

**PARLIAMENT OF VICTORIA**

**PARLIAMENTARY DEBATES  
(HANSARD)**

**LEGISLATIVE COUNCIL**

**FIFTY-FOURTH PARLIAMENT**

**FIRST SESSION**

**23 May 2000**

**(extract from Book 8)**

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**FIFTY-FOURTH PARLIAMENT — FIRST SESSION**

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**Tuesday, 23 May 2000**

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

### ABSENCE OF DEPUTY CLERK

The **PRESIDENT** — Order! I inform the house that because of illness the Deputy Clerk will be on sick leave for some time, which will include the remainder of the autumn sitting. As a consequence of his absence Dr Ray Wright, the Usher of the Black Rod, has been appointed Acting Deputy Clerk and Clerk of Committees and Dr Stephen Redenbach, the Manager, Procedure and Projects Office, has been appointed Acting Usher of the Black Rod.

### PHOTOGRAPHING OF PROCEEDINGS

The **PRESIDENT** — Order! I advise that I have given permission for Mr Grant Campaign to take photographs during question time for inclusion in the Parliament of Victoria visitors booklet and for inclusion on the Parliament's Internet site. Mr Campaign will take photographs from the advisers box, the bar of the house and the galleries.

### ROYAL ASSENT

Message read advising royal assent on 16 May to:

Chinese Medicine Registration Act  
 Disability Services (Amendment) Act  
 Electronic Transactions (Victoria) Act  
 Equal Opportunity (Breastfeeding) Act  
 Federal Courts (Consequential Amendments) Act  
 Local Government (Governance) Act  
 National Taxation Reform (Further Consequential Provisions) Act  
 Vocational Education and Training (Council Membership) Act

### ACCIDENT COMPENSATION (COMMON LAW AND BENEFITS) BILL

*Introduction and first reading*

Received from Assembly.

Read first time on motion of Hon. M. M. GOULD (Minister assisting the Minister for Workcover).

### PLANNING AND ENVIRONMENT (AMENDMENT) BILL

*Introduction and first reading*

Received from Assembly.

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

### QUESTIONS WITHOUT NOTICE

#### Basketball Victoria

Hon. **BILL FORWOOD** (Templestowe) — Has the Minister for Sport and Recreation discussed with Basketball Victoria the fact that its constitution is invalid and that its board of management, including general manager, Lindsay Gaze, have therefore been acting illegally? If so, what action has he taken in this matter?

Hon. **J. M. MADDEN** (Minister for Sport and Recreation) — I have not been made aware of the circumstances in relation to Basketball Victoria, but I shall ask my department to investigate those matters accordingly.

#### Companion card

Hon. **G. D. ROMANES** (Melbourne) — Will the Minister for Sport and Recreation advise the house what steps he is taking to improve access to sport and recreation activities for Victorians with disabilities?

Hon. **J. M. MADDEN** (Minister for Sport and Recreation) — I am committed to improving access to sport and recreation opportunities for Victorians. To that purpose I have provided \$100 000 funding to the Victorian Network on Recreation and Disability, or Vicnord, to establish the companion card scheme in Victoria. It will replace the current range of ad hoc agreements that put unfair pressure on individual venue operators and limit the capacity of people with disabilities to access venues and events of their choice.

The fundamental principle behind the scheme, about which honourable members may not be aware, is that it should cost no more for a person with a disability to watch sport or be a spectator of other events than it costs you or me. Upon presentation of the card, which will require endorsement by medical practitioners to be issued, venue operators will be comfortable in providing access to people with disabilities and their carers — that is the key — for the price of one entry.

Venues within my portfolio will lead the way by encouraging all Victorian venues to support the companion card scheme.

### **Basketball Victoria**

**Hon. C. A. FURLETTI** (Templestowe) — I direct my question to the Minister for Consumer Affairs. Is it true that Consumer and Business Affairs Victoria is investigating Basketball Victoria for breaches of the Associations Incorporations Act? If such breaches are confirmed, what action will be taken against Basketball Victoria?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — I am unaware of any investigation into that association. I will seek a response from my department.

### **Futurefish Foundation**

**Hon. D. G. HADDEN** (Ballarat) — Will the Minister for Energy and Resources please advise the house on the funding agreement between the government and the Futurefish Foundation and how it will benefit Victorian recreational anglers?

**Hon. C. C. BROAD** (Minister for Energy and Resources) — In January the Premier and I met with Mr Rex Hunt regarding the Rex Hunt Futurefish Foundation, of which Mr Hunt is a great advocate.

**Hon. M. A. Birrell** — Was it a two-way conversation?

**Hon. C. C. BROAD** — It was indeed. We discussed the support and funding of recreational fishing in partnership with the foundation. For those members who are not familiar with it, I point out that the Futurefish Foundation is an organisation that was established to use its talents and resources to promote the rehabilitation of fish habitat and to improve access to recreational fishing opportunities for all groups in our community, including places in regional and rural Victoria.

The foundation has a number of significant objectives, including creating an acceptable restocking enhancement program for waterways throughout Australia. I note that restocking has been a matter of concern to some members of the house on previous occasions. It is an important activity that the government supports. The foundation's objectives include identifying and undertaking specific environmental projects to enhance recreational fishing; actively supporting disadvantaged people in experiencing the great joys of fishing; being a national independent voice for fishers throughout Australia and

providing common goals; and, importantly, achieving financial independence and a sustainable cash flow, which accords well with the government's financial objectives.

Following those discussions the government has entered into a formal funding agreement to provide up to \$250 000 per year for the next five years on a dollar-for-dollar basis, matching funds raised by the foundation. Those funds will be used for Victorian-based projects jointly agreed on between Fisheries Victoria and the foundation. The foundation will generate its contributions to the projects through sponsorships, fundraising events, donations and the like. I have no doubt that Rex Hunt and his associates will have no difficulty in matching the funds to be contributed by the government.

There will be appropriate accountability. Each quarter the foundation will provide me, as responsible minister, with a statement of activities and projects undertaken and expenditure incurred.

In conclusion, all Victorian recreational anglers will benefit from the partnership between the government and the Futurefish Foundation.

### **Fuel: prices**

**Hon. B. W. BISHOP** (North Western) — My question is directed to the Minister for Consumer Affairs. What position will the government take in response to the private member's bill on petrol pricing, which will be introduced in the Assembly on Wednesday?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — I have said in the house that the government is concerned about the prices of leaded and unleaded petrol, diesel fuel and liquefied petroleum gas.

**Hon. T. C. Theophanous** interjected.

**The PRESIDENT** — Order! Mr Theophanous, you are not helping the minister by making that sort of racket behind her back.

**Hon. M. R. THOMSON** — The government has been collecting data with the view of providing information to ensure that the Australian Competition and Consumer Commission can proceed with the inquiry it is currently undertaking into petrol prices in an open and accountable way so the public can be sure of the pricing of petrol.

I am on record in the house as saying that fuel pricing is a federal government responsibility. It was handed over

to the federal government in 1984. The government is concerned to ensure that people throughout country Victoria can be secure in the knowledge that they are paying a fair price for fuel.

### **Nelson Mandela Cup**

**Hon. R. F. SMITH** (Chelsea) — Will the Minister for Sport and Recreation inform the house of any major sporting events the government has recently secured for Victoria?

**Hon. J. M. MADDEN** (Minister for Sport and Recreation) — I joined with the Australian Rugby Football Union last Friday to announce that Melbourne will be hosting the Nelson Mandela Cup on 8 July at Colonial Stadium. The game will be between the Australian Wallabies and South Africa's Springbok national rugby teams. I understand that the roof will be closed during the game.

It is great to see Victoria hosting such great sporting events. It reinforces our position as the Australian sporting capital. Some 55 000 seats will be available. The game will be held every two years, with Nelson Mandela happily lending his name to that great event.

### **Smoking: dining areas and shopping centres**

**Hon. K. M. SMITH** (South Eastern) — I ask the Minister for Small Business which organisations or individuals representing restaurants, specialist tobacconists and other small businesses she has consulted or met with on the Tobacco (Amendment) Bill. If she has had any such meetings, what was their result?

**Hon. M. R. THOMSON** (Minister for Small Business) — I have not only spoken to members of the Restaurant and Catering Association of Victoria but I have also spoken to restaurateurs. I have had discussions with representatives of the Australian Retail Association and intend to have further discussions with that association. I have also had discussions with independent retailers. Restaurateurs have mixed views on whether they support in total the tobacco legislation to be introduced into the Parliament.

Important health issues are raised. Tobacco-related diseases are the greatest killers of Victorians. They are responsible for high economic and social cost to the community. I support the legislation coming to the Parliament. There is no evidence to suggest that the restaurant industry will be adversely affected by the legislation. There is no evidence in Australia or overseas where such legislation has been introduced that it has had an adverse effect.

### **Women: discrimination**

**Hon. KAYE DARVENIZA** (Melbourne West) — Will the Minister for Consumer Affairs advise the house of any action the government is taking to address the issue of discrimination against women in the car industry?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — The government has been concerned about this issue for some time. Regarding women as consumers generally, the government has placed a request before the Family and Community Development Committee to inquire into discrimination against women as consumers.

The motor industry, including the purchasing, servicing and repair of motor vehicles, is one area that will be examined. The government has participated in a national inquiry headed by Queensland, and research conducted in Victoria and New South Wales indicates that women have considerable concerns about the patronising way they have been treated in the motor industry. Many people in the industry believe women know nothing about cars. The Victorian Automobile Chamber of Commerce has been working closely with the ministries of small business and consumer affairs to consider ways of advising its membership how to better treat women consumers and also how women in the industry can assist.

The government is concerned about this issue, including the fact that women may pay more for motor vehicle repairs. I hope a parliamentary inquiry may come up with some answers.

### **Industrial relations: government policy**

**Hon. M. A. BIRRELL** (East Yarra) — I ask the Minister for Industrial Relations whether it is government policy that Victorian citizens abide by the decisions and directives of the Federal Court?

**Hon. M. M. GOULD** (Minister for Industrial Relations) — The government supports the law of the land and believes that people who receive penalties under the law should abide by the decisions of the courts.

### **Industrial relations: task force**

**Hon. T. C. THEOPHANOUS** (Jika Jika) — Will the Minister for Industrial Relations advise the house of the progress being made with the establishment of the independent task force inquiring into the state's industrial relations arrangements?

**Hon. M. M. GOULD** (Minister for Industrial Relations) — As honourable members will recall, the Bracks Labor government recently established an independent task force to inquire into the industrial relations system in Victoria and to make recommendations to the government on the implementation of an industrial relations framework. The task force is critically important to growing the whole of the state for all Victorians. In doing so, it will implement a key recommendation of the Growing Victoria Together summit.

In line with that and the Premier's determination to increase female representation on boards and authorities, the government has decided to expand the membership of the task force so that it has a greater female voice. It is also important to note that the government, in boosting female representation on boards and authorities, is preserving the balance between the interests of employers, unions and the community on the task force.

I am sure that the opposition will applaud this objective. The new members of the task force include: Ms Wendy Tobins, the executive director of Job Watch; Ms Robyn Homes, the manager of employee relations at Holden Engine Operations; and Ms Jane Calvert, the secretary of the Construction, Forestry, Mining and Energy Union. In addition, Mr David Gregory, the general manager, workplace relations policy, is now the Victorian Employers Chamber of Commerce and Industry representative on the task force. The increased female representation is appropriate given that many of the issues being considered by the task force affect women in low-paid positions in the work force. I am pleased to note that the task force has already held two meetings and has determined that it will travel around the state to consult with the community.

The task force, chaired by Professor Ron McCullum, will listen to people in Ballarat, Bendigo, Geelong, Mildura and Traralgon. Urban consultations will also be held in Springvale, Coburg and Sunshine. As I said before, the task force will consult broadly with the community. I hope the opposition makes a submission because all submissions will be put on the web page that has been established. I am sure honourable members will look forward to reading the many submissions presented to the task force.

The government's policies stand in stark contrast to the approach of the Kennett government which destroyed Victoria's award system and did not consult the community on industrial relations issues.

## QUESTIONS ON NOTICE

### Answers

**Hon. M. M. GOULD** (Minister for Industrial Relations) — By leave, I move:

That so much of the standing orders as require answers to questions on notice to be delivered verbally in the house be suspended for the sitting of the Council this day and that the answers enumerated be incorporated in *Hansard*.

The question numbers are: 307, 308, 404, 405 and 422–426.

**Motion agreed to.**

## COUNCIL OF MAGISTRATES

### Annual report

**Hon. M. R. THOMSON** (Minister for Small Business) presented, by command of His Excellency the Governor, report for 1998–99.

**Laid on table.**

## SCRUTINY OF ACTS AND REGULATIONS COMMITTEE

### *Alert Digest No. 6*

**Hon. M. T. LUCKINS** (Waverley) presented *Alert Digest No. 6 of 2000, together with appendices.*

**Laid on table.**

**Ordered to be printed.**

## PAPERS

**Laid on table by Clerk:**

Anderson's Creek Cemetery Trust — Report, 1998.

Ballarat General Cemeteries Trust — Report, 1998.

Ballarat University — Report, 1999 (two papers).

Bendigo Cemeteries Trust — Report, 1998.

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

Cheltenham Cemeteries Trust — Report, 1998.

Crown Land (Reserves) Act 1978 — Minister's Order of 8 May 2000 giving approval to granting of a licence at Henty Park Reserve, Flinders Park Reserve and the Portland Foreshore Reserve.

Deakin University — Report, 1999.

Fawkner Crematorium and Memorial Park — Report, 1998.

Geelong Cemeteries Trust — Report, 1998.

Keilor Cemetery Trust — Report, 1998.

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

- Ballarat Planning Scheme — Amendments C24 and C28.
- Bayside Planning Scheme — Amendment C4.
- Casey Planning Scheme — Amendment C11.
- Dandenong — Greater Dandenong Planning Scheme — Amendment C13.
- Melbourne Planning Scheme — Amendment C26.
- Melton Planning Scheme — Amendment C10.
- Strathbogie Planning Scheme — Amendment C3.
- Wangaratta Planning Scheme — Amendment C2.

La Trobe University — Report, 1999.

Lilydale Memorial Park and Cemetery Trust — Report, 1998.

Melbourne University — Report, 1999.

Memorial Park Cemetery Trust — Report, 1998.

Monash University — Report, 1999.

Necropolis Trust — Report, 1998.

Royal Melbourne Institute of Technology — Report, 1999.

Swinburne University of Technology — Report, 1999.

Templestowe Cemetery Trust — Report, 1998.

Victoria University of Technology — Report, 1999.

Wyndham Cemeteries Trust — Report, 1998.

## ACCIDENT COMPENSATION (COMMON LAW AND BENEFITS) BILL

### *Second reading*

**Hon. M. M. GOULD** (Minister assisting the Minister for Workcover) — I move:

That this bill be now read a second time.

The purpose of this bill is to implement the Bracks government's election commitment to restore access to common-law damages for seriously injured workers to sue employers and recover damages. The government believes that the right of seriously injured workers to

sue negligent employers is a fundamental right that should never have been removed. The government is committed to the restoration of common-law rights for seriously injured workers within the context of a fully funded and financially stable system which maintains competitive premiums. The government promised the restoration of common-law rights to seriously injured workers within its first 100 days of government. However, because of the need for detailed consideration of the best way to restore common-law and detailed actuarial costings this was not possible. This bill restores access to common-law damages from 20 October 1999, the date the Bracks government was sworn in. The bill also makes changes to statutory benefits and makes other changes to the Accident Compensation Act 1985.

In late November 1999 representatives from the various stakeholder groups were invited to form a working party whose role was to contribute to the development and evaluation of options for the restoration of common-law rights, for consideration by the government. During the course of proceedings the working party heard expert opinions on various aspects of the scheme and was provided with comprehensive information on its operations. The entire process was carried out in a transparent and consultative manner. An actuary was engaged to assist the working party assess the financial viability of options for restoring common law.

The report outlines the structure and financial position of the scheme, provides an overview of the common-law experience and comparison with other jurisdictions and details the costed options and recommendations. The actuarial report was published as an accompanying volume to the main report.

Although the working party was unable to agree on a recommended approach for the restoration of common-law access, the report received by the government put forward three central options reflecting the range of views expressed by members.

The entitlement of injured workers to obtain damages at common law was removed by the former government on 12 November 1997 under the Accident Compensation (Miscellaneous Amendment) Act 1997. Only workers injured prior to 12 November 1997 retained the right to seek common-law damages.

The former rights, which were removed, provided access to common law by a requirement that the compensable injury be a serious injury. The test of serious injury was satisfied by a worker having a 30 per

cent or greater permanent impairment as a result of compensable injury assessed according to the American Medical Association *Guides to the Evaluation of Permanent Impairment*, second edition — the AMA *Guides*, second edition. On the 30 per cent test being satisfied a worker was deemed to have a serious injury and entitled to bring proceedings for common-law damages. A worker with a whole-person-impairment determination of less than 30 per cent had an entitlement to make an application to the Victorian Workcover Authority that the injury was a serious injury or alternatively make an application to the court seeking leave to bring proceedings on the basis that the injury satisfied the narrative test of serious injury. The narrative test examined the effects and consequences of the injury on the worker. The narrative test for serious injury in section 135A of the Accident Compensation Act 1985 contained a definition of ‘serious injury’, meaning:

- (a) serious long-term impairment or loss of a body function; or
- (b) permanent serious disfigurement; or
- (c) severe long-term mental or severe long-term behavioural disturbance or disorder; or
- (d) loss of a foetus.

