just cannot believe the hypocrites sitting on the other side. They are an absolute disgrace. Look at what they did between the early 1980s and early 1990s. They will not do it to Victoria in 2000 and beyond. The previous government put a fantastic project in place, and although this government will reap the benefits of it for a while, Victorians will get the benefit of it for years to come.

Motion agreed to.

Read second time.

Third reading

Hon. C. C. BROAD (Minister for Energy and Resources) — By leave, I move:

That this bill be now read a third time.

I thank all honourable members from both sides of the house who contributed to the debate, and turn to address specific issues raised.

The Honourable Gordon Rich-Phillips raised specific issues that I will address briefly. He referred to clause 5 of the bill, which relates to registration by toll zone. That clause facilitated the Tulla pass, an innovation the government initiated and on which it negotiated with Transurban. The government would like Transurban to promote the Tulla pass more.

The honourable member also referred to the matter of other bodies issuing infringement notices. He claimed that Transurban was not in a unique situation in relation to enforcement in that other organisations issue infringement notices, and referred to the Traffic Camera Office. It should be noted that the Traffic Camera Office issues infringement notices for alleged violators on the City Link. That is done on the basis of Transurban's business records, whether a vehicle is registered for tolling purposes or not. It is a unique situation. A private company's records are relied on for prosecutions and inaccurate records could result in unjustified prosecutions.

Mr Rich-Phillips also referred to the fact that the government benefits from fine revenue. That is correct; it does. That is in accordance with the system put in place by the previous government. Mr Rich-Phillips also referred to clause 10, which relates to keeping proper records, and claimed that Transurban would have to keep the records anyway. That is correct; Transurban would have to keep the records. However, the bill provides that the records must be kept accurately so that customers are not billed or prosecuted incorrectly.

The Honourable Peter Katsambanis suggested that a monitoring period be put in place before the removal of clearways on Toorak Road. I am advised that the decision to remove clearways on Toorak Road was made by the previous government in agreement with Transurban. This government cannot unilaterally

change that agreement. However, in January the Minister for Transport, the Honourable Peter Batchelor, wrote to Transurban requesting that it reconsider the implementation of the agreed traffic management measures, including those for Toorak Road. They are the specific matters on which I have advice and on which I can respond.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

FIRST HOME OWNER GRANT BILL

Second reading

Hon. C. C. BROAD (Minister for Energy and Resources) — I move:

That this bill be now read a second time.

The purpose of this bill is to assist first home owners by providing them with a grant of $7000 where they enter into a contract to purchase or build their first home on or after 1 July this year.

As part of the Intergovernmental Agreement on the Reform of Commonwealth–State Financial Relations, the states and territories agreed to assist first home buyers through the funding and administration of a new, uniform first home owner grant to offset the impact of the goods and services tax (GST) on home purchases. The scheme provides significant benefits to first home buyers and aims to ensure that home affordability for this group is maintained at existing levels. The framework principles on which the scheme is based were set out in the intergovernmental agreement. The government is committed to honouring this agreement to ensure full receipt of the GST revenue.

Each state and territory will implement separate but consistent legislation to give effect to the scheme. Eligibility criteria for the grant have been jointly developed by all jurisdictions in line with the principles contained in the intergovernmental agreement, including the fact that eligibility for the grant will not be subject to any form of means test.

In Victoria, the scheme will be administered by the State Revenue Office (SRO), which also administers a means-tested stamp duty benefits exemption scheme for pensioners and low-income earners with dependents. Under the intergovernmental agreement states and territories agreed that they would not introduce or vary any taxes or charges associated with home purchases with the intention of reducing the benefits for grant recipients. Accordingly, the current scheme will continue to operate in conjunction with the first home owner grant. To improve service to applicants, the SRO proposes to enter into agreements with financial institutions to assist in the administration of the scheme.

The Victorian government expects to provide substantial grant assistance through the scheme. In the first year an estimated $193 million will be paid to first home owners.

This bill establishes the first home owner grant scheme. It details the entitlement and eligibility criteria, the process for making applications and payment of the grant, objection and appeals provisions and administration and other provisions necessary for the effective operation of the scheme.

The scheme will provide a once-only grant of $7000 to eligible persons buying or constructing their first home in Victoria. Applicants will be eligible if they have purchased a home, where the contract to purchase or build has been entered into on or after 1 July 2000 or, in the case of owner builders, where construction commences on or after 1 July 2000.

I now turn to the specifics of the bill.

Clause 4 provides that the home must be a fixed dwelling which can be used as a place of residence. The home may be a house, home unit, flat or other type of self-contained fixed dwelling that meets local planning standards.

To qualify for the grant an applicant must have title — or other acceptable security of tenure — to the land on which the dwelling is situated. The applicant will, therefore, be required to have a relevant interest in the land on which the dwelling is located. Clause 5 contains details of acceptable relevant interests.

Clauses 8 to 12 set out the applicant eligibility criteria as follows:

the applicant must be a natural person. The grant will not be available to home purchases by trusts or companies;

the applicant must be an Australian citizen or permanent resident. The exception will be that where there are joint applicants, at least one must fulfil this criterion;

the applicant — or the applicant's spouse — must not have previously received a grant under this scheme;

the applicant or the applicant's spouse must not have previously held a relevant interest in residential property prior to 1 July 2000. This includes ownership of an investment property, even though the applicant may not have lived in the property; and

generally the applicant must occupy the home within 12 months. The bill provides limited exemption from this criterion where not all of the joint applicants are able to fulfil the residence criterion, and for extenuating circumstances.