The bill seeks to restore common-law rights for seriously injured workers who satisfy the former deeming test of 30 per cent or greater whole-person impairment which will now be assessed in accordance with the AMA *Guides*, fourth edition, and in the alternative, for workers who satisfy the narrative test of serious injury proposed by this bill. The government sees the deeming test to be the main gateway for access to common-law rights.

The previous narrative test for serious injury in section 135A of the Accident Compensation Act 1985 was identical to that which was first introduced in the Transport Accident Act 1986. The former government had little information on which to base a reliable estimate of the cost and little understanding of what was meant by serious injury when the serious injury test was introduced to the Workcover scheme. The Parliament gave the courts little guidance as to what was meant by the concept of serious injury in 1986 when it was introduced into the Transport Accident Act or when it was introduced into the Accident Compensation Act in 1992. The courts were effectively left to develop the meaning of the narrative test of serious injury. The overall result was a rapid increase in the number of common-law claims over the actuarial

estimate and abolition of access to common-law damages by the former government.

The commitment of this government to restore common-law rights to seriously injured workers has an equal commitment to ensure that the costs of the restoration of common-law rights are confined and the number of common-law claims and the cost of those claims can be actuarially measured in a reasonably predictable manner. In order to achieve the objectives of government in relation to the restoration of common-law rights, the former narrative test of serious injury has been altered in a number of respects: firstly, with the intention of defining the meaning of serious injury; and secondly, with the intention of excluding the economic-loss basis on which certain types of applications were successful such as those approved by the Court of Appeal in *The State of Victoria v. Glover* (Court of Appeal Supreme Court of Victoria, unreported, 7 October 1998) and *Barlow & Anor v. Hollis* (Court of Appeal Supreme Court of Victoria, unreported, 17 March 2000).

The narrative serious injury test contained in the bill has been codified to broadly reflect the test established by the full court in *Humphries v. Poljak* (Full Court of the Supreme Court of Victoria 1992 2 VR at 129) as well as introducing a new loss of earning capacity consequence with a threshold of 40 per cent. Forty per cent is within the range of loss of earning capacity found by the full court in *Petkovski v. Galletti* (Full Court of the Supreme Court of Victoria 1994 1 VR 436) to be very considerable.

Consistent with *Humphries v. Poljak*, the code prescribes that the narrative test of serious injury will only be satisfied by reference to the consequences to the worker of any impairment or loss of a body function, disfigurement or mental or behavioural disturbance or disorder, as the case may be, with respect to pain and suffering and loss of earning capacity when judged by comparison with other cases in the range of possible impairments or losses of a body function, disfigurements or mental or behavioural disturbances or disorders, respectively. The process undertaken by the courts will be to determine the consequence of a particular impairment to the worker in order to determine whether that consequence is serious to the worker. The test to be applied is subjective in the sense that it is the effect of the injury which must be considered, but the determination must be objectively made by reference to the consequences judged by comparison with other cases in the range of possible impairments or losses of a body function, disfigurements or mental or behavioural disturbances or

disorders. The two categories of consequences, pain and suffering and loss of earning capacity, must be considered separately in deciding whether an injury is serious.

In accordance with the test in *Humphries v. Poljak*, the impairment or loss of a body function or a disfigurement shall not be held to be serious unless the court finds the consequence is more than significant or marked and is, at least, 'very considerable'.

The government considers that the adverb 'very' should be interpreted consistent with the dicta in the Court of Appeal decision *Transport Accident Commission v. Dennis* 1998 1 VR 702 at 703:

The adverb 'very' is important, for many disturbances are considerable in the sense that they are important or substantial, without being very considerable. An important or substantial impairment would not satisfy the requirement. To be very considerable an impairment must be more than that.

The definition of serious injury contains a new concept in respect of the qualifying period for a consequence of an impairment or loss of a body function, disfigurement or mental or behavioural disturbance or disorder to be found to be serious. Previously, it was a time period which satisfied the requirement of being long term. In *Humphries v. Poljak*, the majority of the full court did not express a view on the meaning of the phrase 'long-term'. It said 'long-term' was not an expression likely to give rise to difficulty. The absence of guidance as to the meaning of long term has however given rise to ambiguity in applications and this has been compounded by the medical and legal professions having a different approach to the meaning to be given to the term. The expression 'long-term' has been removed from the new test and the word 'permanent' has been inserted by way of substitution. This is intended to reflect the view of government that a serious consequence is one which is permanent, meaning indefinitely for the foreseeable future.

The test introduces a new concept of a 40 per cent threshold of loss of earning capacity. The provision of this objective standard is within the range which the full court found in *Petkovski v. Galletti* 1994 1 VR 436 to be very considerable. There the full court considered a fact situation where the reduction in working hours was from about 40 to between 25 and 20. The full court said that such an interference with working capacity may fairly be regarded as a serious consequence. Prior to the decision in *Humphries v. Poljak*, the full court approved the dicta of Marks J. in *Ninkovic v. Pajvancek* 1991 2 VR 427 that 'disablement from work' was a serious consequence. *Petkovski v. Galletti* gave a

meaning to the extent to which interference with working capacity was a serious consequence. The government regards the result in *Petkovski v. Galletti* to be the appropriate benchmark for serious injury in respect of loss of earning capacity and accordingly to reflect the commonsense appreciation of a measure of loss of earning capacity which should be determined as being a serious consequence. Since *Petkovski v. Galletti*, there have been two Court of Appeal decisions, *The State of Victoria v. Glover and Barlow & Anor v. Hollis*, where the court has upheld findings of a trial judge that a loss of flexibility of options in employment or loss of a career choice has been sufficient to satisfy the requirement of there being a serious economic loss consequence. Those decisions are not consistent with the policy of the government and in order to ensure the measure of economic loss required to be found as a serious consequence is consistent with that found in *Humphries v. Poljak* and *Petkovski v. Galletti* the bill provides an objective criteria of a loss of earning capacity measured at the date of the hearing of the application as a loss of earning capacity of 40 per cent or more and also continuing to be a permanent loss of earning capacity of that degree.

The loss of earning capacity is to be measured by firstly comparing the worker's income from personal exertion or capacity to earn income on a before-injury and after-injury basis. The focus time period for determining the capacity to earn income on a before-injury basis is limited to three years before the injury and three years after the injury in order to remove open-ended inquiries which may have varying degrees of speculative judgment. The examination is one which is to fairly reflect the worker's earning capacity had the injury not occurred. Consistent with that understanding, in the three-year period prior to the injury, the court may have regard to the vagaries of the worker's pre-injury employment history and the impact of the worker's social, health and other factors on the capacity to work in that period. In respect of the three years after the injury, the earnings and/or capacity for earnings but for the injury will enable the court to have regard to the probable increases or decreases in earnings that may have occurred or the achievement of other employment opportunities within that time had the injury not occurred. The comparison is to be made on an examination of pre and post-injury gross income rather than net income. This will enable the analysis to have a simple basis of calculation and to avoid dispute as to a net income figure.

The three-year pre and post-injury period does not apply in the case of a worker referred to in section 5A(7) of the act or a worker under the age of 26 years

at the date of injury. The government recognises that apprentices and workers undergoing training for the purpose of becoming qualified and in general terms workers under the age of 26 years should not be subject to a six-year period of inquiry of earnings or earning capacity. In the case of such workers, a court may have regard to the probable income from personal exertion which the worker would have earned but for the injury over the worker's probable earning life. This means the usual common-law position prevails.

The government recognises there is a tension between a worker's motivation to undertake rehabilitation and retraining and the opportunity to satisfy the economic loss threshold in the serious injury test by a worker not returning to employment or not undertaking rehabilitation and retraining. Accordingly the bill provides the following very important qualification on the loss of earning capacity threshold. The bill provides that a worker will not establish the loss of earning capacity threshold where the worker has or would have after rehabilitation or retraining and taking into account the worker's capacity for suitable employment after the injury, and where applicable, the reasonableness of the worker's attempts to participate in rehabilitation and retraining, a capacity for any employment including alternative or further or additional employment which, if exercised, would result in the worker earning more than 60 per cent of his or her gross pre-injury income. Suitable employment is defined in section 5 of the act and in relation to a worker means employment in work for which the worker is currently suited whether or not that work is available having regard to certain criteria.

As the issues of rehabilitation and retraining and capacity to undertake employment are seen by the government to be of critical importance to the success of being able to confine the costs of the scheme, the bill provides that for the purpose of proving a loss of earning capacity in a serious injury application, the worker bears the onus of proving any inability to be retrained or rehabilitated or to undertake suitable employment or undertake any employment including alternative employment or further or additional employment. This provision is necessary to remove any ability to apply the decision of the full court in *Woodhead v. Barrow* (unreported, 3 September 1993).

Although the code provides an objective threshold of 40 per cent for loss of earning capacity which is expected to determine that issue in the majority of cases it is appreciated that there may be some cases where that threshold may have an unintended consequence. In order to meet that possibility the code retains the previous common-law requirement that the loss of

earning capacity consequences still meet the standard of serious or severe. That test would still apply when a 40 per cent loss did not produce a loss in monetary terms which was serious or otherwise where the working life of a worker remaining after the hearing of the application or application for a certificate would not be long enough to warrant the 40 per cent loss of earning capacity in that case being serious or severe as the case may be.

The definition of serious injury maintains the previous distinction between the requirement of a serious impairment or loss of a body function or serious disfigurement and a severe mental or behavioural disturbance or disorder. The government recognises it is proper to maintain a higher threshold requirement for a mental or behavioural disturbance or disorder due to the degree of subjectivity involved in such a condition. The code does not define the meaning of the word 'severe'. The meaning of that word was considered by the Court of Appeal in *Mobilio v. Balliotis & Ors* 1998 3 VR 833. The Court of Appeal decided that the words 'serious' and 'severe' should not be equated and that the word 'severe' has a stronger meaning than the word 'serious'. The government accepts the correctness of that approach in respect of the determination of the consequences of pain and suffering. In the case of the consequences of the loss of earning capacity it will be sufficient to meet the 40 per cent loss of earning capacity test, subject to the common-law measure of severe or serious still being met.

In terms of what constitutes a mental or behavioural disturbance or disorder, the government considers that what is known as a functional overlay should never be sufficient to satisfy the serious injury test. To the extent there have been arguments put in various cases, the most recent being the Court of Appeal decision in *Abela v. Goodman Fielder Mills & Anor* (unreported, 16 February 2000) suggesting that a functional overlay may satisfy the requirement of a serious injury, the government says that such views are not consistent with the intentions of government in this proposal to restore common-law rights.

The code introduces a number of other modifications to the common law and seeks to remove issues in respect of which there has been ambiguity of interpretation or doubt. The psychological or psychiatric consequences of a physical injury and a physical injury are not to be combined. The former fall under paragraph (c) and the latter under paragraph (a) of the definition. In *Humphries v. Poljak*, the court said it would be anomalous to regard the consequences of mental disturbance or disorder to fall under paragraph (a) when the disturbance or disorder itself fell to be judged by

whether they satisfied the criteria of paragraph (c). The government considers this distinction to be proper and should be maintained.

The assessment of serious injury is required to be made at the time the application is considered. In accordance with the assessment of permanent impairment under the *AMA Guides*, fourth edition, stabilisation must have occurred before an impairment determination can be made. This accords with the intention of government that an application for leave to bring proceedings cannot be made until an injury has stabilised. The bill provides that the determination of serious injury shall be made as at the date of the application. This is required to be consistent with the loss of earning capacity measurement being made at that date.

For the purposes of the application, court is defined to mean a court other than a Magistrates Court. The government recognises that the importance of a serious injury finding is one which requires such application should only be heard by a judge.

Section 135A(7) provides thresholds and caps which apply to the common-law claim in the trial of the action after leave to bring proceedings has been granted. In *Cropp v. TAC* 1998 3 VR 357, the Court of Appeal questioned whether the threshold amounts may be criteria of relevance to the determination of an assessment of serious injury. The government has chosen to maintain the previous threshold limits due to a recognition that there may be cases where unfairness would be created if the threshold was increased to a higher level. However, the government considers that by maintaining fairness in not increasing the former monetary thresholds, it is necessary to provide that the monetary threshold shall not be had regard to for the purposes of the serious injury application. The bill further provides that at the trial of an action before a jury, the fact that a worker has been granted a serious injury certificate or deemed to have a serious injury and the existence of the monetary thresholds and caps shall not be made known to the jury. The government considers such a provision to be consistent with the serious injury thresholds not being an influence in a common-law trial.

The courts will be required to be satisfied that the evidence in support of the serious injury test has been met on the balance of probabilities. This has been included in the code in order to enshrine the standard of proof applied by the full court in *Humphries v. Poljak* and to ensure the lower standard of proof of a strongly arguable case is not introduced.

The bill introduces a new concept in relation to the worker having a limited entitlement to bring proceedings if, on the serious injury application, the court is not satisfied the worker has met both the pain and suffering and loss of earning capacity thresholds. If a worker satisfies the pain and suffering threshold but not the loss of earning capacity threshold, then the worker will be limited to an entitlement to bring common-law proceedings for the recovery of pain and suffering damages only. If, however, the worker satisfies the economic loss threshold, the worker will be entitled to bring proceedings for pain and suffering damages and economic loss damages.

The necessity for a worker to satisfy either the pain and suffering or the economic loss threshold and the importance of the decision itself creates a need for detailed reasons to be given by a court in respect of each category of the application partly to determine if there is a right of appeal. That need, together with the decision of the Court of Appeal in *Barlow & Anor v. Hollis* (unreported, 17 March 2000), has caused the government to consider it is appropriate to include a provision in the bill that the reasons given by the court in deciding an application shall not be summary reasons, but shall be as extensive and complete as the court would give on the trial of an action. The government considers this is an issue of importance due to the need to be able to have the benefit of judgments of the court in relation to issues of fact and opinion.

The bill also amends the appeal process. Following certain dicta of the full court which were subsequently adopted by the Court of Appeal an employer requires leave to appeal before being able to institute an appeal whereas a worker does not require leave. The government considers that this distinction is one which is not sustainable as a matter of fairness as between the parties and particularly because of the importance of the curial role of the Court of Appeal. To introduce a consistent position between the parties, the bill provides that leave to appeal shall not be required for any appeal to the Court of Appeal from a decision granting or refusing leave made on a serious injury application.

Finally, the bill requires the Court of Appeal to decide for itself whether an injury is a serious injury on the evidence and other material before the judge who heard the application. This effectively restores the task to be undertaken by a court of appeal to the principles established by *Humphries v. Poljak*. There the court followed the dicta of the majority as stated by the Full Court of the High Court in *Warren v. Coombes* (1979) 142CLR531 p.552, 'the duty of the appellate court is to decide the case — the facts as well as the law — for

itself. In doing so it must recognise the advantages enjoyed by the judge who conducted the trial’.

Those workers who were injured between 12 November 1997 and 19 October 1999 and have serious injuries but are not eligible for common-law damages will be placed in an intensive case review program. Each identified claim will be reviewed to ensure that the previous claims management has:

- supported and ensured services provided to claimants meet individual needs;

- assessed all aspects of the claim and taken appropriate and timely action in accordance with the Accident Compensation Act 1985 and guidelines issued by the Victorian Workcover Authority;

- explored in detail return-to-work options for claimants with a capacity to work;

- facilitated claimant access to all statutory entitlements as offered by the Accident Compensation Act, particularly lump sum impairment benefits; and

- considered potential claimant access to other non-Workcover statutory entitlements such as the Sentencing Act 1991, and possible commonwealth social security entitlements and advised the claimant of his or her possible entitlements.

It is intended that those workers assessed as having a whole-person impairment of 30 per cent or more using the *AMA Guides*, fourth edition, who have been on weekly benefits for over 104 weeks and are assessed as having no current work capacity indefinitely, are to have the option to apply to the Victorian Workcover Authority for a settlement of their future weekly benefit. The Department of Treasury and Finance and the Victorian Workcover Authority have been asked to look at ways to achieve this outcome.

Consistent with the Common Law Working Party’s terms of reference the working party considered and reported on a range of issues relating to statutory benefits. Although there was no unanimous recommendation to increase statutory benefits there is in the government’s view a strong case for increasing statutory lump sum benefits. This will assist those workers with lower levels of whole-person impairment who are potentially unable to access common law.

This bill therefore proposes to improve statutory benefits for those workers potentially unable to access common law. It is proposed to increase statutory lump sum benefits for those workers who have an assessed

whole-person impairment of 30 per cent or less from 1 July 2000. The minimum payment will be increased from \$5040 to \$10 300 at 10 per cent whole-person impairment. The benefits above 10 per cent and up to 30 per cent whole-person impairment will be increased by \$2060 per percentage point of impairment. Thereafter, the benefit structure will reflect the existing formula.

It is also proposed to increase weekly benefits to include regular overtime and shift allowances for the first 26 weeks of payments. If benefits are intended to compensate for economic loss caused by the injury, it is reasonable for a limited period of time to include regular overtime and shift allowances. It is intended the new benefit will be introduced from 1 September 2000 and will only apply to new claims on or after that date. This will give the Victorian Workcover Authority time to adjust its information technology systems to monitor and deliver this new benefit.