Clause 13 of the bill details what constitutes an eligible transaction, which determines both the point at which an applicant is eligible to apply for the grant and the point of eligibility for payment. The commencement and completion dates of eligible transactions cover the period between the date of contract for the purchase of a home, or commencement of building work in the case of owner builders, and the date of possession in the case of existing homes, or occupation in the case of newly constructed homes. This clause also removes eligibility if a purchaser unfairly attempts to obtain the grant by entering into an option to purchase a home and moves into the residence under a lease or right of occupation prior to the commencement of this legislation.

Clause 14 provides that an application for a grant must be made to the Commissioner of State Revenue. The application may only be made in the period between the commencement date of the relevant transaction and 12 months after its completion. The commissioner will have discretion to extend this period in extenuating circumstances.

Clause 15 requires that all persons who will have a relevant interest in the home must be applicants.

Clause 16 allows a guardian to make application on behalf of a person under a legal disability.

Clause 18 provides that the full $7000 assistance grant will be paid where the consideration paid for the home is $7000 or greater. Where the consideration for a property purchased or constructed is less than $7000, the applicant will be entitled to a grant equal to the value of the consideration.

Clause 19 provides for payment of the grant to the applicant, or at their direction, to a third party. The grant will be paid at the time of settlement or after the completion of the eligible transaction. The applicant may request the commissioner to offset part or all of the amount of the grant towards stamp duty associated with the purchase of the property.

Payment of the grant will be made on the basis of the first home owner occupying the home within 12 months. Where this does not subsequently occur, the bill provides for repayment of the grant.

Clauses 26 to 34 of the bill detail the objections and appeal processes and the obligations on the applicant, the commissioner and the reviewing authorities. These provisions are similar to those contained in the Taxation Administration Act 1997 relating to taxpayer objections and appeals.

Part 3 of the bill provides the authority for the commissioner to administer the act and to delegate his functions or powers to revenue officials.

Clause 38 provides that the commissioner may enter into agreements with financial institutions or other persons in carrying out administrative aspects of the grant. This would streamline the administration of the scheme and assist applicants by offering convenient outlets to access the grant.

The administration agreement between the commissioner and financial institutions will detail the conditions with which financial institutions must comply in undertaking their responsibilities. Negotiations are currently under way with financial institutions in relation to their involvement in the administration of the scheme.

Clause 50 contains privacy provisions to ensure that confidential information relating to the administration of the act is not disclosed to unauthorised persons.

I commend this bill to the house.

Debate adjourned on motion of Hon. R. M. HALLAM (Western).

Debate adjourned until next day.

BUSINESS OF THE HOUSE

Adjournment

Hon. M. M. GOULD (Minister for Industrial Relations) — I move:

That the Council, at its rising, adjourn until Tuesday, 4 April.

Motion agreed to.

ADJOURNMENT

Hon. M. M. GOULD (Minister for Industrial Relations) — I move:

That the house do now adjourn.

Water: rural infrastructure

Hon. B. W. BISHOP (North Western) — I refer the Minister for Energy and Resources, who represents the Minister for Environment and Conservation in another place, to that minister's announcement that there would be no up-front costs for residents of rural towns who are about to be connected to sewerage schemes. Two towns that spring to my mind and the mind of my colleague the Honourable Ron Best are Ouyen, famous for its vanilla slices and prime Mallee lamb — —

Hon. R. A. Best — And also for being very hot.

Hon. B. W. BISHOP — Yes, and for being very hot. The other is the town of Hopetoun, which is just as famous for its creative village on the banks of Lake Lascelles.

If my recollection is correct, when the Minister for Environment and Conservation made the announcement in November 1999 she said the payment options would be reviewed. As I understand it, at that time she also instructed the water authorities not to begin any sewerage works until the policy review was completed.

Residents of the two towns I have just mentioned, which are now in need of the sewerage scheme, are twiddling their thumbs, as are the water authorities, as materials rise in price and opportunities for regional development slip away. The residents of those communities, which are now facing considerable uncertainty, are asking me and Mr Best whether the work will proceed and whether the recurrent service charges will be inflated to cover some of the cost.

I understand the minister has said that there will be no rise in those charges. However, she has now had over four months to conduct the review, and I ask her to advise when she will announce the new pricing policy so those essential works can proceed.

Rail: Ballarat–Creswick–Maryborough service

Hon. D. G. HADDEN (Ballarat) — I direct to the attention of the Minister for Energy and Resources, who represents the Minister for Transport in the other place, a request by the citizens of Creswick that the government and National Express return the passenger rail service between Ballarat, Creswick and Maryborough.

Some 320 Creswickians and 1500 Maryboroughites have signed petitions seeking the return of their train. The V/Line bus service between Maryborough, Creswick and Ballarat is neither attractive nor convenient. The other problem is that there are no bus shelters at either Creswick or Clunes for passengers waiting for buses in inclement weather.

The existing infrastructure has been maintained for rail freight. That includes the Maryborough historical steam train, which runs approximately three times a year. If the passenger rail service between Ballarat, Creswick and Maryborough were to be returned, it could be linked to the proposed Ballarat fast train.