Also with regard to statutory lump sum benefits it is proposed to adopt the recommendations of the working party and review:

- the effect on the level of statutory lump sum benefits paid and scheme cost of the translation from *AMA Guides*, second edition, and the table of maims to *AMA Guides*, fourth edition;

- assessment of permanent back injuries and industrial asthma under the *AMA Guides*, fourth edition; and

- the 30 per cent whole-person impairment threshold for payment of statutory lump sum benefits for psychiatric illnesses, and the guidelines for assessment of these claims.

These issues were discussed in the working party’s report and I would refer members to chapter 5 of that report.

To provide more flexibility for the operation of the *AMA Guides*, fourth edition, it is proposed that the Accident Compensation Act be amended so that the *AMA Guides*, fourth edition, may be modified by regulation.

The average premium rate is to be increased to 2.18 per cent of wages. This will be sufficient to cover the scheme cost assessed by the actuary — engaged by the Department of Treasury and Finance to assist the working party — and after meeting the estimated unfunded liability and establishing a modest safety margin in the premium in early years. Once the unfunded liability is met, the safety margin, on current projections, will increase to just over 10 per cent.

Experience over recent years has demonstrated the necessity for this.

A premium of 2.18 per cent represents a 15 per cent increase for employers. This increase in the first year will be applied equally across all employers and will in later years be subject to the experience rating formula adopted by the Victorian scheme as each employer's experience emerges. This increase must be seen in the context of the cost of compensation schemes around Australia. Victoria's scheme has been a lower cost scheme when compared to the schemes around Australia and these measures are intended to provide improved and equitable benefits for a broad range of injured workers. Even with increasing the average premium rate to 2.18 per cent of wages, the Victorian average premium rate will be at or below the Australian average and remains competitive.

The government is mindful of the impact on small business of premium increases. But the only real way to achieve premium reductions for small business is by reducing the number of workplace accidents. With this in mind the government is committed to providing better incentives to those small businesses which demonstrate a commitment to providing a safe and healthy environment for themselves and their employees.

In a broader context, the Victorian Workcover Authority will undertake a review of the experience-rated premium system which will include an examination of the impact on small businesses committed to safe and healthy workplaces. In addition, the Victorian Workcover Authority will provide improved service delivery and better access to information and training for all businesses but particularly small business.

The bill makes important changes to the process for managing both the assessments of claims for statutory lump sum damages and access to damages for common law. These changes include the timing of the impairment assessment and the role of medical panels in dispute resolution. These changes pick up one of the very important recommendations of the working party that the Victorian Workcover Authority have in place a strong claims management process for common law. The changes also build on the Masel report, which amongst other recommendations highlighted the importance of appropriate claims management and streamlined assessment processes for both statutory benefit and common-law claims.

The bill requires that in future workers undergo a once-only whole-person impairment assessment to

determine their entitlement for both statutory lump sum benefits and access to common law under the whole-person impairment test. The test will be undertaken no earlier than 12 months from the date of injury. Workers will initially be referred to an independent medical practitioner who will assess the level of impairment. If the assessment is not accepted by the worker the assessment will be referred to a medical panel. The decision by the medical panel will be final and binding on the courts.

If the worker wishes to pursue recovery of pain and suffering damages at common law, then his or her right to payment of any statutory non-economic loss compensation is suspended, pending the outcome of the common-law claim. If the worker fails to recover any pain and suffering damages, he or she may then access the statutory non-economic loss compensation. If the worker does receive a settlement offer, or an award, of pain and suffering damages, the worker would have the option of taking either the statutory non-economic loss compensation or the damages, but not both.

The worker's rights to weekly payments compensation and damages for economic loss are unaffected by this proposal.

The common-law pre-litigation process will only commence once the degree of impairment has been assessed and will be modified to dovetail with the new process. An essential aspect of these changes is that a worker will not be able to commence an application under the narrative serious injury test until the worker's level of impairment has been assessed.

Medical panels are currently responsible for providing opinions on a range of medical questions in relation to statutory benefits. It is proposed to extend the role of medical panels to provide opinions on medical questions associated with the narrative serious injury test.

As is currently the case, the decisions of medical panels will be final and binding. The value of the medical panels is that independent experts determine medical questions and the degree of whole-person impairment in a non-adversarial environment. As is currently the case, the only appeal permitted will be on the basis that the medical panel has failed to afford procedural fairness or has breached other principles of administrative law.

Concerns have, however, been raised as to the operation of medical panels and whether or not they always afford procedural fairness. There have been a number of appeals on administrative law grounds.

To improve the operation of medical panels and to better enable them to take on their expanded role, the bill makes the following amendments:

the minister's power to issue guidelines will be amended to make it clear that one of the purposes of the guidelines is to ensure that medical panels accord procedural fairness to the persons affected by the opinion;

require the person referring the matter to the medical panels to provide a range of additional information over that which is currently provided — for example, a summary of agreed facts and facts that are in dispute;

while retaining the requirement that the court refers a medical question requested by a party to the court, give the court the right to refer the question in such form as it thinks appropriate;

enable the appointment of a deputy convenor of medical panels; and

provide consultants engaged to give expert advice to the medical panels the protection from suit and from compulsion to give evidence afforded to members of medical panels.

Finally, it is proposed to provide the Victorian Workcover Authority and self-insurers with a general power to refer medical questions for the opinion of a medical panel in the course of the claims management process as distinct from dispute resolution. It is proposed that the Victorian Workcover Authority or a self-insurer may make an application to the senior conciliation officer for the referral by a conciliation officer, with the consent of a worker, of a medical question relevant to a claim for compensation by the worker for the opinion of the medical panel.

These provisions dealing with medical panels take up a number of recommendations made by the working party in relation to the operation of medical panels. I should make clear, however, that this is an evolving area and further work is to be undertaken on the appropriateness of certain questions being referred to medical panels and the method of their referral.

There are five further amendments that are necessary to correct anomalies or difficulties in relation to the run-off of the pre-1992 and pre-1997 common-law claims or are related to the restoration of common law. Each of the amendments implements in either full or part the recommendations of the working party.

The first of these amendments relates to correcting the anomaly as to time limitations that arises from what are known as the Rizza and Walker cases. As part of legislative changes in the spring of 1992, the right to access common law was closed off to all but those with a serious injury which either arose on or after 1 December 1992, or arose before that date but the incapacity arising from the injury did not become known until on or after that date. The inclusion of the latter category was intended principally as a safety net for workers who may fall victim to an insidious disease in the future which had been caused by employment before 1 December 1992.

For those injuries which arose prior to 1 December 1992 — and which did not come within the safety net category — the Accident Compensation Act put in place time limits on proceedings. Following the Supreme Court decision in *Robart*, the act was amended to impose a further time limit for these cases of 29 June 1994.

In the matters of *Rizza v. Fluor Daniel GTI (Aust.) Pty Ltd* and *Inline Courier Systems v. Walker*, the Court of Appeal ruled that the bar introduced in 1994 applied to common law proceedings in respect of all injuries which occurred prior to 1 December 1992, including those which would otherwise have come within the safety net referred to above. Thus, unless proceedings in these cases had commenced prior to 29 June 1994, the safety net ceased to have any practical effect. This was not the intended effect of the bar.

This bill therefore amends the Accident Compensation Act to make it clear that the bar against commencing proceedings in respect of injuries occurring before 1 December 1992 does not apply in respect of those injuries which would qualify under the safety net. The amendment also ensures that the time since the decisions of the Court of Appeal is to be disregarded for certain purposes under the Limitations of Actions Act 1958 and that the amendments made by the clause apply to the Walker and Rizza cases themselves.

The second of these amendments concerns the run off of the pre-1997 common-law claims.

Workers injured prior to 12 November 1997 have until 31 December 2000 to issue a writ for common-law damages. The government is seeking to ensure that workers do not unfairly miss out on their rights in this context. Accordingly, the bill proposes that instead of requiring court proceedings to be commenced prior to 31 December 2000, subject to the operation of the Limitations of Actions Act, the plaintiff is required to have made his or her serious injury application to the

Victorian Workcover Authority or self-insurer before 1 September 2000.

The next three amendments are consequential to the restoration of common law.

It is proposed that the Accident Compensation Act 1985 be amended so as to empower the courts, with the agreement of the plaintiff and the defendant, to order that all or part of an award of damages be paid by way of a structured settlement. Currently, an award of damages may only be made in the form of a lump sum. In certain cases, it may be to the benefit of a plaintiff if all or part of the amount were paid under other payment arrangements, including payments under an annuity purchased out of the amount.

It is proposed that the rules governing actions in respect of work-related injuries and deaths, arising out of transport accidents and other non-transport accident third party actions, should broadly be the same as those which applied in respect of pre-12 November 1997 cases.

In the case of injuries arising out of a transport accident, while the worker's entitlements to no-fault compensation would continue under the Accident Compensation Act 1985, his or her right to recover common law damages, and the processes for doing so, would be determined in accordance with the provisions of the Transport Accident Act 1986 and not the Accident Compensation Act 1985.

For other injuries where the worker may have a cause of action against a third party, any proceedings against the third party would be governed by the rules in the Accident Compensation Act 1985 — that is, the worker would be subject to the serious injury test and the thresholds and caps as to quantum. The exception to this are cases where the injury is deemed to be work related and occurs away from the worker's fixed place of employment and where the employer is not a party to the proceedings. To coincide with the restoration of common law these amendments will be made retrospective to 20 October 1999.

The bill includes provisions which will set the party-party costs of originating motions and trials for common law at the applicable court scale less 20 per cent or such other fees as are determined by an order in council and published in the *Government Gazette*. This amendment is necessary to curtail the costs of the scheme. In addition, the bill will give the Governor in Council a reserve power to set fees that may be recovered by a legal practitioner acting on behalf of a worker in respect of originating motions, damages trials

and the pre-litigation process. The government intends this bill to increase benefits to workers and is concerned to ensure lawyers' costs are reasonable. These latter powers will only be exercised if there is evidence that solicitor-client fees increase unduly. The necessary systems will be put in place to monitor the level of solicitor-client fees.

The opportunity is also being taken to amend what is seen as an anomalous consequence of the former government's changes to the Sentencing Act in 1996.

The Accident Compensation Act 1985 and the Transport Accident Act 1986 are both intended to provide comprehensive schemes for compensating individuals who have suffered either workplace injuries and diseases, or injuries arising out of transport accidents. Within both schemes, the benefits are structured to address the main adverse impacts of such injuries and diseases.

An additional form of compensation currently exists under section 86 of the Sentencing Act 1991. A person, who suffers loss of, or damage to, property or pain and suffering as a result of an offence, may apply to the court for an order that the offender pays compensation. This provision was extended to pain and suffering by the former government as part of that government's changes to crimes compensation in 1996.

In order for these compensation schemes to operate effectively, the government believes it is appropriate that compensation for such injuries is payable under one piece of legislation. Accordingly, this bill amends the Sentencing Act 1991 to exclude a person from entitlement to compensation for pain and suffering under section 86 in the following circumstances:

where that person has an entitlement to any compensation under the Accident Compensation Act 1985 or the Transport Accident Act 1986 as the case may be — other than certain minor forms of compensation; and

where the entitlement to compensation for pain and suffering under section 86 arises solely because the driver or employer is guilty of an offence under the Road Safety Act 1986 in the case of a driver, and the Dangerous Goods Act 1985, the Occupational Health and Safety Act 1985 or the Equipment (Public Safety) Act 1994 in the case of an employer.

This amendment will apply from 13 April 2000, the date of the second-reading speech for this bill in another place. In all other situations compensation for pain and suffering will still be available under the Sentencing Act.

The Supreme Court recently decided in *Bentley v. Furlan* (1993) VSC 481 that the Transport Accident Commission would not be liable to indemnify a driver for compensation under the Sentencing Act. The bill contains a clause to put beyond doubt that in respect of past cases or future cases where compensation for pain and suffering is awarded under the Sentencing Act, the Transport Accident Commission and the Victorian Workcover Authority are not liable to indemnify the offender for the payment of that compensation. Accordingly this amendment is to be retrospective to the date of the changes to the Sentencing Act.

This bill amends the Accident Compensation Act 1985 to enable the Victorian Workcover Authority the ability to recover from the Transport Accident Commission the full costs of compensation paid or payable under the act in respect of injuries or deaths arising out of a transport accident. It is intended that the Victorian Workcover Authority will appoint the Transport Accident Commission as an authorised agent to administer claims by workers that arise as a result of transport accidents. This will require some minor consequential amendments to the Transport Accident Act which are included in the bill. In addition, if self-insurers wish to make full recovery under this provision from the Transport Accident Commission for workers injured in transport accidents they will need to appoint the Transport Accident Commission as their claims agent.

There are two further amendments which are not related to the restoration of common law.

The bill rectifies an unintended omission in the death benefits provisions of the act — sections 92A to 92C — introduced as part of the new benefits structure commenced in November 1997. Currently, if a deceased worker does not leave a dependent spouse, but does leave a dependent child — who is not an orphan — that child, and any other dependent children, while eligible to a pension, are not eligible to a share in the lump sum available under section 92A.

To remedy that omission a new provision will be included in section 92A. Where this situation arises, the dependent child or children will be entitled to such share of the overall lump sum provided for a death — currently \$176 310 — as the County Court considers is reasonable and appropriate.

Finally, it is proposed to amend the Dangerous Goods Act 1985 to allow appropriate officers of the Department of Natural Resources and Environment to, amongst other things, issue licences, and to be

appointed as inspectors under the Dangerous Goods Act 1985, for the purpose of enforcing the explosives regulations in mines and quarries. These regulations are presently being rewritten as their sunset approaches. Consequential amendments to section 9 of the Dangerous Goods Act 1985 and section 56 of the Extractive Industries Development Act 1995 will also be necessary to avoid the risk of incompatible laws being passed.

In conclusion I make the following statements under section 85 of the Constitution Act 1975 of the reasons why sections 134AA, 134AB, 134AC, 134AD, 134AE, 134AG, 134A, 135AC and 138B of the Accident Compensation Act 1985, as inserted or amended by this bill, alter or vary section 85 of the Constitution Act 1975.

Clause 18, among other things, inserts new sections 134AA, 134AB, 134AC, 134AD and 134AE into the Accident Compensation Act 1985.

New sections 134AA and 134AB reinstate the right of an injured worker who is or may be entitled to compensation under the Accident Compensation Act 1985 in respect of an injury arising out of or in the course of, or due to the nature of, employment to recover damages in respect of the injury subject to limitations and conditions imposed by the sections as to date of injury, the application of the Transport Accident Act 1986, whether or not the injury is a serious injury within the meaning of section 134AB, the classes and amounts of damages which may be recovered, the discretion of the court to order costs and procedural requirements, including time limits.

The reason for imposing these limitations and conditions, which have the effect of limiting the jurisdiction of the Supreme Court, is that they are necessary in order to give effect to the government's policy objective of restoring access to damages for work-related injuries occurring on and after 20 October 1999 for seriously injured workers.

New section 134AC has the effect of permitting an appeal as of right to the Court of Appeal from a decision granting or refusing leave made on an application under new section 134AB(16)(b). Without this amendment, an appeal to the Court of Appeal from such a decision could only be made by leave of the Court of Appeal.

New section 134AD requires that, on the hearing of an appeal from a decision on an application under new section 134AB(16)(b), the Court of Appeal shall decide for itself whether the injury is a serious injury on the

evidence and other material before the judge who heard the application and on any other evidence which the Court of Appeal may receive under any other act or rules of court.

New section 134AE requires that the reasons given by the Court — which could be the Supreme Court — in deciding an application under new section 134AB(16)(b) shall not be summary reasons but shall be detailed reasons which are as extensive and complete as the court would give on the trial of an action.

The reason for these limitations of the jurisdiction of the Supreme Court is to ensure that decisions on applications for leave under section 134AB(16)(b), which are critical to the intended operation of the new common-law provisions, receive the appropriate level of judicial scrutiny.

Clause 19 inserts new section 134AG into the Accident Compensation Act 1985. This new section empowers the Governor in Council to, by order in council, make a legal costs order specifying the legal costs that may be recovered by a legal practitioner acting on behalf of a worker in respect of any claim, application or proceedings under new section 134AB and prescribing or specifying any matter or thing required to give effect to the legal costs order.

New section 134AG and any legal costs order made under that section will have full force and effect notwithstanding anything to the contrary in the Legal Practice Act 1996, the Supreme Court Act 1986 or the County Court Act 1958 or in any regulation, rules, order or other document made under any of those acts.

The reason for this limitation of the jurisdiction of the Supreme Court is that the government wishes to make provision for a more direct mechanism for regulating legal costs recoverable by a practitioner acting on behalf of workers in relation to the operation of the common-law provisions introduced by this bill.

Clause 21 amends section 134A(1) of the Accident Compensation Act 1985 so as to limit the preclusion from recovery of damages imposed by that provision to damages in respect of injuries arising out of or in the course of, or due to the nature of, employment on or after 12 November 1997 but before 20 October 1999.

This limitation of the jurisdiction of the Supreme Court is necessary to implement the government's decision to reintroduce access to damages for work-related injuries occurring on or after 20 October 1999.

Clause 22 substitutes a new section 135AC into the Accident Compensation Act 1985.

The existing section 135AC imposes certain time limits within which proceedings in accordance with section 135 or 135A of the act must be commenced. The new section imposes a less onerous time limit for those cases coming within paragraph (a) of the section.