Blackburn Lake Primary School

Hon. B. N. ATKINSON (Koonung) — I refer the Minister for Sport and Recreation, who represents the Minister for Education in the other place, to the Blackburn Lake Primary School, one wing of which was destroyed by fire in September 1999. I understand the Minister for Education visited the school during the election campaign to study the extent of the damage. The former Minister for Education, Mr Gude, also visited the school and was acquainted with the damage.

Former Minister Gude immediately took action to ensure that temporary facilities were provided to allow the children to continue their schooling. He also instructed department officers to initiate a program to quickly rebuild the school so students could be back in their classrooms by Easter — that is, in the second term of this year.

I am now advised that a master plan has been completed for the rebuilding of the school wing damaged by fire. However, no funding has been made available for the rebuilding. Apparently Blackburn Lake Primary School must now wait for funding from the next budget round.

Under the previous government funds would have been provided to allow a prompt start to the rebuilding of the school so the classrooms would have been available to the students in this financial year. The failure to allocate funds to the school, especially in light of last year's $1.7 billion budget surplus and the forecast for a substantial surplus this year, must be a result of the priorities of the government and the minister.

The students will now have to remain in the temporary facilities at Blackburn Lake Primary School until the start of the 2001 school year. I would be pleased to

escort the minister on a visit to the school to show her how inadequate the temporary facilities are for such an extended time. Will the minister advise the house on the status of the funding allocation and the construction timetable for those urgent works at the Blackburn Lake Primary School?

GST: local government

Hon. S. M. NGUYEN (Melbourne West) — I raise a matter with the Minister for Energy and Resources, who is the representative in this house of the Minister for Local Government. With some degree of concern I have followed the trials and tribulations of the goods and services tax (GST). My office has tried to get answers on the effect of GST on local government and associated services with no success. Will the minister seek the advice of the federal Treasurer on the effect of GST on local government services, particularly on the hire of baby capsules, immunisation, and child-care services, and other services such as the collection of garbage and recyclables, local landscaping, buildings inspection, planning inspections, and so on?

Who will bear the extra costs? Those are the types of questions my local councillors, residents and ratepayers have asked me over the past few months and I have been unable to get answers. Will the minister obtain some answers from the federal Treasurer and advise the house of the effect of the GST on such services?

Planning: training programs

Hon. ANDREA COOTE (Monash) — I refer the Minister for Sport and Recreation, as the representative in this house of the Minister for Planning, to a meeting held on 8 March at the Malvern town hall involving three mayors of councils that come within Monash Province — Stonnington, Glen Eira and Port Phillip — and the mayors of Bayside and Boroondara. That comprehensive meeting discussed many planning issues. Between those five municipalities the homes of more than 500 000 Victorians were represented. The meeting was very conclusive.

One of the major issues raised at the meeting was a huge problem arising from a current planning skills shortage. I ask the government whether it intends to address the need to train new planners and improve the skills of existing planners to deal with the current skills shortage, and whether the government intends to recognise the problem by allocating significant funds to training programs.

Hospitals: western suburbs

Hon. KAYE DARVENIZA (Melbourne West) — I raise a matter with the Minister for Industrial Relations, who is the representative in this place of the Minister for Health.

Hon. K. M. Smith — What are you after — more nurses?

Hon. KAYE DARVENIZA — You have a bit of a fixation with nurses!

Honourable members interjecting.

Hon. KAYE DARVENIZA — The house would be well aware that after severe cuts were imposed by the former Kennett government on the health system, Victorian public hospitals were left in a very sick condition. One of the consequences of those cuts was that expenditure on infrastructure and capital in our public hospitals declined. Will the minister indicate what funding has been allocated to public hospitals in the western suburbs of Melbourne for the purchase of equipment items?

Regional Infrastructure Development Fund

Hon. I. J. COVER (Geelong) — I refer the Minister for Energy and Resources, who is the representative in this house of the Minister for State and Regional Development, to the Regional Infrastructure Development Fund. I am sure the minister remembers the debate on the bill late last year and also the committee stage when the guidelines for the application process for funds were debated at length into the wee small hours of the morning. I note that recently draft guidelines detailing how to apply for grants have been released. This might be news to some honourable members, certainly on the opposition side. When the draft guidelines were released, written comments were asked for and they were to be forwarded to the government before 10 March. It is now 22 March, so we have missed the deadline.

I am concerned that the draft guidelines have been released and people have been invited to make comments, albeit in a short space of time. That seems at odds with the government's vow to be open, honest and accountable, inclusive of all Victorians and to give everybody in regional Victoria, which I as a member for Geelong Province represent, a chance to access the fund.

An article appeared in the *Geelong Advertiser* of 29 February, in which some telephone numbers were given detailing where copies of the draft were available.

Three numbers were listed. They were the numbers for the honourable members for Geelong and Geelong North in the other place and the other member for Geelong Province in this place. Labor, Labor, Labor, which seems at odds with the express vow of the government that it would govern for all Victorians and everyone would be given an opportunity in regional Victoria to access the Regional Infrastructure Development Fund.

I seek from the minister an assurance that, following the draft stage when the comments come in and the application forms are finalised, they will be made available to all members of Parliament, our offices, constituents, community organisations and councils, which, as I recall from the debate, were to be called upon to support applications to the Regional Infrastructure Development Fund.

Local government: boundaries

Hon. ANDREW BRIDESON (Waverley) — I refer the Minister for Energy and Resources, who is the representative in this house of the Minister for Local Government, to an article in the Waverley *Gazette* of 29 February headed 'City could split: MP'. The article refers to a statement made by the honourable member for Clayton in another place, Hong Lim. He is reported as saying that a new city should be established and that he would formally take his proposal to the Minister for Local Government 'unless we get a better council that cares about people at this end of the city'.

That is a ridiculous and ill-conceived statement. It is divisive and has nothing to do with building communities, which goes against Labor Party policy. Given that five out of the eight councillors were returned last Saturday, does the minister propose to create a new city by dividing the City of Monash in two, by amalgamating areas from Kingston, Greater Dandenong and Monash, or by any other possible amalgamation or configuration? I want to know if the minister proposes to do that whether or not the honourable member submits his formal proposal.

Western Port Highway: construction

Hon. R. H. BOWDEN (South Eastern) — I seek the assistance of the Minister for Energy and Resources in her capacity as the representative of the Minister for Transport in the other place. The matter concerns an important and urgent problem in the south-eastern sector of the Western Port Highway construction. It is in the Lyndhurst area between the end of the present Monash Freeway and Thompsons Road. That stretch of road now carries large amounts of traffic during peak hours and is a major road connecting that part of Melbourne.

In recent times fatal and multiple-vehicle accidents have occurred on that road. Not only does it carry thousands of vehicles a day but the vehicles travelling south at peak times travel in a construction zone. There is no lighting and the roadway is used by gas tankers, steel tankers and thousands of vehicles belonging to my constituents.

Will the government urgently review the possibility of speeding up construction? One possibility would be to inject more funding into the project to allow for extra shifts to shorten the construction time frame. It may involve substantial sums of money, but many accidents have occurred already. Some weeks ago an accident occurred involving six vehicles, and there was a fatality. If the minister were to use that section of the road during the day or night she would find it extremely dangerous. I cannot overemphasise the difficulty. Every effort must be made, including enough funding, not only to speed up the construction but also to introduce lighting.

Federation Square

Hon. W. I. SMITH (Silvan) — The matter I raise with the Minister for Sport and Recreation for the attention of the Minister for Major Projects and Tourism in the other place concerns the resignation of the director of the Federation Square project, Damien Bonnice. Mr Bonnice believed it was important to bring the matter to the attention of the public. It concerns the obligations of senior public servants when faced with implementing a government decision which is clearly politically motivated but which is not in the public interest or taxpayers' interest and is counter to its election platform.

Damien Bonnice believes senior public servants are obliged to highlight serious public interest and taxpayer concerns if they are clearly ignored by the government of the day. He believes the misguided and ill-advised decision making that led to the deletion of the western shard will result in increased costs of up to $40 million, and that the project will be delayed.

Did the government request the Office of Major Projects and the architects to carry out a proper impact assessment of Evan Walker's recommendation to remove the shard from Federation Square? Was there an assessment of the financial, functional and technical impact of the decision on the project?

Mobile phones

Hon. T. C. THEOPHANOUS (Jika Jika) — I direct a matter to the attention of the Minister for Consumer Affairs. I have received an email from the education resources officer of the Australian Institute of Police Management, Collins Beach Road, Manly, New South Wales. I do not know whether other honourable members have received the same email.

It says that the message was received from the police and authenticated through the Police Education Resources Branch. The email asks people to be aware that if they receive a call on their mobile phones from a cellnet or Vodafone engineer telling them they are doing a check on the phone and the people telephoned have to press #90 or 90#, they are advised to end the call immediately. Apparently once #90 has been pressed the fraudulent company has developed a device that allows it to access the SIM card and make calls at the expense of those telephoned.

I am unaware whether the email is a prank. I do not think it is because of its nature, but I would be concerned if the practice was occurring and the users of mobile telephones were in danger. Will the minister authenticate the email, which I understand has been sent to a number of honourable members? If the email is authentic and a danger exists, will the minister take steps to ensure that members of the public are not put at risk and also inform Telstra and others to ensure that it does not occur?

Hallam bypass

Hon. N. B. LUCAS (Eumemmerring) — I raise a matter with the Minister for Energy and Resources, who represents the Minister for Transport in the other place. The other day it came to my notice that Mr Colin Jordan, chief executive officer of Vicroads, sent invitations for the opening of the Hallam bypass to be held on 24 March at 10.30 a.m. I refer to the $175 million Hallam bypass project in which I have personally been involved for the past 15 years. Mr Rich-Phillips and the honourable member for Berwick in the other place have also supported the project.

Because I had not received an invitation I checked whether Mr Rich-Phillips and the honourable member for Berwick had received one, but neither had. I telephoned the communications officer of Vicroads to find out who had been invited and was informed that Mr Rich-Phillips, the honourable member for Berwick and I had not been invited. Surprise, surprise! The Minister for Gaming in the other place received an invitation, and his electorate does not even include the project area.

It is interesting that all invitations from Vicroads have to be approved by the office of the Minister for Transport through the minister's adviser, Mr McDonald, who approves and signs off all invitations. Given the apparent politicisation of government organisations, in this case Vicroads, will the minister advise whether a directive regarding invitations that results in local members not being invited to events in their electorates will continue?

Dingley bypass

Hon. J. W. G. ROSS (Higinbotham) — I raise with the Minister for Energy and Resources, who represents the Minister for Transport in the other place, the election promise made by the Labor government to complete the Dingley bypass and relieve the congestion that is currently occurring in Braeside, Moorabbin and Springvale. Those areas contain something like 40 per cent of Victoria's small business, and the issue has enormous commercial consequences for the south-eastern industrial complex.