The reason for this restriction of the jurisdiction of the Supreme Court is to provide for a well-defined but reasonable time frame for finalising the majority of actions for damages in respect of work-related injuries occurring prior to 12 November 1997.

Clause 26 inserts a new section 138B into the Accident Compensation Act 1985.

This new section operates to prevent a court — including the Supreme Court — from making an order for the payment of compensation for pain and suffering under section 86 of the Sentencing Act 1991 if the pain and suffering arises from an injury or death in respect of which the person concerned has or may have an entitlement to compensation under the Accident Compensation Act 1985 and the relevant offence is against the Dangerous Goods Act 1985, the Occupational Health and Safety Act 1985, the Equipment (Public Safety) Act 1994 or any regulations made under any of those acts.

The reason for this limitation of the jurisdiction of the Supreme Court is to give effect to government policy that, in the cases referred to, compensation for pain and suffering under the Sentencing Act should not be available.

I make the following statement under section 85 of the Constitution Act 1975 of the reason why section 107A of the Transport Accident Act 1986, as inserted by this bill, alters or varies section 85 of the Constitution Act 1975.

This new section operates to prevent a court — including the Supreme Court — from making an order for the payment of compensation for pain and suffering under section 86 of the Sentencing Act 1991 if the pain and suffering arises from an injury or death in respect of which the person concerned has or may have an entitlement to compensation under the Transport Accident Act 1986 and the relevant offence is against the Road Safety Act 1986 or any regulations made under that act.

The reason for this limitation of the jurisdiction of the Supreme Court is to give effect to government policy that, in the cases referred to, compensation for pain and

suffering under the Sentencing Act should not be available.

The changes in the bill fulfil a key election commitment of the Bracks government. The changes in the bill are responsible and affordable. Containing the costs of the scheme is fundamental to the ability of the government to maintain the right to common-law action. The bill restores access to common-law rights for seriously injured workers.

I commend the bill to the house.

**Debate adjourned on motion of  
Hon. P. A. KATSAMBANIS (Monash).**

**Debate adjourned until next day.**

## PLANNING AND ENVIRONMENT (AMENDMENT) BILL

*Second reading*

**Hon. J. M. MADDEN** (Minister assisting the Minister for Planning) — I move:

That this bill be now read a second time.

The planning and building industry in Victoria provides a substantial economic benefit to this state.

The government supports development and encourages a prosperous building industry that engages with the community. The government also sees that planning policies are important to the growth and development of the Victorian economy. Further, it recognises the enormous impact that planning processes and decisions have on the quality of life of all Victorians in their homes, neighbourhoods and communities.

Policy formulation in this area is therefore based on an understanding of the importance of land-use planning and the four general principles that are the pillars of this government's policies — namely, restoring democracy, better services, financial accountability, and growing all of Victoria.

With all this in mind, the government's pre-election policy committed to giving Victorians back their voice and influence over decisions that affect their lifestyles. This will provide greater certainty for individuals, communities and businesses and protect Victoria's standing as one of the most livable environments in the world.

The single most important reform that can be made to land-use planning is for all of the stakeholders to regain confidence and trust in the way that the system works.

On 13 December 1999, the *State Planning Agenda – A Sensible Balance* was launched outlining the direction, action and activities for planning in Victoria for the next year and beyond. It showed that the government was moving immediately to restore a sensible balance to planning in Victoria. This bill takes the next step.

Since coming to office the government has already honoured pre-election commitments by:

setting in place a consultative process to replace the *Good Design Guide* and Viccode 1 with a single new residential code that would apply to all housing;

introducing height controls around the bay;

holding an urban planning summit; and

setting clear limits for the exercise of ministerial powers of intervention by issuing a practice note on ministerial intervention in planning and heritage matters. This practice note will lead to open and accountable decisions on intervention. The planning minister will now publicly release reasons for intervening and provide an annual report to Parliament.

A number of other pre-election commitments such as the introduction of tougher penalties for illegal demolition and breaches of planning law require legislative amendment.

Central to the Planning and Environment (Amendment) Bill are new provisions for:

consistency between planning and building permits;

an improved process for approval of building permits for demolition;

tougher penalties for breaches of planning law; and

amendments of permits to take into account the law of the day — and not the law at the time of the original approval.

In introducing the bill, the government is showing its commitment to continually improving the planning and building systems by enhancing all parts of the process.

The bill amends both the Planning and Environment Act 1987 and the Building Act 1993. The bill also includes several technical amendments to the

Residential Tenancies Act 1997 and Subdivision Act 1988.

I would like to turn first to the amendments to the Building Act.

### **Amendment to Building Act 1993**

The bill amends the Building Act to provide:

a requirement for building surveyors to refer applications for a building permit for demolition to responsible authorities for their consent and report if the proposed demolition together with all other demolitions completed or permitted in the previous three years in respect of that building would cumulatively be equivalent to demolition of more than half the volume of the building; or the proposed demolition is of all or any part of the facade of the building;

that any required planning permit will have to be obtained before a building or demolition permit is granted;

a requirement for building surveyors to check relevant planning permits and other required planning approvals before issuing a building permit or demolition permit; and

for a building permit to be consistent with any relevant planning permit or other prescribed planning approvals for the site.

#### *Consistency between building and planning permits*

In the past there has been a concern that many building permits have been issued that are inconsistent with relevant planning permits. This causes problems for councils and neighbours in knowing which requirement prevails.

This amendment will more closely integrate the operation of building and planning systems by clearly requiring a building surveyor to check that the relevant planning permit or prescribed planning approval is consistent with the proposed building permit.

In determining whether the building work proposed in the application for a building permit is consistent with a planning permit, it is the intention of these amendments that in issuing a building permit a building surveyor should ensure that any building permit issued is consistent with the requirements of any planning permit, including conditions and endorsed plans for that permit in addition to any documents referred to in the

planning permit that have a direct bearing on the proposed building permit.

The building surveyor's assessment of consistency between the building permit and the relevant planning permit should include:

the height, area, form and configuration of the proposed building work or any part of the building work;

the location of the proposed building on the land, including setbacks from boundaries;

the location of windows, doors and privacy screens; and

any conditions of the planning permit that have specific construction requirements or that require specification construction details.

Of course the quality of the planning permit conditions and endorsed plans play a significant role in achieving consistency. All responsible authorities will need to pay careful attention to:

make sure that planning permit conditions are clearly written;

ensure that endorsed plans are adequately dimensioned;

be reasonable in their consideration of minor amendments which may need to be made;

keep planning and building registers up to date and easily accessible.

The cooperation of the development industry is also sought in improving the quality of planning permit applications, ensuring they are properly documented and completed, and that good practices are set and applied.

#### *Process for approval of building permits for demolition*

The *State Planning Agenda* delivered on 13 December 1999 announced the government's intention to introduce legislation in this autumn 2000 session of Parliament to prevent demolition of a building before any relevant planning approval is obtained.

Under the existing legislative arrangements there is no provision to require building surveyors to seek advice of local councils on demolition. The previous minister recognised the need for council input and introduced a practice note suggesting that all applications for a building permit for demolition should be referred to

councils as part of the process of deciding on special interest.

The problem with the practice note was that it did not have the force of law behind it. It also left the final decision on whether a building was of special interest as a matter to be determined by the building surveyor, and the views of councils on these matters had no formal status. This bill will clarify procedures for approval of demolition permits and make them effective in the eyes of the law. It will also remove the interpretation ambiguity as to what is of special interest.

The bill amends the Building Act to prevent a building surveyor from issuing a building permit for demolition without the report and consent of the relevant responsible authority if, firstly:

the proposed demolition, together with all other demolitions completed or permitted in the previous three years in respect of that building would cumulatively be equivalent to demolition of more than 50 per cent of the volume of the building.

The building surveyor should determine the volume of demolition proposed and original volume of the building.

It is the intention of this amendment that:

the volume of demolition proposed is to be calculated as an aggregate of demolitions undertaken under building permits issued in the previous three years that provided for the demolition of any part of the building in addition to the current application;

the original volume is to be calculated as the volume of the building at the date of the first building permit to be issued within the previous three years for the demolition of any part of the building.

The bill will also prevent a building surveyor from issuing a permit for demolition without the report and consent of the relevant responsible authority if, secondly:

the demolition is of any part of the facade of a building, where the facade faces the street and at least part of the facade is visible from the street;

‘facade’ is defined as meaning an external wall, including any veranda, balcony or balustrade or architectural feature attached to or part of an external wall, part of a roof, or a chimney. These are the parts of a building that contribute to the streetscape and neighbourhood character.

The expression ‘faces a street’ is designed to ensure that the demolition of those parts of the building, if they face side or rear boundaries of the land on which the building is located, are not subject to report and consent, as they do not make as significant contribution to streetscape as those facing a street. Obviously, with a building on a lot facing two streets — such as a corner block — more of the facade faces a street.

The intention of the expression ‘visible from a street’ is to ensure that the demolition of a facade of a building totally obscured from the street it faces is not subject to report and consent. As examples, both the facade of a shed behind and totally obscured from the facing street by a dwelling or a shop, or a facade of a house totally obscured from the facing street by dense bush are not affected by the amendments.

It is expected that building surveyors will apply the concept according to its intent in relation to houses — and other buildings — in urban settings. Visibility needs to be applied flexibly in this instance.

At times there may be doubt that a part of the facade is visible from the street due to vegetation such as a hedge or permanent barriers such as a tall fence. It is intended that a building surveyor should consider reasonable vantage points in the facing street to determine visibility. These might include, in particular circumstances, the view from a driveway where it meets the street, or the footpath on the opposite side of the street. Industry, local government and building surveyors will contribute to the preparation of guidelines and practice notes on this issue.

Finally, ‘street’ is carefully defined so that demolition of a facade of little potential contribution to streetscape is also not included in report and consent processes. Lanes and footways and driveways are excluded. This ensures, for example, that the demolition of the back of a building facing a rear lane — as is commonly the case in the inner suburbs — is not subject to report and consent, unless of course it meets the alternative volume test.

In conclusion, the amendments ensure that inappropriate demolition does not take place without prior assessment of the merit of the building in heritage terms, and will enable responsible authorities to consider the proposed demolition within the framework of their planning schemes.

A responsible authority will be able to refuse its consent to an application for a building permit for demolition if a planning permit is required for demolition of the building but has not yet been granted. Responsible

authorities will have 15 days to consider the building surveyor's request for report and consent.

Amendments outlined in the bill will strongly support and encourage councils to use heritage overlays as the appropriate mechanism to protect historic and significant buildings within their municipality from demolition without consideration by council.

The onus is on councils and their communities to ensure that buildings they regard as having historic or cultural value are appropriately protected through heritage studies and the planning scheme.

The requirement for the report and consent by responsible authorities will also, in part, replace an existing mechanism under building regulation 2.2(5). The current practice note will be withdrawn and completely revised.

In addition, section 28(1)(b) of the Building Act, which requires a building surveyor to make a judgment on whether a building is of special interest because of its design, appearance, location, use or environment, will also be repealed. It is considered more appropriate for such deliberations to be made by responsible authorities within the context of their planning schemes.

The bill also provides a safety net to prevent demolition of other important buildings that have, for whatever reason, not yet been provided with such protection, so that they are not demolished without appropriate consideration of their significance.

Where an application for a building permit for demolition relates to a building that is not on the heritage register or scheduled under a heritage overlay but is nonetheless considered by council to have historic or cultural significance, the bill provides a mechanism to prevent demolition of such buildings until an assessment of their historic or cultural value has been made.

If, within the report and consent period — 15 business days — a planning authority applies to the Minister for Planning for an expedited amendment to the planning scheme under the Planning and Environment Act which would affect the land concerned, the application for a permit for demolition will be suspended.

Suspension of the application will enable the minister to consider whether the building is of such significance that the relevant planning scheme should be amended on an interim basis. The amendment would provide that a planning permit is required for the building's demolition. The minister may also consider whether the

building should be protected through state heritage controls.

Such applications to the Minister for Planning for expedited planning scheme amendments will be considered within the context of the planning practice note on ministerial powers of intervention in planning and heritage matters.

The thrust of these amendments is that councils will be better informed on applications for building permits for substantial demolitions within their municipalities.

The amendments clearly recognise the important role of councils in identifying buildings of historic or cultural value, and that the appropriate mechanism for protection of such buildings is through either the heritage register under the Heritage Act or through heritage overlays under the relevant planning scheme.

To support these new procedures, the government will ensure that an education and information package is available to coincide with the proclamation of the amendments to the Building Act. Council, industry and community representatives will be invited to contribute to finalisation of guidelines, practice notes and other documents to accompany these amendments.

The government will be closely monitoring compliance with these new provisions. If needs be further action will be taken to ensure the spirit and intent of these provisions is fully met.

If illegal demolitions occur or these new demolition approval procedures are not complied with, penalties provided for under the relevant acts will apply.

The government seeks the cooperation of councils and the development industry in ensuring good practices are set and met, and the participation of councils and their communities in monitoring new demolition approvals procedures.

### **Amendment to Planning and Environment Act 1987**

#### *Planning penalties*

In the *State Planning Agenda* the government committed to the introduction of tougher penalties for illegal demolition and breaches of planning law.

When the Planning and Environment Act was passed, penalties provided under the act were considered sufficient to show the seriousness with which breaches of planning law were viewed. However, over time and with the effect of inflation the deterrent effect has been greatly diminished. This bill is intended to significantly

increase penalties under the act to reintroduce that deterrent effect. The increases will show just how seriously the government regards breaches of planning law.

For example, the maximum penalty for contravening a planning scheme, permit or agreement will be increased from \$4000 for a first offence and \$6000 for a second or subsequent offence to \$120 000, with the distinction between first and second or subsequent offence being removed. Penalties remain to be determined by the Magistrates Court.

A further example is the penalty attached to the issue of a planning infringement notice, which is currently \$100. The penalty is to be increased to an amount up to \$500 for a natural person and \$1000 for a body corporate for on-the-spot fines.

The bill will also remove the bar imposed on responsible authorities prosecuting an offence that is currently the subject of an application for an enforcement order, or an enforcement order which has been issued by the Victorian Civil and Administrative Tribunal (VCAT).

#### *Amending planning permits*

In the recent case of *Beaufonte v The City of Yarra and Others*, the Supreme Court held that a planning permit for a brothel could be amended without consideration of changes to the law that had taken place since the grant of the permit.

This decision may have wider consequences when a holder of a planning permit wants or needs to proceed in a way which is different to that authorised by the permit.

Depending on the circumstances, a permit-holder currently applies for a fresh permit or applies to amend the existing permit. Either way, the decision ought to be made having regard to any subsequent changes to the law. The bill ensures that the current planning scheme must be considered by responsible authorities and VCAT when deciding either an application for a new planning permit, or a request to amend a planning permit or plans, drawings or other documents approved under a permit.

In addition, the Minister for Consumer Affairs has recently introduced a bill to amend the Prostitution Control Act to close this loophole in relation to brothel permits.

#### **Amendment to other acts**

##### *Prostitution Control Act 1994*

Penalties are being increased for planning offences in relation to brothel permits under the Prostitution Control Act to bring them into line with penalties for offences under the Planning and Environment Act.

##### *Residential Tenancies Act 1997*

Currently the Building Act does not apply to movable dwellings situated in a caravan park. This amendment will apply part 12A of the Building Act to such movable dwellings.

##### *Subdivision Act 1988*

The bill includes a technical amendment to the Subdivision Act to provide a head of power to enable certain matters to be included in regulations under that act. The matters to be included are relevant to the:

provision of services to members of a body corporate and occupiers of lots;

power of a body corporate to require owners to carry out repairs, maintenance and other works on the lot;

power of a body corporate to carry out work if the owner does not; and

disposition and investment on behalf of the body corporate of money held by the body corporate.

##### *Restrictive covenants*

Finally, I wish to comment on a pre-election commitment to improve the coordination of decision making for land burdened by restrictive covenants. This commitment was restated in the *State Planning Agenda*, along with a commitment to consult on this proposal prior to legislative change.

The bill before you today does not deal with this issue. Early consultation with stakeholders indicated that there are complex policy and technical issues involved and more time is needed to address them properly. The government aims to introduce a bill on this issue in another place before the end of these sittings. It is then proposed to allow public comment before that bill is finalised in the spring sittings.

I commend the bill to the house.

**Debate adjourned for Hon. G. B. ASHMAN (Koonung) on motion of Hon. Bill Forwood.**

**Debate adjourned until next day.**

## WITNESS PROTECTION (AMENDMENT) BILL

### *Second reading*

**Debate resumed from 10 May; motion of  
Hon. J. M. MADDEN (Minister for Sport and  
Recreation).**

**Hon. B. C. BOARDMAN (Chelsea)** — The Witness Protection (Amendment) Bill is relatively small but important. It makes uniform and enhances Victorian witness protection schemes with national ramifications. The opposition supports the bill because primarily it brings witness protection regulations and operational specifics in the state into line with the recommendations of the Australian police ministers and commissioners conference. The bill makes three main amendments and one minor amendment, which concerns immunity, and it requires a section 85 statement.

The first amendment is quite important. It deals with the ability of police commissioners and designated law enforcement officers around Australia to obtain information or documents they need for running their witness protection programs. From time to time when a witness is located interstate or a witness from interstate is in Victoria the Chief Commissioner of Police or the commissioner of another police agency will need to know certain information about that witness so he or she can be placed under the appropriate level of protection. That abnormality has existed only in Victoria — we have not had the power to provide information to our northern, southern and western neighbours.

**Hon. Bill Forwood** interjected.

**Hon. B. C. BOARDMAN** — Do we have any eastern neighbours?

**Hon. Bill Forwood** — New Zealand.

**Hon. B. C. BOARDMAN** — Not at this stage. It is important that we have that power to ensure there is some uniformity.

The second major amendment relates to the right of witnesses to marry. The amendment addresses the possibility that on some occasions a witness might have to enter into a contract of marriage as a key component of the program and the level of protection he or she is under. The bill provides that any act performed by a witness in a witness protection program does not contravene commonwealth legislation. It is important that the issue of the jurisdictional powers of the

commonwealth and the state are not interfered with, and that important amendment is arguably long overdue.

The third main amendment relates to extraterritorial offences and deals particularly with the disclosure and revealing of information. The sensitivity of witness protection programs has meant that it has been an offence in Victoria for any individual, whether connected with the police or otherwise, to disclose information about the program in Victoria. However, if a person discloses that information interstate it is not an offence. The bill brings Victoria into line and provides uniformity with the national scheme, so that if someone discloses information about a program in any state of Australia, he or she is committing an offence.

The fourth amendment is relatively minor. The new entry under the definition of authorised officers provides that if the chief commissioner delegates an authorised officer or an authorised department as part of the scheme, that department is afforded the same degree of immunity as existing departments, the chief commissioner and officers under his control have under the current act. That important provision needs to be amended.

As the second-reading speech outlines, the bill makes good on Victoria's commitment to the national scheme. This state has a proud tradition in law enforcement. When any request has been made on Victoria's behalf or initiative to streamline criminal justice systems or operational policies and procedures of police forces those requests have been met with a degree of cooperation and enthusiasm. The bill is an example of that, and it will ensure law enforcement activities in Australia, particularly in Victoria, can be undertaken in the most effective manner to provide the community with the level of protection and service it requires.

It is coincidental that the bill comes to the Victorian Parliament when a case has arisen that highlights the witness protection scheme. The case of witness E2 of 1992 has been well publicised. That witness is currently having some discussions with the Chief Commissioner of Police and the Premier about his particular contractual agreements. Subsection 3B(1) of the Witness Protection Act, headed 'Inclusion in the Victorian witness protection program', provides:

The Chief Commissioner of Police has the sole responsibility of deciding whether to include a witness in the Victorian witness protection program ...

The issue is clearly about the separation of powers. As the head law enforcement and emergency services person in the state of Victoria, the Chief Commissioner

of Police has sole control over the issuing of authorities on who may participate in a witness protection program, whatever the relevant necessity. That control must be autonomous and separate from government to ensure there is no interference or intervention from government or any department when deciding that relatively sensitive matter.

The act also provides for a memorandum of understanding. Subsections 5(1A)(a) and (b) list what must be contained in the memorandum of understanding: it must set out the basis on which the witness is included in the program and it must contain a provision about the protection and assistance to be given under the program. It is therefore clear that the document must contain the obligations of both the witness and the Victoria Police and the level of protection a witness may receive.

For those who have not experienced the witness protection program first hand, it is easy to view it as a glorified event, but it is the opposite. When a person decides to sacrifice his or her existing livelihood to assist the police in a criminal investigation, the issue becomes complex and sensitive. I am sure no honourable member would like to be placed in that position, which requires a degree of sacrifice and cooperation on the part of the witness and the police who administer the program.

Section 5(2) of the act contains provisions that may be included in the memorandum of understanding. They include any outstanding legal obligations, any legal obligations the witness may or may not enter into, the surrender and issue of passports, the issue of documents relating to the new identity of the witness, the prohibition of the witness from engaging in specific activities, and issues dealing with marriage, family maintenance, taxation, welfare or other social or domestic obligations or relationships.

Although not exhaustive or mandatory, the list covers a range of conditions to which the witness may be called upon to agree when signing a memorandum of understanding. The memorandum is a legally binding contract between the Chief Commissioner of Police and the witness. The witness is obliged to acknowledge all the issues that surround his or her participation in the program. At the same time the police have the job of informing the witness of the consequences of any potential breach of the memorandum of understanding.

A witness participating in a program has a right of appeal or an opportunity to address any issue of dispute or conflict that arises. That is covered by section 5(3) of the act, which states that a memorandum of

understanding must contain a statement advising the witness that if he or she is not satisfied with any part of it, he or she can complain to the deputy ombudsman about the conduct of the chief commissioner or the police involved. No honourable member would disagree with my statement that the deputy ombudsman is completely separate, fair and thorough when investigating complaints.

That important section needs to be acknowledged, particularly in the context of the E2/92 case currently under discussion. I was disappointed and concerned to read that the person contacted the media via talkback radio seeking to discuss his situation with the Premier. That is a direct contravention of his memorandum of understanding and potentially places his program in jeopardy. It also places the Premier in a difficult position.

The Premier, arguably in ignorance, said he would look into the matter. I thought that was a strange comment in the circumstances, particularly for the reasons I gave about the separation of powers and the autonomy of the programs under the administration of the Chief Commissioner of Police. However, the Premier has investigated the situation. His legal advice suggested that he has no power to intervene. Because of the complex and sensitive provisions in the memorandum of understanding between the witness and the police the matter needs to be resolved in another way.

Nevertheless it raises the point that when witness protection programs are devised both a degree of legislative protection and a right of appeal are required. That is clearly specified in the principal act. A witness can seek dispute resolution and conflict resolution if the need arises. I find it obscene that this witness used the media to vent his frustration and concerns when other appropriate and reasonable avenues were available to him.

Witness protection is an important part of the operational performance of the Victoria Police. Participation in the program is necessitated by people's circumstances. It is important to acknowledge that the Victorian legislative framework cooperates with other jurisdictions to ensure that protection occurs across jurisdictions. It must also be acknowledged that the legislation has international ramifications. From time to time in extreme cases witnesses need to be relocated overseas.

This important bill is a further step in streamlining the practice in Victoria to ensure that it deals with recommendations of national consequence arising from the Australian police ministers conference. For that

reason the opposition supports the bill and wishes it a speedy passage.

**Hon. KAYE DARVENIZA** (Melbourne West) — I am very pleased to speak on this somewhat small but very important bill, which has bipartisan support. As the Honourable Cameron Boardman said, and I agree, the bill deals with an important part of the operations of the Victorian police. It is complex and involved and needs to be handled with sensitivity. The Minister for Police and Emergency Services consulted widely on the amendments in the bill including with his counterparts in other jurisdictions throughout Australia.

The Witness Protection Act was enacted in 1991 to ensure the security and protection of people who are or who have been witnesses in criminal proceedings. I am sure that, like me, all honourable members have read in newspapers and seen reports on television about people in the witness protection scheme. Although it is not always the case, the witnesses requiring protection have sometimes themselves been involved in or associated with serious crime. However, they decide to assist the police in prosecuting people charged with committing serious crimes. By supporting and assisting the police in that way they put themselves and in some circumstances their families at great risk. Families can be required to move interstate or even overseas as part of the witness protection program. They assume new identities and start new lives in new places. It is therefore a real upheaval for people to be involved in the program.

As the Honourable Cameron Boardman said in his contribution to the debate, because of some of the television programs we see, particularly some that come from America, witness protection can often be made to look quite glamorous. There is nothing glamorous about it. There is nothing glamorous about families or individuals feeling at risk because of the assistance they have given the police. There is nothing glamorous about having your whole family or yourself as an individual uprooted and having to assume a new identity, find a new place to live and start a new life where, as a protected person, you can be given some sort of increased security and support.

The bill adds to the framework of witness protection both nationally and within Victoria. The Victorian Witness Protection Act is part of a national complementary legislative scheme that was established through the Australian Police Ministers Council. That act was amended in 1996 following another meeting and recommendations of that council.

Three provisions in the act will be amended by the Witness Protection (Amendment) Bill. The first concerns access by other jurisdictions to Victorian identity documents. As I said, the principal act was amended in 1996 following a resolution of the Australian Police Ministers Council, to enable authorities in other jurisdictions to apply directly for and obtain Victorian identity documents for witnesses, including witnesses in their witness protection programs. Since 1996 there has been legal debate about whether the amendment made in 1996 achieved that aim. In fact, the Victorian Solicitor-General advises that it does not. The bill remedies the problem by enabling recognised authorities — for example, police commissioners in other Australian states — to apply directly to the Victorian Supreme Court for orders authorising new identities to be made in the Victorian Registry of Births, Deaths and Marriages.

The ability of other jurisdictions to directly obtain new identities for protected witnesses does two things: firstly, it assists in preserving the confidentiality of a name change and hence the security and protection of the individual participating in the witness protection program; and secondly, it ensures that the jurisdiction obtaining the new identity remains responsible for the safety and security of the person involved in the witness protection program.

The second provision the bill seeks to address relates to marriages. The issue arises from section 15 of the principal act, which makes it an offence for a person provided with a new Victorian identity to marry without first satisfying the chief commissioner that any previous marriage in which that person was involved is no longer in effect — that is, that either the spouse is deceased or the marriage has ended by divorce. The constitutional validity of that provision has been questioned, and it has been pointed out that the right to marry is covered by commonwealth law — namely, the Marriage Act 1961. The bill amends the Witness Protection Act to ensure it does not contravene the commonwealth Marriage Act by purporting to not entitle someone to marry in certain circumstances, but it retains the obligation on the participant to provide the relevant information on his or her marital status, which the chief commissioner may then certify with the Registrar of Births, Deaths and Marriages. The amendment will ensure that there is no inconsistency with the Marriage Act.

The third amendment concerns two offence provisions. The first relates to the disclosure of information about the identity or location of a protected witness. The second relates to revealing information about the program itself or the police officers who run it. At

present those provisions apply only to offences committed in Victoria. However, protected witnesses are frequently moved interstate.

Revealing a Victorian witness's identity or any program details in other jurisdictions is not currently an offence. Given that such disclosures could jeopardise the safety of a witness who is part of the program or jeopardise the program itself, it is proposed to give those offence provisions extraterritorial application — in other words, to make it an offence against Victorian law to make such disclosures, regardless of where those disclosures are made; and where an offence occurs in another jurisdiction the local police will be able to arrest the offender and Victorian police will arrange for his or her return to Victoria to face the courts.

In conclusion, I am pleased to support the bill. It contains very sensible amendments that will certainly benefit people involved in the witness protection program. It is an important bill, and I commend it to the house.

**Hon. ANDREW BRIDESON** (Waverley) — The Witness Protection (Amendment) Bill amends the principal act, the Witness Protection Act. When that act was introduced in 1991, the minister's second-reading speech said in part:

The bill will provide a major weapon in the armoury of the Victoria Police available to combat serious crime. It will encourage witnesses to come forward, safe in the knowledge that they will be fully protected at all times against retribution from the criminals they have helped to convict.

The bill essentially extends and enhances the provisions of the principal act. I shall make only a brief contribution in an attempt to summarise what the two previous speakers have said.

The bill extends the existing legislation to allow police commissioners in all Australian states to apply for and obtain identity documents for witnesses in witness protection programs. It ensures that the existing commonwealth Marriage Act is not breached by the Witness Protection Act. The Honourable Kaye Darveniza explained in some detail how that would occur. The bill also makes it an offence to disclose the identity of a witness, regardless of where the disclosure takes place. Currently the Victorian law applies only to Victoria. The bill extends its application nationally.

The Honourable Cameron Boardman explained in detail the workings of the principal act and described how the Victorian witness protection program operates. He also gave the house details on how the memorandum of understanding works.

The amendments in the bill are straightforward and extend the provisions of the Witness Protection Act. The program will become more cohesive and will be more easily operated in conjunction with programs in the other states. In the second-reading speech the minister said that the bill implements in Victoria the complementary scheme approved by all Australian police commissioners.

The new witness protection program will serve to highlight, as has been explained by other honourable members, the frequent need to relocate witnesses interstate. There is no reason why the bill should not be supported, and the opposition certainly does not oppose it. I wish it a speedy passage.

**The ACTING PRESIDENT**

**(Hon. R. F. Smith)** — Order! I am of the opinion that the second reading of the bill requires to be passed by an absolute majority. As there is not an absolute majority of members present, I ask the Clerk to ring the bells.

**Bells rung.**

**Members having assembled in chamber:**

**The DEPUTY PRESIDENT** — Order! I am of the opinion that the second reading needs to be passed by an absolute majority. In order that I may ascertain that the required absolute majority has been obtained, I ask honourable members in favour of the motion to stand in their places.

**Required number of members having risen:**

**Motion agreed to by absolute majority.**

**Read second time.**

*Third reading*

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

That this bill be now read a third time.

I thank the Honourables Cameron Boardman, Kaye Darveniza and Andrew Brideson for their contributions.

**The DEPUTY PRESIDENT** — Order! I am of the opinion that the third reading of the bill requires to be passed by an absolute majority. I ask honourable members supporting the motion to stand in their places.

**Required number of members having risen:**

**Motion agreed to by absolute majority.**

**Read third time.**

*Remaining stages*

**Passed remaining stages.**

## BUDGET PAPERS, 2000–01

**Debate resumed from 11 May; motion of**

**Hon. C. C. BROAD (Minister for Energy and Resources):**

That the Council take note of the budget papers, 2000–01.

**Hon. N. B. LUCAS** (Eumemmerring) — I am pleased to contribute to the debate on the motion that the house take note of the budget papers for 2000–01. Now is the very time when the government should be displaying leadership and Victoria should be moving forward. However, instead the state has a policy vacuum and a lack of strategic thinking emanating from the government.

The budget gives Victoria the wrong signals. Only last week the government released its new slogan that will be placed on vehicle numberplates — Victoria is the place to be. What a joke! The new numberplate slogan is evidence that the new Labor government will cause Victoria to grind to a halt. Victoria is the place to be what? I will offer suggestions on what will happen in line with the new numberplate slogan.

The Kennett government got Victoria on the move; Victoria had something to look forward to because the Kennett government stood for something. It wanted to take Victoria forward. However, the new Labor government is trying to bring the state to a halt. Its numberplate slogan stating that Victoria is the place to be is extraordinary.

**Hon. T. C. Theophanous** interjected.

**Hon. N. B. LUCAS** — What we need from your government, Mr Theophanous, is action. We want you to get Victoria on the move, which should be the role of any government. Under the former government Victorians sensed that the state was moving forward, that the Kennett government was seeking to encourage investment and that it wanted economic activity to occur, resulting in the creation of new jobs. It aimed to encourage business to Victoria so that anyone considering investing in Victoria would know that its government was trying to move the state forward.

However, now Victoria has before it a static, boring, non-statement — that is, Victoria is the place to be. That slogan is to be placed on the numberplates of new vehicles and we will have to drive around with it on

display. It offers no sense of hope or purpose, and it is not a statement about the government wanting to take the state forward. It concerns me that it does not prompt a call to the drivers of the state's economy — that is, the private sector — to get on with the job.

The new slogan on our numberplates will be like the proverbial camel — that is, a horse designed by a committee! The slogan was designed by the entire cabinet, which said, 'What will we put on the numberplates?'. It must have had a long list and said, 'Which will we have?'. But it has chosen the wrong one. It chose a non-statement that says Victoria is not going anywhere under the Labor government. That is a disappointment.

The cabinet has failed, although it must be seen to be consistent because there are similarities between the budget and the new numberplate slogan. The budget is a disappointment because it does not give Victorians the correct message.

One of the important indicators of the economy of Victoria, the government of which has a budget expenditure in excess of \$20 billion, is that major building projects are being completed across the state — namely, City Link, Federation Square, the new stadium at Melbourne Park and the Colonial Stadium, just to name a few. The projects are now winding up or are finished. A lot of building workers and building companies are looking around to find what they will be doing next. They cannot see much, because in the budget they cannot see any prediction of major works.

I refer also to housing. The *Herald Sun* of 6 May predicted that the slump in domestic dwelling construction could be as bad as that of the early 1980s. That is a concern to the building companies involved in projects of that size. Interest rates are increasing, job vacancies are declining —

**Hon. R. F. Smith** interjected.

**Hon. N. B. LUCAS** — This is all under your government, Mr Smith. You are responsible for this happening. Trading conditions are significantly weaker, retail sales are declining and the indicators are that business confidence has slumped. The other day one commentator predicted that in October this year inflation will get up towards 7 per cent.

An *Age* survey has found that business confidence has slumped. Page 1 of the business section of 12 May states:

The economy is slowing rapidly and business optimism has slumped ... Australia is heading to an economic downturn ... It's beginning to look like the party is over ...

**Hon. R. F. Smith** interjected.

**Hon. N. B. LUCAS** — I am hoping that your party over there is over. It is yet to happen, but it will happen. The wheel will turn and the community will find that the Labor government is just not capable of moving the community forward. The evidence for that is contained in the budget about which I am currently speaking.

When the government began framing the budget was it aware of the challenges facing Victoria? From the budget documents it appears that those advising the government were aware of the concerns being expressed across the business community, and in particular about the indicators of concern. Page 25 of budget paper no. 2 indicates that growth is likely to moderate, that consumer spending growth is going to ease, that potential negative impacts of changes in the US economy are of concern, and that, yes, interest rates are rising.