In the lead-up to the last election Premier Kennett committed $165 million to connect South Road in Moorabbin through to Boundary Road and to extend that road on to the Springvale bypass. The Honourable Pat Power, the then spokesman for the Labor Party, is quoted in the Moorabbin *Standard* of 14 September, 1999 as saying that on gaining government Labor would:

> … immediately start work on the Dingley bypass from South Road to the Springvale bypass with an initial $30 million from the roads allocation budget.

I am talking about the entire length. He is reported as having said:

> … additional funds would be made available from the $185 million collected each year through the Better Roads levy funding …

The article clearly indicates to the community that the parties were agreed on the length of the Dingley bypass. I have some apprehension that the government may not deliver on the project and that it may settle for something less — for example, extending the Dingley bypass only to Boundary Road, which would be a disaster for the area and by no means a solution.

I seek an assurance from the minister that the government will deliver on the full extent of the promise it made and the expectation it generated in the

community. Will it extend the full distance from Warrigal Road and link it with the Springvale bypass?

Bridges: Federation centenary grants

Hon. W. R. BAXTER (North Eastern) — I raise a matter with the Minister for Energy and Resources for referral to the Minister for Transport in another place. As part of the centenary of federation grants the commonwealth has allocated $45 million to replace three bridges across the Murray at Corowa, Robinvale and Echuca — a very generous gesture and one Victoria most certainly should take up.

I understand the commonwealth has allocated $15 million towards the cost of building a bridge at Echuca. The cost of constructing the road approaches on both sides of the bridge will bring the total cost to about $40 million to $45 million, leaving a substantial amount to be made up by both New South Wales and Victoria. I understand Vicroads is proceeding with planning in the normal way and has established a consultative committee to examine the three proposed routes. Work is proceeding satisfactorily.

However, I was dismayed to learn that at a meeting of the consultative committee last evening the senior Vicroads official present advised the committee that his instructions were that the committee was to put aside looking at an ultimate route and to simply look at a site where a bridge could be put across the river at absolute minimal cost, leaving the road connections for some time in the future. That sends a signal that Victoria will not adhere to its part of the bargain by putting in its share of the funds.

I ask the minister to take up the matter with the Minister for Transport and seek an assurance that value will be received for good taxpayers' money, regardless of whether it is state or federal, by constructing a bridge with proper approach roads and not accepting some short-term, half-baked and cheap alternative.

Avgas: contamination

Hon. A. P. OLEXANDER (Silvan) — I ask the Minister for Energy and Resources, who represents the Minister for Environment and Conservation in the other place, to seek the minister's assistance in answering a query that recently came to my office from a 10-year-old constituent, Andrew Hutchison. He wants to know how the tainted fuel from the recent avgas crisis will be disposed of.

I managed to find out from Mobil Australia that most, if not all, of the tainted fuel and the water flushings associated with the cleansing process have been returned to Mobil sites. It is now in the process of being decontaminated. In its Avgas bulletin no. 8 Mobil said it would not be using that fuel for any other purpose — either in automobiles or for any other product.

That is as far as I have gone. I seek the minister's assistance with finding out how the disposal of millions of litres of fuel will be handled. Where will it be put? Will the contaminated fuel from other states be transported to Victoria for disposal or will it be disposed of in the state in which it originated?

Police: response procedures

Hon. P. R. HALL (Gippsland) — I direct a matter to the Minister for Sport and Recreation, who represents the Minister for Police and Emergency Services in the other place. It concerns the procedure adopted by police when incidents occur outside the operating hours in areas that do not have 24-hour stations.

The problem I raise is not associated with 24-hour police stations or one-man stations. In the latter case officers are paid an allowance to be on call 24 hours a day. I am concerned about stations that do not have 24-hour service. I have many such stations in my electorate, including Leongatha, Yarram, Foster, Orbost, Heyfield, Maffra and a few others.

When an incident occurs a member of the public can ring D24 or 000. The details are taken down and an assessment is made about whether an officer will be assigned to investigate. In recent months since the change in government I have been informed of a few cases where police have not been directed to attend incidents one would normally expect them to attend. For example, I have heard that in a domestic violence case where children were in a house and an incident occurred, police officers did not attend because they were not directed to. They did not attend until the next morning. Further, in a case of attempted suicide, ambulance officers attended the incident but police officers did not attend until the next day. It is a fact that the police did not know about the incident and were not directed to attend.

It has been suggested to me that police are not being directed to attend such incidents due to constraints on the police budget. I therefore ask the minister to give an assurance that decisions to direct police to out-of-hours incidents are determined purely on the merits of the incidents themselves and not on any budgetary constraints.

Workcover: liability

Hon. P. A. KATSAMBANIS (Monash) — I refer the Minister for Small Business to the suggestion she made yesterday to the house in question time that the liability of the Victorian Workcover Authority is $338 million. Will the minister now advise the house whether her statement is true and, if so, from where she derived the figure?

Snowy River

Hon. E. G. STONEY (Central Highlands) — I seek the assistance of the Minister for Energy and Resources, who last week announced that the government will spend $1.7 million on the lower end of the Snowy River, which is south of the Great Divide. The minister confirmed that last night in answer to my question.

However, my question last night asked why the government has not started spending money north of the Divide — not south — to obtain the savings. I asked: when will the government start spending the money the minister admitted it has? The minister said federal assistance is not needed to create savings in order to achieve her promise.