All the negative indicators which would generate the thinking, 'Gosh, we have to do something about this', have been disseminated in the budget, yet it provides for no consequential activity to turn that around. That is acknowledged at page 27 by a statement that Victoria's gross state product (GSP) fell from 6.2 per cent in 1998-99 to a predicted 4.25 per cent in 1999-2000. The government is predicting that for 2000-01 — the year the budget relates to — GSP growth will be down to 3.5 per cent. Something more should be done about that fact than is provided for in the document.

The fellow travellers of the negative indicators are moderated growth, reduced consumer spending and rising interest rates. They will result in declining employment opportunities and in reduced migration from other states. The Kennett government turned around a negative rate into a positive rate, with people migrating into Victoria from other states. People were coming to Victoria because the state was on the move. Victoria was where the action was — the opportunities for employment and for growing businesses.

What has the government done to address these issues of concern? Where are the initiatives to turn around the economic indicators? Where are the policies to encourage business to come to Victoria, or Victorian businesses to have the confidence to move forward and expand? Where is the inventiveness? Where is the boost to private business? Where is the support for the business community? It concerns me greatly that the

budget just does not convey that feeling to the community. Victoria is no longer on the move.

The new numberplate slogan 'The place to be' is a non-statement and is consistent with what is in the budget. What does it mean? Is it the place to be discouraged because of the policy vacuum that exists within the government? Is it the place to be disheartened because of the lack of initiative displayed by the government? Is it the place to be dismayed at the broken promises of the Bracks government? On its first day in office it was going to ring up the Australian Football League. I am pleased the Minister for Sport and Recreation, who has not yet achieved that aim, is here. I point out to the minister that it is now May and there is still no football at Waverley Park. The Premier was going to make the first phone call about that when he won office. He won office, and the phone call may or may not have been made, but there is still no football at Waverley Park. This is the government of broken promises.

I turn to the issue of the Snowy River. There is still no more water flowing down the river. That was going to be worked out in the short term, not the long term. It was not going to be worked out over seven years; it was going to be fixed up quick smart. Already the government has reneged on its promise to return unemployment rates to 5 per cent in this term of office. Figures I will mention later indicate that that is another broken promise.

The Bracks government was going to be open and accountable, yet I had to get approval from the minister to talk to some bureaucrats about a drain. The government has already broken its promise about class sizes. It said that it would reduce to 21 class sizes from prep to grade 2. I think that was the figure. The government has broken its promise about many things.

Victoria is the place to be dismayed at broken promises. It may also be the place to be disadvantaged, because people running businesses know of the prediction that Workcover premiums will increase, and that although there were to be some tax reductions in the budget payroll taxes and stamp duties will remain the same.

So, what is of note in the budget? It is a lack of encouragement to business and a lack of detail. A figure of \$1 billion will be provided for capital works but the detail surrounding the \$1 billion is not there. Being an open and accountable government is about giving information. To me \$1 billion is a very large figure to be in the budget without any detail.

Page 183 of budget paper no. 2 contains what is in effect a prediction of an economic slowdown in that if the economic situation is not as was predicted when the budget was put together there will be consequences.

Table 9.2 at page 183 shows that if the economic slowdown is worse than expected, the negative change in operating surplus for 2000–01 could be as large as \$400 million, and if it is worse in 2001–02 the change in operating surplus could be minus a further \$247 million. As the economy and the activities of the government cause Victoria to slow even further, the state could be faced with the situation portrayed in table 9.2 which could negatively affect the budget by millions of dollars.

I turn to the paper released by the government headed *2000–01 Victorian Budget Overview*, which is a public relations-type document. At page 3 the Premier and Treasurer, as he then was, signed a statement which says:

A substantial operating surplus has been retained to protect Victoria against economic downturn, ensuring that taxes can be reduced while services are improved.

To the man in the street that means taxes will be reduced. It then goes on to say:

In a world first, the Auditor-General has independently reviewed the budget — setting new standards in financial transparency and accountability.

The Premier is trying to prop up the credibility of his budget by saying the Auditor-General has looked at it and given it a tick — a clean bill of health. Whichever words one uses, the man in the street would assume that, firstly, taxes will be reduced in the budget and, secondly, that the Auditor-General has given the budget a clean bill of health. That is an incorrect assumption.

I refer to the Treasurer's budget speech when he stated in Parliament that the Auditor-General had reviewed the budget and given it a clean bill of health. He said that it was a major achievement in promoting open and transparent government in Victoria — a world first. At least the Premier is consistent with his public relations exercise and his statement in Parliament.

Hidden at page 228 of budget paper no. 2 is a photocopy of a report by the Auditor-General. It is not in the same black and white print as the rest of the budget paper. The print is pale grey and it is the only page in the whole document that I could find printed in that manner. It has been photo-reduced to such a degree that I can hardly read it. However, after some difficulty I found that it states:

The statements comprise an estimated statement of financial performance, an estimated statement of financial position, an estimated statement of cash flows and accompanying notes. The remaining parts of the budget papers have not been subject to my review.

The Auditor-General has not examined the whole budget. He has examined only three statements. To use his exact words, I repeat:

The remaining parts of the budget papers have not been subject to my review.

On one hand the Premier says the Auditor-General has given the budget a clean bill of health and on the other the Auditor-General says he has examined only part of the budget. Further, the Auditor-General says:

The review has been conducted in accordance with Australian auditing standards ...

The Auditor-General goes on to say that he has conducted limited inquiries. He says:

... These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that which would be given in an audit. Accordingly, an audit has not been performed and an audit opinion is not expressed.

Having examined only part of the budget, not all of it, the Auditor-General says he could not audit it because there was insufficient information and the levels of assurances were less than one would need to perform an audit. He said he could not give an audit opinion. The Auditor-General then states:

... I am not in a position to obtain the level of assurance necessary to express a positive opinion on those assumptions and the accompanying forecast information included in the estimated financial statements. Accordingly, an opinion is not expressed on whether the forecasts will be achieved.

The forward figures are important to any budget. In effect, the Auditor-General is saying, 'I couldn't express an opinion whether the forecasts are any good'. The Premier said the Auditor-General ticked off the budget and it is all right because it contains the Auditor-General's statement. However, when one reads the fine print the complete opposite is the case. The Auditor-General has checked some of the statements, but he could not give an opinion about the parts he had not seen concerning future assumptions and assurances.

The Premier, who has pledged open, honest, transparent and accountable government, has conned the Parliament and the people of Victoria by making statements in his public relations document and his speech to Parliament that the Auditor-General has ticked off the budget.

Firstly, the Premier should be rightly admonished for hiding that information in small print. It is less than what I would expect from the Premier and the Treasurer of the state. It is a con. The Auditor-General did not review everything because he is not required to review all budget papers covered by the Labor government legislation. Honourable members who have looked at the act detailing the role of the Auditor-General would realise he is not required to review all of the budget papers, so it is a con to say he has reviewed the budget.

Secondly, the Auditor-General could not have given an audit opinion on a review undertaken because the procedures followed in the budget provide insufficient evidence to enable an audit opinion to be formed.

Thirdly, the Auditor-General could not give an opinion on forecasts because, as he has stated, the evidence given to him was less certain in nature. The Auditor-General concluded with the statement that in his opinion he could not express a view on those matters.

This is a shameful hoax and a fiasco. The Premier of the state should feel ashamed at what he has done in the budget. Victoria is crying out for leadership, but not leadership of the type that seeks to pull the wool over the eyes of the community. The Premier's fingerprints are all over this disgraceful deceit.

The budget provides for no strategic plan. It has no vision for the future. It provides insufficient detail of what is going to happen. Business confidence in the state is at risk. It is most important that people running businesses in this community feel confident in the future of our state. It is important for the government to put out positive signals indicating that it is worth having a go — that the government wants business to succeed and wants the state's economic position to be strong so that private enterprise can make a go of it and know the government is there to help it. I do not see those signals in the budget papers.

On 8 May the *Herald Sun* editorial at page 18 spoke of the business side of building, commenting that building unions had been hoping for more major project work. The editorial states:

A more visionary cabinet would realise that Victoria cannot afford to lose the technical skills, the apprenticeships and the pool of hi-tech equipment acquired during the boom of the Kennett era.

An article at page 100 of the *Herald Sun* of 13 May under the heading 'Bracks' harder yards' states:

Access surveys show few projects in planning. The government needs to restore business confidence quickly, or private investment will fall next year.

They are my sentiments, too. The state needs from the government a sense of encouragement, and that is not forthcoming. The government is more interested in supporting its union mates. It is interested in keeping happy those people who put the Premier in his place.

The problem is that the business community is receiving the same signals, and that is not encouraging for it. The government has increased spending. It has claimed to be pro-business, but it has deferred tax cuts. It claims to encourage employment, but it is going to increase Workcover premiums.

On the topic of unemployment, in the 1999 election campaign Mr Bracks, your leader, said this —

**Hon. R. F. Smith** — And yours!

**Hon. N. B. LUCAS** — Not mine. Mr Bracks states:

A Bracks Labor government will drive Victoria's unemployment down to a rate of 5 per cent by the end of the first term of government.

The government has walked away from that figure. Instead of a 5 per cent figure by the end of 2003, what have Victorians been promised? In the budget document signed by the Premier we have been promised an unemployment rate of 6 per cent by June 2003 and 5.75 per cent by June 2004. That is not 5 per cent — it is 6 per cent and 5.75 per cent. It is unfortunate that in such a short time the Labor government has walked away from its 5 per cent unemployment promise. In its first budget it indicates it will walk away from its 5 per cent promise, which I find disappointing.

Having made those general remarks on the budget, I move to some areas of particular concern to me in their effect on my electorate. The first area of concern I mention is the Pakenham bypass. The bypass is a freeway extension of the Monash Freeway, the under-construction Hallam bypass and the Berwick bypass. That continuum of freeway moves traffic from the City Link, past Waverley Park — where no football is held — through the top of Dandenong and below Berwick. The road will then divert to the south of the Pakenham township.

The Pakenham township is experiencing some growth, as is the area to its west, including the towns of Officer and Beaconsfield. The traffic volume on the Princes Highway — the conduit for east-west traffic from Melbourne to Gippsland and the major commuter road

for people living in the areas I have mentioned — is some 35 000 vehicles a day, with a probable increase to over 40 000 before this decade is concluded.

It seems that the Princes Highway needs special attention. Honourable members might ask why that is so. According to the Royal Automobile Club of Victoria it is the most accident-prone road in Victoria, and that fact was pointed out to the Premier. When he visited the area in March he said that the Pakenham bypass would not be forgotten, but it has been forgotten. Provision for it has not been included in the budget.

What concerns me even more is that the federal government has already promised \$30 million for the project on a dollar-for-dollar basis. Some \$30 million is available to Victoria if it will match that figure. In other words, for another \$30 million from the state, some \$60 million would be available for the project. That offer from the federal government has not been accepted in the budget, which is of concern to the people of my electorate — to those living in Pakenham, Officer, Beaconsfield and areas to the east.

The lack of that important piece of infrastructure is of concern. I have had meetings about the road with a range of people. The Shire of Cardinia has expressed its views to the government and the opposition. The community has supported the shire, and the shire has undertaken a program to encourage people to express their views. That has resulted in the community expressing its support for the construction of the road.

All the municipalities between Pakenham and Mallacoota, near the New South Wales border, believe the Pakenham bypass is the no. 1 priority, but there is not a penny for it in the budget. I ask the government to consider what the Premier said in March — that the Pakenham bypass will not be forgotten. The government must come up with the money. The project is needed.

I refer the house to fire stations in my electorate. On 15 December last year Mr Jennings made an extraordinary statement in this place. He referred to serious concerns about the capacity of the community to deal with fires in and around Melbourne's growth corridors because firefighting services in the area were under resourced. I assume Mr Jennings was speaking with some knowledge and that the people who provide information to and support for the government had done their homework. I wrote to the Minister for Police and Emergency Services on 22 December last year, but not having received a response I again raised the issue on 22 March. In my letter of 22 December I asked:

1. Whether any of the additional 19 fire stations are to be established within the municipalities of Casey and Cardinia.
2. When will the construction of these stations take place?
3. What arrangements does the state government intend to put in place to provide additional resources, given that the 1999-2000 fire season has commenced, to address the concerns raised by Mr Jennings.

I received a reply in May, having first raised the issue by letter in December! I am not sure whether that is a reasonable time frame. The minister said there is a Country Fire Authority strategy incorporating certain resources supplementation. He said there would be 5 new fire stations, none of which is in my electorate; 8 new vehicles, none of which is in my electorate; and 17 new operational personnel to support volunteers, none of them in my electorate.

I represent the fastest growing area in Victoria, the third fastest in Australia, the major growth corridor in Melbourne about which Mr Jennings says there is a problem with fighting fires. I have written to the minister about this issue and in his reply he says there will be no new fire stations, no new vehicles and no additional operational personnel in my electorate!

That leads me to what has been done. I pay tribute to the former government and the current government for the new fire station at Narre Warren North, the renovations at the Nar Nar Goon fire station, and the new pumpers at Narre Warren and Berwick. The Narre Warren North fire station is currently under construction, that having been approved during the term of the last government. The renovations at Nar Nar Goon were completed earlier this year, having commenced during the term of the last government and the pumpers were delivered in 1999 and a new one is coming to Pakenham this year, but it is a bit light on.

Government members talk about problems in the growth corridors. I have written to the minister and the response I have received is entirely unsatisfactory. Presumably Mr Jennings's advice is that there is a problem, so I want more answers. Every week 40 additional families move into Narre Warren and Berwick, which means large housing estates. Mr Jennings, on behalf of the government, says that firefighting services are inadequate. I want somebody to tell me what the government will do about it.

I refer to the Scoresby freeway. I know that the Honourable Wendy Smith, who is one of the representatives of Silvan Province, will mention the freeway, as will other honourable members. I have raised the issue before. I last spoke about it on 12 April.

All honourable members know that the Western Ring Road has resulted in significant economic growth for the western suburbs of Melbourne. It has linked up with the Geelong freeway, the West Gate Bridge and the Hume and Ballarat highways. The government has now announced the further extension of the Eastern Freeway to Ringwood, and City Link has connected the different sides of Melbourne.

The transport plan refers to a freeway coming from the south-east intersecting with City Link and extending through to Geelong. It also refers to the Western Ring Road, the Tullamarine Freeway running through to Bolte Bridge and the Eastern Freeway that finishes basically at the top of the city. There is no similar link on the eastern side of Melbourne. Further development of the north-south traffic routes from Ringwood to Dandenong and into Frankston will provide Melbourne with its next opportunity to grow.

If Melbourne is to retain its position as a major transport hub for Australia it must have this connectivity. Honourable members know that the industrial, manufacturing and commercial activity around Dandenong and Frankston areas are important parts of Melbourne's economic growth. The next step is to link roads to provide the eastern ring road, known as the Scoresby freeway.

The opposition has consistently called on the government to respond to this issue but the answers are unsatisfactory. I wonder whether the government has some unannounced plan to provide support for the western part of Melbourne because that is where its electoral support is. The partnership's base is in the eastern side of Melbourne with some exceptions. At the next election the Liberal Party will address one of these exceptions and win the Honourable Bob Smith's seat, one of the representatives of Chelsea Province. I ask the government whether there is a plot for all economic activity to occur in the west of Melbourne. Why has the east of Melbourne missed out?

In support of my belief that the freeway should be constructed I point out that during the peak periods in the morning and afternoon — in fact, throughout the whole day — the alternate routes of Stud Road and Springvale Road are chaotic. Stud Road ends at a T-intersection in the heart of Dandenong. That is not good enough. People driving along Stud and Springvale roads will get the same feeling and have the same views as those who drove along the former South Eastern Arterial — I was one of them — who came upon traffic lights at Burke Road, Tooronga Road and Toorak Road. The Cain–Kirner governments' policy of placing traffic lights on freeways gave motorists using those

roads a negative impression about the roads and the government.

Similarly, the people in the east have already started to realise that the new Labor government represents a return to the Cain and Kirner era of road transport planning, when one ended up with roads jammed with traffic and with traffic lights every few hundred yards on freeways to slow people down. That is not acceptable. It is not what is needed as it will hold down the economic activity in the east until the Scoresby freeway is developed.

Governments of all persuasions have agreed on a bipartisan basis that half of Melbourne's growth will be around Cranbourne, Narre Warren, Berwick and Pakenham. The current government must realise that many people travel from there to the city or north to jobs. If jobs are to be provided for the people who will live in those suburbs, economic activity must be encouraged so that businesses will be established, developed and expanded in those areas. Lack of the necessary road access is holding back the east.

The Hampton Park Secondary College is in my electorate and in the area represented by the lower house seat of Dandenong. I have had a bit to do with the school and its principal, David Glover. In June last year in the run-up to the last election I was delighted to announce a government commitment of \$1.28 million plus a further \$70 000 up-front in planning expenditure for the first stage of a new development at that school, with \$1 million earmarked for the second stage in 2001–02, making a total in excess of \$2.28 million. When I announced that commitment, Mr Pandazopoulos, the local member for Dandenong, now the Minister for Gaming in the other place, was reported in the press as saying that Hampton Park Secondary School needed \$5 million to accommodate its students. He labelled the commitment of the then Minister for Education a pre-election stunt.