I am therefore puzzled about the current situation. I ask the minister how she can claim that money spent on the lower Snowy River south of the Divide can achieve water savings north of the Divide to increase environmental flows so that she may keep her promise of 28 per cent.

Australasian Public Sector Games

Hon. B. C. BOARDMAN (Chelsea) — I direct the attention of the Minister for Sport and Recreation to his answer in question time today regarding the Australasian Public Sector Games to be held in Melbourne from 26 to 30 April. The minister gave a rousing endorsement for members of the public sector to participate in the games. As one of the patrons of the games, he states:

> Now is the time to get your training started and your team together. I look forward to seeing you all in Melbourne for the games.

I have a challenge for the minister. If he is a true protagonist of health and sport, is a leader in his field and wishes to encourage participation of members of the public sector he will have no hesitation in accepting my challenge. I challenge the minister not just to promote the games but to participate in them. I ask the minister and his colleagues to accept an invitation from the opposition to participate in an exhibition swimming relay on either Friday, 28 April, or Saturday, 29 April.

I understand a potential government team would comprise the Premier, who has been open about his swimming prowess, the Deputy Premier and the Minister for Transport, both of whom promote themselves as being fit and healthy, and any women members who would like to participate. In anticipation of the minister's accepting my challenge I will let him in on a secret. The proposed opposition team will comprise me, my National Party colleague Mr Hall, Ms Wendy Smith and the honourable members for Sandringham and Hawthorn in the other place. I am sure the minister will put his money where his mouth is and accept my challenge.

Land monitoring unit: report

Hon. R. M. HALLAM (Western) — I direct to the attention of the Minister for Sport and Recreation a major property on the corner of King and Bourke streets in the city that has recently been sold by the government. I ask the minister whether the Land Monitoring Unit examined and reported on the sale, and if so whether he will make a copy of the report available to members of the chamber.

Gas: Colac supply

Hon. PHILIP DAVIS (Gippsland) — I direct to the attention of the Minister for Energy and Resources the connection of natural gas to the Colac. The Colac–Otway shire has impressed on me the significance of local development work being undertaken in the area. For example, the council has a direct involvement in a $7.8 million export-standard meat processing facility that will employ 135 people in stage 1 and is proposed to be commissioned in March this year. Significant investments in aged care, food processing, engineering, timber value adding and retail developments are also occurring. A range of significant public infrastructure projects, including a $4.6 million performing arts complex, is also proposed.

The council is concerned that further development plans being proposed would be facilitated by the provision of natural gas to Colac. I understand from advice provided by the shire that a proposed condition of the contract of sale for the privatisation of the gas grid between Westar and TXU Ltd would require a company to connect the Colac township to the south-west natural gas main link by June 2001.

Will the minister confirm that Colac will be connected to the gas grid by 2001, and does she have the same

interest in this issue, given that the area is represented by my colleague in another place the honourable member for Polwarth, as she has in the issue raised by Mrs Carbines in relation to Bellarine?

Lake Eildon

Hon. G. R. CRAIGE (Central Highlands) — I direct to the attention of the Minister for Energy and Resources the confusion and uncertainty surrounding the management of Lake Eildon and the Eildon pondage lakes. The community and visitors to the area are confused about the issue because many different authorities are involved. Programs are being developed to promote camping, fishing and recreational pursuits, but there is a lack of clarity about where the organisers need to go. The Goulburn-Murray Rural Water Authority is involved because the water storage falls within its jurisdiction. Southern Hydro has a generator in the region for which it is responsible. Murrindindi shire is responsible for some of the land management issues. Fisheries Victoria has responsibility for management not just of the pondage but of the Goulburn River.

Much of the confusion concerns the land surrounding the pondage lakes, and in particular there is a lack of clarity about the handover of land from Goulburn-Murray Water to the shire. There is also confusion about the land managed by Southern Hydro. Some land is well maintained and other land is not well maintained. People are camping in places where they have never been able to camp before and some of the activities being carried out are dangerous, especially when they involve young children close to deep water. There appears to be no enforcement of the regulations.

I ask the minister when the restocking of the pondage lakes with trout will occur. Is the minister able to coordinate a meeting between Goulburn-Murray Water, Murrindindi shire, Southern Hydro, Eildon action groups, Fisheries Victoria and Parks Victoria so that a management plan that will encourage visitors to come to the area can be adopted?

Minister for Industrial Relations: offices

Hon. D. McL. DAVIS (East Yarra) — It will not surprise honourable members that I direct an issue to the attention of the Minister for Industrial Relations. This is another attempt to step through the details of her various ministerial office movements. There have been two so far and there is one to come.

Hon. G. R. Craige — It is like the progressive barn dance.

Hon. D. McL. DAVIS — It is. I direct the minister's attention to the office at 35 Spring Street which she occupied from about January until some time later this year and which she indicated has been leased by her department until June.

I have made inquiries among a number of real estate agents around the city, examined the approximate area of space and made some reasonable estimates of the figures. I have discovered that annual rents of between $200 and $300 a square metre are typical for that sort of building, so between $60 000 and $80 000, perhaps up to $84 000, might be required to lease for around six months the sort of area on the ninth floor of 35 Spring Street that the minister occupied earlier this year. The minister has indicated that it is to be sublet for a set period.

It is also interesting to note that the minister chose the side of the building that had the view out across the parkland.