I have looked in the budget to see where the \$5 million is. Do members know how much is there? The budget provides \$1.25 million less than had been committed by the former government — that is, the budget for 2000–01 has allocated \$1.1 million for the project! That is the sort of support Hampton Park Secondary College has received from its local member, who previously said \$5 million needed to be spent on it! It is disappointing that at budget time that figure translated to \$1.1 million. The people of Hampton Park should realise that they are not getting the support they need from their local lower house member for Dandenong.

The proposed Narre Warren South primary school is another example of the member for Dandenong fiddling with education. Prior to the election being called, when we did not know when it would be held, the then Minister for Education, Mr Gude, visited the area and announced that a new primary school would be built in Narre Warren South in 2002. At that time Mr Pandazopoulos said that Labor would open the school in 2001. The election was held and Labor won — when will it build the school at Narre Warren South? Will it build the school when it promised it would? No, the government will open the school for the 2002 school year. That is another broken promise for the people of the Dandenong electorate from their local member in the other place. I do not know why they re-elect that bloke — he makes all sorts of promises but does not keep them: he said \$5 million should be spent on a school but the budget provides \$1.1 million for it. That man is a dope!

I refer also to the Regional Infrastructure Development Fund. It has been near and dear to my heart. When I spoke on the matter in this house, I did so with the benefit of the advice of Ms Susan Davies, the honourable member for Gippsland West in the other place. When I noted that the Shire of Cardinia had missed out on funding under the bill that established the fund, the honourable member for Gippsland West said there had been a mistake and she would fix it.

Like anybody else, I can read. When the bill came before this house I noticed that the Shire of Cardinia was not included in the schedule. I raised the matter with the minister and the answer was that the shire is not on the list and cannot apply for funding under the Regional Infrastructure Development Fund. There is a bit of confusion. When the Premier was in the area he said the Shire of Cardinia should apply for funding under the Regional Infrastructure Development Fund. The Premier is wrong because the shire is not included in the schedule to the act and therefore cannot apply for funding. I have raised the matter with the Minister for State and Regional Development in the other place but he has not replied to me.

The fact is that the rapidly growing areas in my electorate need support, including funding for infrastructure. I could reel off a list of roads and places that have not received the support they need from the government. It is easy to mention the big issues such as the Princes Freeway bypass at Pakenham and the Scoresby freeway, but there are many little things I could mention also. Every day 30 000 vehicles travel along the Princes Highway at Officer but there are no traffic lights so that the local residents can get out onto the highway safely. Cars travel at 80 kilometres an hour

along that divided road. A letter has been written to the Minister for Transport in the other place. He has said that he will investigate establishing some loops on the road to activate the pedestrian lights on the adjacent highway. That is a bandaid solution. We need a proper set of traffic lights at Officer to ensure the safety of that community.

Last night I was at a meeting at which people talked about problems with traffic movements in the Beaconsfield and Berwick area. Every day in the morning and afternoon peak times and at school pick-up time in the afternoon there is a traffic jam in the Berwick township. That township is growing significantly and quickly and needs financial support in the form of infrastructure.

Finally, I point out that during the term of the Kennett government the former Minister for Roads and Ports, the Honourable Geoff Craige, initiated a first for Victoria with a SIPS — a strategic infrastructure planning study — for the City of Casey. That study was a joint effort to consider the needs of the City of Casey to 2021 and was prepared in consultation between Vicroads, the City of Casey and the government. It was signed off when it had determined the priority for works in that area for the next 20-odd years. Under the direction of the former minister, money had commenced flowing for the works included in the study. Similar studies should be undertaken not only for the whole municipality but also for specific issues arising where growth will cause dangerous situations on roads and where projects will be needed to serve the community.

I call on the government to undertake a stronger strategic planning effort in the growth corridors of this state, not just on my side of town but also at Werribee and Whittlesea, to work out the priorities with a view to trying to provide the infrastructure as it is required.

In summary, I am disappointed with the budget. I am also disappointed in the new slogan adopted for Victoria. It is a dead sort of statement for which I have no enthusiasm. It was launched at the same time as we are talking about the budget. It puts me in a very sad frame of mind about where Victoria is heading under a government that has little vision and little strategic planning on which to base what it is doing. Members of the government need to do much more homework in preparing and adopting documents such as the budget for the coming year.

**Hon. R. F. SMITH** (Chelsea) — Unlike my opponent, the Honourable Neil Lucas, I will talk up

Victoria and relate to the positives in this budget that will mean Victoria is the place to be.

I note that most if not all mainstream financial commentators give the 2000–01 budget a big tick. No wonder the members opposite are upset. Mr Lucas's most incisive comments about the budget related to the document's colour and size. My God! His critique of the Auditor-General's letter is bizarre. He is criticising a letter that would not have existed had his party been in government.

Members opposite may recall that Victoria now has a credit rating of AAA — a rating bestowed upon us by Standard and Poor's and Moody's Investors Service that has risen from AA-plus. I am sure that, unlike Mr Lucas, representatives of those companies have read the budget document in its entirety.

The 2000–01 budget initiatives implement the government's election commitments and substantially increase investment in the state's health and social support system. Further financing has also been provided to enable existing programs to meet increasing demand from population growth and other factors.

The budget provides for expanded and enhanced services in accordance with the government's four key pillars of policy — improving services for all Victorians, restoring democracy, growing the whole of Victoria, and maintaining responsible financial management.

The promises the government has delivered are: Labor's commitment to financial responsibility and healthy budget surpluses; a \$121 million funding boost to upgrade Victorian school facilities; funding to reopen 360 hospital beds in Victoria's public hospitals; and \$240 million for safer roads by fixing accident black spots. So much for the lack of funding for roads!

Cuts in business taxes will come in next year, making Victoria an even better place in which to do business. An extra 800 police officers will be on our streets.

Examples of what the budget has delivered in Chelsea Province include commitments to health and education and community safety. It delivers on Labor's commitment to return open and accountable government to Victoria. Labor has kept its promise and delivered \$12 million for a 76-bed redevelopment of the Frankston Hospital and \$1.2 million to complete the nursing building works. The Chisholm Institute of TAFE will receive \$1.5 million to replace and expand its Frankston campus.

The government is upholding the promise to buy back the Monterey high school site to develop a park for the Pines estate. There will be more police in Frankston, an expansion of the victims of crime scheme and more staff at railway stations to improve passenger safety. In addition the government is getting on with the job of making the Frankston community safer. Improvements in transport include a flyer train to Frankston to reduce travel times, and \$90 million for regional and metropolitan arterial roads, including the Dingley bypass, which will benefit commuters on the Frankston Freeway.

**Hon. N. B. Lucas** — What about Scoresby?

**Hon. R. F. SMITH** — I note the opposition raises the issue of the Scoresby freeway, and it will continue to do so. I say again, the government supports the proposed Scoresby freeway, and when the federal government provides the funding, the freeway will be delivered.

Local government examples include a significant boost in funding to the provision of home-care services to the frail and disabled elderly in Kingston, enabling the city to provide an additional 2500 hours of services ranging from personal to respite care. The boost of \$72 000 will bring Kingston's financial year 2000–01 total to \$295 249, which is part of a \$12.7 million boost under the Home and Community Care program approved by the state government — nearly a one-third increase in the budget allocation to the City of Kingston.

The city currently provides health services for some 300 frail elderly and disabled residents through its home-care services program. Kingston City Council's extra funding is part of an additional \$309 590 provided to agencies including Central Bayside Community Health Services, the Kingston Centre and the Leighmoor Adult Day Centre. Other recipients include the Eastern Region Mental Health Association; the Dandenong Community Health Service; the Hastings community house; the Baptist Village, Baxter; the Brotherhood of St Laurence in the Mornington Peninsula area; Mount Eliza Community Contact; the Peninsula Community Mental Health Service; Peninsula Support Services; the South-Eastern Region Migrant Resource Centre; St John of Kronstadt Russian Welfare; the City of Greater Dandenong; the Mount Eliza Centre Dutchcare Ltd, and St John Ambulance Australia.

The Bracks Labor government has clearly delivered on its election promises and should be congratulated on doing so. It is my pleasure to do just that.

**Hon. W. I. SMITH** (Silvan) — I join the debate on the 2000–01 budget papers and start by saying that the jury is still out on how the Bracks government will manage the state’s finances and the Victorian economy and also how it will fund its social policies. It claims to have a socially progressive agenda, but there is not much in the budget for the government’s so-called progressive policies.

I will comment generally on the budget and its impact on the state and then specifically comment in regard to my electorate. I will then comment about a major social issue that concerns not just my electorate but Melbourne in general and that is growing.

The 2000–01 budget is an example of missed opportunities for business, employment, jobs and jobs growth. It contains no tax relief or incentive for business; it concentrates on the expenditure side. It provides no tax cuts and no payroll tax cuts. For its last two years the Kennett government reduced payroll tax from 7 per cent to 5.75 per cent. In contrast the Bracks government, which said it had a commitment to business and reducing tax, has instead set up a committee to review taxation cuts — a committee!

The Bracks Labor government certainly had sufficient budget surplus to make reductions in the budget, but the budget is not pro-business. It contains no new major capital works and therefore no incentive to create new jobs. Because of that there is no vision for jobs and job growth, no potential for job growth. There is little use of the surplus and in particular there are no tax cuts.

However, honourable members do not have to believe me; let us go to some major media commentators to learn what is being said about the Bracks budget.

I refer now to the Business Victoria section of the *Age*. Under the heading ‘Business gets mixed message on tax cuts’ an article in the *Age* of 3 May states:

Premier Steve Bracks sent a mixed message to business yesterday. He pledged \$400 million in tax cuts would be his government’s ‘highest priority’, but deferred them for two years.

The budget estimates a proposed business tax cut of \$100 million in each of 2001–02 and 2002–03 and \$200 million in 2003–04.

But composition of the cuts will not be decided until a review this year.

So much for the commitment to tax cuts for business! The article also states:

Mr Bracks said implementing the promised tax cuts ‘was the highest priority of this government’ but ‘the mix of these tax cuts are yet to be determined’.

They are not great indicators for business in Victoria or for people wanting to invest in Victoria.

Let us look at another rapidly growing business that the Kennett government recognised in its time in government — multimedia. It was the first government to have a minister for multimedia. It is an important growing industry in Victoria. It is important to encourage businesses in the development of the economic environment for multimedia.

But what has the Bracks government done? It does not even have a minister for multimedia or information technology (IT). The government’s lack of commitment to multimedia and IT is demonstrated by its reduction of money in the budget — there has been a multimillion dollar reduction in the multimedia budget. Budget paper no. 3 includes a 32 per cent reduction in expenditure on Multimedia Victoria. Multimedia Victoria is the government’s lead agency in this area. Further evidence of the Bracks government’s lack of commitment to this industry is the fact that in the government’s Growing Victoria Together summit there was no representation from the multimedia industry.

**Hon. N. B. Lucas** — Plenty there from the union.

**Hon. W. I. SMITH** — There was certainly plenty there from the union. There was no representation from information technology. As I said, the fact that the government does not even have a minister for that important area shows its lack of commitment to the multimedia industry. There is also no budget allocation for an information industry advisory group.

What has the government done in this budget for small business? Not a lot. In fact, an article by Max Newnham headed ‘Budget overlooks small business’ in the *Age* of 8 May states:

The first state budget of the Bracks Labor government has virtually ignored small business owners.

In fact you could be forgiven for thinking the Labor government is not really interested in small business. Despite a large budget surplus there has been no attempt to relieve the state tax burden for business.

The Department of State and Regional Development is the economy’s key agency for the economic development of Victoria.

The Small Business Output Group, which is that part of the department responsible for small business, had its budget decreased by 7 per cent to \$10.6 million.

That clearly represents a reduction in the budget and a lack of commitment to that particular area. One of the services the small business group provides is referral and support. In a time of change for small business with

the introduction of the new goods and services tax in particular when they may need state government support, none is provided and the allocation has been cut. The *Age* article further states:

Given the large number of small businesses spread throughout the state, and the fact that over the next 12 months small business will go through the biggest tax change ever, the amount allocated for small businesses is clearly inadequate.

What an indictment of the state budget! Where is the vision? Where are the initiatives? Where is the future direction for small business?

I refer to statements by commentators in the daily newspapers to demonstrate that this is not just a party-political review of the government's budget but an analysis by people used to looking at budgets and making analyses about their impact on various businesses throughout the state.

An article in the *Australian Financial Review* of 3 May headed 'Bracks budget uses smoke and mirrors' states:

Victorian Premier Steve Bracks has carefully presented his first budget, for 2000–01, to maximise its appeal. But when the details provided in the budget papers are known, the picture is less appealing.

...

The Premier ... uses incompatible concepts and neglects to mention matters, such as cash, that are important to understanding government finances.

It is a great indictment of the Bracks government's new budget.

Another article headed 'This could be as good as it gets for Bracks' in the *Australian Financial Review* of 3 May states:

For Steve Bracks, his first budget could be as good as it gets.

Bracks yesterday accused the Kennett government of squirreling away an obscene surplus.

But — in the words of Kylie Minogue — he should be so lucky.

The Bracks government inherited a bigger-than-expected operating surplus of \$1.34 billion in 1999–2000 from the Kennett government.

This allowed for \$637 million in new funding in 2000–01, while still allowing a forecast operating surplus of \$592 million.

Hence, Bracks was able to repeat the feel-good mantra that his government is financially responsible, socially progressive.

But there are warning signs ahead for the Victorian economy, including an expected slowdown in the construction section and a drying up of the major projects —

which Premier Bracks has not put into this budget. Whether it be improving schools and hospitals, or the Premier pretending he is more caring, there are tough times ahead. Certainly for Silvan Province in the outer east this budget was no great incentive or indicator of support for a range of initiatives.

I want to examine particularly infrastructure development in the Silvan electorate. I am examining education and health—hospitals, two major platforms of the Bracks agenda about his commitment to caring and social aspects. I refer the house also to road infrastructure, police stations and small business. Without infrastructure investment in the outer east it will not grow. The outer east is a very young area, particularly the electorate of Silvan, where 25 per cent of people are under 15 years of age. Some 51 per cent of people in my electorate are involved in small business — either employers or employees. It is a very young family area. There are many businesses there, including those involved in cutting-edge technology, information technology, the automotive industry, the plastics industry, and many small businesses. In the hills of Silvan is the cut flower industry. All these industries rely on infrastructure and infrastructure development.

Without ongoing commitment by the government to infrastructure development in that area or any outer area, businesses will have great difficulty delivering services. The impost on road infrastructure, being able to get to seaports and airports and move freight quickly will impact significantly on businesses in my electorate. It will impact on jobs, employment and young families.

Labor says it is committed to spending on health and education. That is not so in the outer east. The Kennett government was committed to establishing a tertiary hospital at Knox. That was going to provide much-needed services and expertise. It would have attracted specialists, who are often difficult to get in outer eastern areas. It would have provided a tertiary teaching hospital and enabled young people in the outer east to study at that hospital. It would have given access to young families to hospital services without having to go to inner city hospitals, and it would have provided employment. However, the Bracks Labor government has made no commitment whatsoever to a tertiary hospital at Knox. There is absolutely no funding in the budget for the Maroondah Hospital.

The Bracks government says it is committed to education. In the previous budget of the former Kennett

government there was provision for a per capita works program of \$7.4 million. I shall briefly detail the breakdown of that amount: Billanook Primary School, \$0.8 million; Upwey High School, \$1.6 million; Ferny Creek Primary School, \$0.7 million; Bayswater North Primary School, \$0.8 million to build a new music facility and library; the Ranges Community Health Centre, \$1.6 million; and Croydon Secondary College, \$1.9 million to start a new art and technology centre.

The last Kennett government budget allocated \$7.4 million to the outer east. What did the new Bracks government give the outer east in its capital works programs? It funded only four projects: Chirside Park Primary School will receive \$970 000; Mooroolbark East Primary School, \$330 000; stage 2 of Ringwood Secondary College, \$2.8 million; and Yarra Ranges Primary School, \$850 000. Those allocations total \$4.95 million — that is, a capital works funding cut of \$2.45 million to the outer east.

How did Silvan Province, or the entire outer east, fare with funding for road infrastructure? Nothing was allocated for the Scoresby freeway. The Honourable Neil Lucas clearly defined the issues in his area, which clearly transfer across to my electorate. Because the Scoresby freeway has not been built, businesses are experiencing significant problems in moving goods from their factories and manufacturing bases to seaports and airports.

What about funding for the extension to the Eastern Freeway? The Kennett government budgeted \$275 million towards the freeway extension — a much-needed infrastructure project for the outer east. The outer east needs the Eastern Freeway to connect Springvale Road and Maroondah Highway to create greater access to the city and reduce travelling times for businesses and commuters. What has the Bracks government done? It claimed in a paragraph in the budget that it was committed to the outer Eastern Freeway and allocated \$22 million. However, that was not new money; it was transferred from the last budget into this one. What will \$22 million buy? It will pay for some planning and roadworks but it will certainly not build the Eastern Freeway extension.

The government has also come up with yet another scheme on which people can comment. I know of 52 reports on the freeway extension based on consultation with residents of the outer east. Now a fifty-third is to be prepared. The report identifies four schemes and I understand a fifth scheme has been developed. But nobody knows about it; it is secret. The four schemes have been out in the public arena for comment. No time frame has been placed on when a

decision will be made or when real money will be put into the budget for the project. The only comment made was that the government was committed to the project. Frankly, on the evidence of a \$22 million budget allocation and four schemes the subject of public comment, there appears to be little commitment on the part of the government.