Hon. M. M. Gould — It was Ian Smith's old office, the former Minister for Finance.

Hon. D. McL. DAVIS — Minister, you may well try to alter the facts or explain this in a number of ways, but you have not as yet given us adequate explanations about the costs involved. You have consistently dodged answers to these questions.

I would like the minister to confirm that the costs may get up to around $80 000 for the lease of the space between January and June this year, during which time she occupied the office for only a short period. As I understand it, the office is now vacant and the minister has said it will be sublet. I want the minister finally to come clean on this matter and make it clear to the house. I want her to actually answer the questions for a change.

Hon. M. M. Gould interjected.

Hon. D. McL. DAVIS — I know it is painful, and I know the minister does not want to deal with the issue.

The PRESIDENT — Order! The honourable member has made his point.

Responses

Hon. M. M. GOULD (Minister for Industrial Relations) — The Honourable Kaye Darveniza raised with me, for referral to the Minister for Health, fund allocations for hospitals in the western suburbs. I shall refer the matter to the Minister for Health, who will respond in the normal way.

The Honourable David Davis asked me to confirm the costs he outlined. I am not in a position to confirm those costs because I do not have the figures before me. I would also like to correct some of the comments he made about statements I have made in the house previously. I have said on a number of occasions that I was advised that the lease on the office at 35 Spring Street is due to expire at the end of this financial year. I was advised by the Department of Treasury and Finance that it would be an appropriate time to shift, early in the term of the government.

Hon. R. M. Hallam — Where did they suggest you shift to?

Hon. M. M. GOULD — Level 5, 1 Macarthur Street.

Hon. R. M. Hallam — But you're not there any more.

Hon. M. M. GOULD — I am there. I am at Level 5, 1 Macarthur Street.

Hon. R. M. Hallam — What about 55 Collins Street?

Hon. M. M. GOULD — I am not at 55 Collins Street.

Honourable members interjecting.

Hon. K. M. Smith — What did you say?

Hon. M. M. GOULD — I said I was at the ninth floor, 35 Spring Street, and Level 5, 1 Macarthur Street, and I am considering advice from the department on moving offices for the third time.

Honourable members interjecting.

Hon. D. McL. Davis — On a point of order, Mr President, the question was quite specific. I asked the minister to confirm some of these figures. She has had opportunities on a number of occasions to deal with these costs, but she continues to refuse to deal with them. She should actually just answer the question.

The PRESIDENT — Order! The minister indicated she does not have those figures available. I presume she intends to get them and provide them to the member. I do not mean to put words in the minister's mouth, but is that what you intend, Minister?

Honourable members interjecting.

The PRESIDENT — Order! Let us clarify what the position is in relation to that.

Hon. M. M. GOULD — I answered the question. Mr Davis asked me whether I would confirm the figures and I said I was not in a position to confirm them.

Hon. C. C. BROAD (Minister for Energy and Resources) — The Honourable Barry Bishop asked that the Minister for Environment and Conservation, who is the minister responsible for water, confirm when she will be announcing new pricing policies for the costs of connecting sewerage schemes for the towns of Ouyen and Hopetoun. I shall pass on that matter to the minister.

The Honourable Dianne Hadden raised for the attention of the Minister for Transport petitions signed by some 320 residents of Creswick and 1500 residents of Maryborough seeking a return of passenger rail services between Ballarat, Creswick and Maryborough. The honourable member requested that the minister examine the possibility of returning passenger rail services through the Ballarat fast train project. That is a request I shall pass on to the Minister for Transport.

The Honourable Sang Nguyen requested that the Minister for Local Government seek advice from the federal Treasurer about the impact of the goods and services tax on local government, and in particular the impact on the hire of baby capsules, child care and immunisations, garbage collection, the collection of recyclables, landscaping services, and so on. I shall refer that matter to the Minister for Local Government.

The Honourable Ian Cover raised for the attention of the Minister for State and Regional Development the recent release of draft guidelines relating to the Regional Infrastructure Development Fund. The honourable member sought an assurance from the minister that when the guidelines are finalised and released — following consultation — they will be made widely available, including to all members of Parliament. I shall pass on that request to the Minister for State and Regional Development.

Hon. Bill Forwood — When you pass it on, will you support the concept?

Hon. C. C. BROAD — Certainly.

The Honourable Andrew Brideson asked that the Minister for Local Government advise on what rearrangement he proposes of the Kingston and Monash local government boundaries. I shall refer that matter to the minister.

The Honourable Ron Bowden raised for the attention of the Minister for Transport safety on the Western Port

Highway section around Thompsons Road. He requested that in the interests of safety and in light of accidents in the area the government consider taking action to shorten the construction time frame for that project and providing approved lighting for those works. I shall pass on that matter to the appropriate minister.

The Honourable Neil Lucas referred to invitations he said have been sent out by the head of Vicroads, Mr Colin Jordan, to the opening of the Hallam bypass and requested advice from the Minister for Transport about whether any direction has been given not to invite local members to such events. I shall pass on that request to the Minister for Transport.

The Honourable John Ross raised an issue for the attention of the Minister for Local Government relating to the Dingley bypass. He requested an assurance that the government is committed to constructing a Warrigal Road to Springvale bypass section. I shall pass the request on to the Minister for Local Government.

The Honourable Bill Baxter raised an issue for the attention of the Minister for Transport regarding the Echuca bridge project and contributions from the commonwealth, Victoria and New South Wales. He sought an assurance from the minister that value would be obtained by securing a suitable or appropriate bridge at Echuca and connecting services and roads to that bridge. I shall pass the request on to the Minister for Transport.

The Honourable Andrew Olexander raised a matter for the attention of the Minister for Environment and Conservation. He is concerned about the disposal of contaminated avgas fuel and of the water used for cleaning equipment contaminated by the fuel. He requested information from the minister on how and where the contaminated fuel and water would be disposed of, including whether or not fuel from other states would be returned to Victoria for disposal. I will refer the matter to the minister.

The Honourable Graeme Stoney asked me a further question in a series on funding for the restoration of environmental flows to the Snowy River. In response to his question I will refer to a number of matters. Firstly, in relation to the works to which I referred last night in response to an earlier question, I must explain that it is vital that the works in the lower Snowy River take place before any release of environmental flows for the Snowy to ensure that when the environmental flows are released it is done in a way and at a time that will provide the most beneficial effect on and will not cause any unwanted damage to the river.

In relation to the funding for works directly related to the water releases, about which the honourable member is seeking further information, as I have indicated, regardless of action by New South Wales and the commonwealth, Victoria is committed to funding its share of the works to secure the environmental flows. Those matters are under consideration in the budget process and are not dependent on the actions of or lack of action by those governments. Of course, in order to secure the maximum benefit from environmental flows for the Snowy the government is concerned about and is trying to secure a commitment from the commonwealth and New South Wales in relation to the funding that in this government's view they should bring to the party.

The Honourable Philip Davis referred to a recent visit to Colac and to significant investments proposed to the infrastructure of that city. He raised the council's concerns about the connection of gas to Colac in accordance with contracts he indicated were signed under the previous government. In answer to the honourable member's reference to whether or not some political favouritism is being employed by the Bracks government, I completely reject that assertion. I am willing to examine the contracts signed by the previous government and to see what can be done about ensuring they are fully complied with.

The Honourable Geoff Craige raised a matter concerning Lake Eildon and the many issues, authorities and organisations involved in managing it. He referred particularly to Goulburn-Murray Water, Southern Hydro, Murrindindi shire, the fisheries area of the Department of Natural Resources and Environment and a number of community groups. He sought an assurance that in cooperation with the Minister for Environment and Conservation I would undertake to coordinate the best possible management for Lake Eildon.

I indicate to the honourable member that the matter is already under consideration, particularly as it relates to my own responsibilities in fishing and the stocking of trout. It is a matter of considerable concern, particularly given the conditions Lake Eildon is currently experiencing. The matter is under active consideration and I will certainly endeavour to improve the situation. To the honourable member's list I would add tourism, which has also been referred to in discussions. It is important that management occurs with a focus on the safety and comfort of campers and tourists.

Hon. M. R. THOMSON (Minister for Small Business) — The Honourable Theo Theophanous raised an issue relating to an email he received today

about the security of mobile phones. The reason for some merriment on this side of the chamber was that Hansard required a copy of the email and the honourable member was having trouble arranging for it to be printed, and in the process he has probably emailed it to about 30 staff in the building. I will raise the issue with the department, source whether it is accurate and determine whether the federal government is taking any action about it as it relates to its responsibility for telecommunications.

The Honourable Peter Katsambanis referred to the $338 million I quoted in relation to Workcover liability. The figure was provided to me by the Minister for Workcover from actuarial reports he received. I understand it varies from the one in the report.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — The Honourable Bruce Atkinson raised issues relating to fire damage and a rebuilding program at the Blackburn Lake Primary School, which I will refer to the Minister for Education in the other place.

The Honourable Andrea Coote referred to a perceived skills shortage in planning services in a number of municipalities. I will refer the matter to the Minister for Planning in the other place.

I will refer the question raised by the Honourable Wendy Smith relating to the project director of the Federation Square project to the Minister for Major Projects and Tourism in the other place.

The Honourable Peter Hall referred to the operations of police stations that are not open for 24 hours and sought clarification about the lines of communication. I will refer the matter to the Minister for Police and Emergency Services in the other place.

In reply to the matter raised by the Honourable Cameron Boardman, I make it clear that although I am always happy to take up a challenge I will have to consult with my parliamentary colleagues to ascertain their availability. The last thing we would want is to have me swim four lengths of a relay — it would not be a pretty sight. Should we be able to meet the challenge, I would like to see any wagers on the outcome donated to charity.

Hon. B. C. Boardman — In other words, I take it you will try to get a team?

Hon. J. M. MADDEN — Yes. The Honourable Roger Hallam raised a matter relating to the disposal of the property on the corner of Bourke and King streets. No doubt he will be aware that I have been assisting the Minister for Planning in dealing with the Land Monitoring Unit. For those honourable members who may not be aware of what the unit does, I point out that it is responsible for the administration and review of government policy on the sale, purchase and compulsory acquisition of land. I am advised that the Land Monitoring Unit ensures that transactions conducted by government agencies are in accordance with government policy and based on proper valuation, advice and legal principles.

An important aspect of government policy is that surplus land should be sold by public process, after first being offered to other government agencies and where appropriate local government and the commonwealth. The ultimate authority for the signing off rests with the minister in the other place. As such, I will put the request for information regarding that site to the Minister for Planning in the other place.

Motion agreed to.

House adjourned 10.03 p.m. until Tuesday, 4 April.

MEMBERS INDEX