**Hon. W. R. Baxter** — None at all.

**Hon. W. I. SMITH** — Indeed! What has the Bracks government done for law and order in Silvan Province? It has done nothing. The Kennett government built a regional Ringwood police station but despite its commitments before the election, the Bracks Labor government has done nothing.

The government promised to establish a 24-hour police station in Croydon but allocated nothing in the budget. The Maroondah *Mail* of 9 May carries the headline ‘Cop shop shock’. The article states:

The Bracks government’s first state budget has ignored funding promises for an upgrade of the Croydon police station.

...

In October last year the Maroondah *Mail* reported on the new Labor government’s pledge of \$2 million to upgrade the station and extend its operation from 16 to 24 hours a day. Disappointed Maroondah mayor Peter Gurr —

an excellent mayor —

said the council would start a campaign for government funding.

Good luck to them! The article further states:

The promise of a 24-hour police station was deemed so important by the ALP that the then opposition leader, Steve Bracks, visited the existing Croydon police station during the election campaign ...

That was when he made that commitment and promise, but it was not kept. Two headlines in the Maroondah *Journal* of 9 May read ‘No 24-hour police station for Croydon’ and ‘Budget cop out’. The article states:

There is no commitment [in the budget] to Labor’s pre-election pledge —

a promised Labor commitment —

to build a 24-hour police station.

Olinda, in the Dandenong Ranges, has an enormous problem with its police station. It operates for only 4 hours a day. Residents have written to the minister, but have not been able to meet him. The budget contains no funding allocation for the station. There is no doubt that the Olinda police station needs funding.

The community has problems with kids going there on weekends; they are violent and frighten the traders and restaurateurs. But the government does not want to listen.

The Bracks government talks about being socially progressive and having a social agenda. I refer to a particular social issue for which there is limited funding in the budget. I have been a member of this place for four years and in the past two and a half years I have spent a lot of time trying to get to the bottom of the issue concerning homeless kids in the outer east.

A lot of established groups in the inner city assist homeless kids, but the problem is hidden in the outer east. The kids do not sleep in boxes or under bridges but when they are aged between 14 and 16 they leave home and bot accommodation from friends in the area. They drop out of school, out of the area and end up in the inner city.

I have spoken to the people at Hanover House and to a number of groups located from St Kilda to the city. The trend I described is acknowledged in the outer east — kids leave home and move to the inner city. It has been hard to discover the underlying issues and the reason they do so. It has been difficult to discover the numbers involved. A working group consisting of the principals of Maroondah, Heathmont, Croydon and Ringwood secondary colleges has ascertained that about 20 out of every 1000 kids are homeless. In other words, approximately 20 kids in every 1000 at outer east state schools are homeless. They drop out of home and school because of drug-related problems, family breakdowns, violence and sometimes because of the mental disorders of family members.

The schools are having enormous problems with this serious issue. Welfare counsellors look after the kids, but they say most of their time is taken up with trying to find them accommodation. The working group came up with the idea that kids should be kept at school and local businesses should sponsor them. A range of businesses has formed a foundation. The idea is to keep the kids at school by granting them small scholarships and placing them into mentoring programs so they are introduced to people who may have different ideas. Members of the group would like the kids to have yearly holidays, during which they can build self-esteem and confidence. They want young people to stay at school because that is where they find their peer groups. They move from the area once they drop out of their peer groups and homes.

I raise this serious issue because it is becoming an increasingly common problem. Representatives of the

Wesley Community Contact Centre spoke to me last week because they know I am interested and have been involved in this issue. The Wesley people are desperate. The program coordinator said a young mother had committed suicide two days earlier, leaving young children at home. He says the number of like incidents is increasing sharply and government assistance is urgently needed.

I shall quote some relevant figures. The Wesley Community Contact Centre, which is only one of the contact centres in the region, saw 1025 clients in the three months from January to March this year. The Wesley centre examined the areas from which its clients originate and found that from 1025 clients, 4 per cent came from Boroondara, 13 per cent from Whitehorse, 4 per cent from Monash, 4 per cent from Manningham, 29 per cent from Maroondah, 25 per cent from Knox and 20 per cent from the Yarra Ranges.

Many of the people to whom I have referred have young children. An article in a newspaper of last week reports the Salvation Army as saying the numbers of homeless people are up and are rising sharply. Where is the funding for that social issue? If the Bracks government is so progressive what is it doing about the issue and where is its commitment to it?

In conclusion, the challenge for the Bracks government is that as the national economy slows down, its lack of commitment to business, capital works and infrastructure development will see investors asking what is so special about Victoria. New investment, new infrastructure, tax cuts and real business confidence are needed in this state and should be provided by the Bracks government — but they are certainly not being provided in this budget.

**Hon. D. G. HADDEN** (Ballarat) — It is a pleasure to speak in support of the Bracks Labor government's first budget, which is heralded as financially responsible and socially progressive. That is the budget blueprint, and it has been accepted with great excitement by and with positive support from the entire Victorian community.

The key themes of the first Bracks Labor government are threefold. The first theme is responsible financial management, which includes maintaining the substantial budget operating surplus of \$592 million forecast for the 2000–01 financial year, as well as surpluses averaging \$450 million that are projected over future years.

The second theme is the promotion of growth across all of the state, including rural and regional Victoria. It

includes delivering improved services in the key areas of education, health and community safety. The allocation of \$170 million into the Regional Infrastructure Development Fund from 1 July this year has been greeted with tremendous support by the local councils in my electorate of Ballarat Province. The key element of the fund is the government's plan to revive rural and regional Victoria. The government is committed to providing genuine leadership by working in partnership with regional communities and local governments to attract investment and create jobs. It is promoting regional investment by using the budget to inject \$18 million to strengthen regional development organisations.

The third key theme of the Bracks Labor government is the restoration of democracy. As part of that aim it will reinstate compensation for victims of crime. From 1 July this year victims of crime will be able to obtain compensation for pain and suffering, which will be capped at \$7500. I am well aware that the previous government's abolition of pain and suffering compensation for victims of crime in the middle of 1997 resulted in enormous injustice to many victims. As part of its restoration of democracy the government will also reintroduce common-law rights for seriously injured workers, and make it retrospective to 20 October 1999. The government will also establish a new Victorian law reform commission.

The Bracks Labor government will deliver improved services and community safety. It will deliver 800 new operational police by the end of 2002–03; 100 extra train station staff and 100 new tram conductors; upgraded tram, road and train services; and upgraded and replaced police stations. In particular there is an allocation in the budget for a new 24-hour police station at Bacchus Marsh, and the new Ballan police station was opened last Wednesday by the Minister for Police and Emergency Services.

The budget is financially responsible and implements the promises that were made leading up to the election of September last year. The first budget of the Bracks government contains funding allocations that include: \$64.2 million to employ 800 extra police over four years; \$37 million to upgrade police stations; \$240 million for black spot funding, half of which goes to country Victoria; \$34 million for 357 new prison beds; \$80 million for the fast train link to Ballarat; \$75 million committed over four years to the government's anti-drug strategy; \$35 million to family support services; \$218 million towards 106 road and bridge projects; and \$12.4 million to employ extra railway staff and tram conductors.

The budget operating surplus forecast of \$592 million for 2000–01 will give the government the flexibility to improve service delivery in the key areas of health, education and community safety, while protecting the bottom line. Most importantly, approximately 30 per cent of the first Bracks government budget will be directed to rural Victoria.

The government is delivering on the promises it made before the last state election. It is delivering on justice and a safer Victoria. Its allocation of funding to provide extra police will ensure the state has a more visible and effective police force, which is important for community safety and in addressing problems associated with crime in the community. Its allocation of \$46 million, to which I have just referred, will provide a boost for high-tech equipment and police station upgrades. The most important measure for my electorate of Ballarat Province is the opening on 2 June of a new police station and law courts complex at Ballarat. Having recently had a brief tour through the complex as part of the parliamentary Law Reform Committee, I must say that it is state of the art. As I have indicated, the government is allocating \$60 million to restore compensation for victims of crime and \$4 million to establish a community-based law reform commission.

In the budget the Bracks government also delivers on its promises on infrastructure by allocating \$510 million over three years for new transport infrastructure projects under the Linking Victoria program, including fast rail links to the regional Victorian towns of Ballarat, Bendigo, Geelong and Traralgon. It is also allocating \$218 million in the 2000–01 budget for better roads, which includes funding of \$7.5 million for the Woodend bypass and funding totalling approximately \$9.5 million for 25 rural bridge projects.

The government's promise to deliver for rural and regional Victoria has met with great excitement and positive accolades from my electorate. The Regional Infrastructure Development Fund has been well received in Ballarat Province. The government is allocating \$60 million for regional health services and \$5 million to improve rural and regional police stations. It is also introducing a new program to support regional economic development, which includes the establishment of a new office of rural communities, which will have locations at various rural centres, including Ararat in my electorate, and the appointment of rural industry experts in regional Victoria.

Funding will be provided to ease the burden of compulsory sewerage schemes and to offset the abolition of the catchment management authority levy.

A key theme in the budget is the restoration of crimes compensation and the pain and suffering component for victims of crime. That will clearly improve access to justice and provide victims of crime with some solatium for their injuries. Victims of crime had a right to compensation before its removal by legislation in 1997. The Law Reform Commission is to be established as a community-based commission.

I turn to the allocation of funding for drugs and refer to the immediate past president of the Law Institute of Victoria, Mr Michael Gawler. He said Victorian lawyers welcome the Bracks government's expert drug advisory committee report and recommendations for a local drug strategy, including a trial of supervised injecting facilities across five specified municipalities. Mr Gawler went on to say that the institute was pleased to hear of the proposal and he called it a fresh approach with an overall strategy to address the drug problem in the community. After a long and intense investigation by criminal lawyers into the problem of illicit drug use and crime, the Law Council of Australia and the Law Institute of Victoria supported treating the drug issue as a primary health issue and not a criminal one.

The budget has committed \$75 million over a four-year period on an overall anti-drugs strategy, the primary purpose of which is to save lives and improve the treatment and rehabilitation of those affected by drugs. The government will work with five local government areas to reduce the level of public nuisance created by illicit drug addiction and the real problem of the littering of used needles and syringes on streets and bayside beaches.

The alarming street injecting and trafficking behaviour is not only prevalent in suburban Melbourne but also in Ballarat, Ararat and many other small towns in the Ballarat Province. That concerns country people because it is new to them, especially in Ararat. The primary objective is to save lives by allocating funds. The proposed injecting facility strategy is to be fully assessed and monitored over a period of approximately 18 months. It is a government policy strategy to treat and rehabilitate drug addicts rather than punishing them.

Another important area of the budget is environment and conservation initiatives. Some \$12.9 million will be allocated next financial year, and over the next four years \$54 million will be channelled into Victoria's water catchments to replace the anticipated income

from the previously imposed catchment management authority levy. That will reduce taxation in regional Victoria and ensure the ongoing management of catchments and waterways. Hardship grants for sewerage and water schemes are important in my province. Some \$4 million has been set aside for hardship grants for sewerage and water schemes over four years. That will provide financial relief grants to customers suffering genuine hardship.

An allocation of \$1.3 million has been made for the Centre for Forest Tree Technology at Creswick, my home town. The allocation is to establish new facilities at the School of Forestry at Creswick, known as the town of forestry, and to accommodate additional laboratories and lecture theatres for the centre in partnership with the University of Melbourne. The expanded centre will provide a range of research services and develop technical services to support the establishment, management and use of hardwood and softwood plantations, natural forests and farm forests.

In its first budget the government is delivering a fair deal for all new rural sewerage schemes. That includes a low \$80 annual payment over 20 years, or a one-off discounted fee of \$800 a year. The new arrangement will apply to customers of the compulsory schemes commenced after or not completed by 20 October 1999. Schemes that are under way or meet the 20 October 1999 qualifying date will see customers refunded any contributions in excess of the discounted total contribution. The new rural sewerage scheme will have a direct impact on two towns in my province — Clunes has recently had its sewerage scheme completed and Carisbrook is about to have its sewerage scheme proceed. That will be a boost to those townships.

I turn to the government's initiatives for women that were foreshadowed in the pre-election women's policy. The government has shown a commitment to all Victorian women, both rural and regional. The Premier's first women's summit was held in Ballarat on 17 May. It was the first regional Victorian conference and was supported by about 200 women from all walks of life who were excited to be included. Prior to the last state election the Ballarat civic hall was the centre of the launch of the Australian Labor Party's election campaign. That provided a huge boost for rural and regional Victoria. As a result of the Premier's first women's summit held last Wednesday, a detailed forward plan will be prepared. It will include initiatives put forward together with initiatives from existing government departments. Some \$1.4 million has been allocated over four years for expanding programs in the Office of Women's Affairs. Furthermore, \$800 000 has

been allocated over four years for the provision of health promotion programs for rural women.

Funding of \$19.1 million over four years has been provided for 100 nurses in the Department of Human Services to support programs in schools, including addressing issues of healthy eating, drug use and reproductive health for young girls and young women. The exciting first women's conference held at Ballarat last Wednesday carried the theme 'Growing the whole of the state — issues for rural and regional women'.

A number of workshops were held during the day. The women involved were asked to put forward their views on the following issues: health, violence and safety, leadership, strengthening communities, economics and employment, and education. The summit was a huge success. I have had tremendous feedback from those women, who were extremely pleased to be included in the summit. The outcomes of the summit will be very much included in the government's decision-making into the future.

In conclusion, both print and television media have supported and praised the government's budget. The *Age* of 3 May 2000 ran an article under the headline 'Bracks repays the bush'. It describes the budget as the first budget to deliver to country Victoria on health, education, transport, justice and regional development. The article praised the budget.

The various shire councils in my electorate of Ballarat Province have contacted me personally and complimented the government on its initiatives. They are excited, especially about the Regional Infrastructure Development Fund. I will quote a letter to me from the Rural City of Ararat because it is a good example of the praise and support in the Ballarat Province. The letter states:

The council is very pleased with the support for rural and regional Victoria which is incorporated in the budget. We believe that the budget has been well received by our community.

In forming your budget priorities, the Bracks government has commenced the process of rebuilding the confidence of the rural and regional communities in the governance of the state. Please accept the congratulations of the Rural City of Ararat for the budget, which clearly commences a return to equity across the entire state.

The Rural City of Ararat looks forward to a successful partnership with your government for the betterment of our community.

In my view that says it all. On 4 May the Ballarat *Courier* editorial, under the heading 'Bracks budget continues to impress', states:

... even after reading the fine print, things still look pretty good. With hundreds of millions of surplus dollars at his disposal Mr Bracks was able to come good on all his pre-election promises — and Ballarat will be better off for it.

At long last regional Victoria got what the Premier described as its 'fair share' of state funding.

The editorial further states:

The business sector in particular has more than one positive to draw from the document ... [and that] is a sign that this government has listened to industry concerns about the need for state tax reform.

In conclusion the editorial states:

Premier Bracks's commitment in the budget to these tax cuts recognises his commitment to a good working relationship with Victoria's business community.

Stuart Howie writes the column headed 'The state we're in' in the *Courier*. The column of 6 May, headed 'Government learns a lesson on the value of education', states:

Stop the press: government decides to look after our kids.

...

And in delivering the social dividend ... things are looking up for the teaching profession.

About time.

Mr Howie concludes:

Governments should administer budgets not for the sake of budgets. Budgets are about people. Managing people's taxes. Managing people's rightful expectations.

The budget is financially responsible and socially progressive. The government's commitments are evidenced in the budget. It is committed to delivering on pre-election promises to all Victorians — not just the big end of town and not just the city slickers. It is committed to promoting growth across the state and especially in rural and regional Victoria. Approximately 30 per cent of budget spending is allocated to rural and regional Victoria. The Bracks government has maintained it will promise only what it can deliver. To that end I fully support the budget because, as I said, it is financially responsible and socially progressive.

**Hon. E. G. STONEY** (Central Highlands) — The Bracks government was elected on four basic principles, which the Premier reiterated at the time and again on the release of the budget, both inside and outside the house. In a letter to the Independents dated 12 October he stated the same four points, which were to:

Promote open and accountable government;

improve the democratic operation of Parliament;

establish clear plans, strategies and targets to address the urgent needs of rural Victoria; and

introduce an improved code of conduct between government and all other members of Parliament.

Point 1 promised the promotion of open and accountable government. I have in my possession a circular distributed in January 2000 by the Executive Services Branch of the Department of Natural Resources and Environment regarding requests for briefing. The circular lists the protocols for government members, Independent members and opposition members of Parliament. For government and Independent members the wording of the protocol is different but the effect is about the same. Requests are to be referred to executive directors or regional managers to arrange briefings. The relevant minister's office is consulted and the arrangements are made for the briefing. The protocols are virtually the same. However, for opposition members of Parliament the process will be as follows:

all requests must be in writing to the minister specifying issues for discussion;

no other issues should be discussed at the briefing;

a ministerial adviser will attend all briefings with opposition members of Parliament;

all briefings should be oral, not written; and —

how is that for open and accountable government? —

any staff member who is contacted directly by an opposition member of Parliament should refer the caller to the relevant minister's office.

That is plain political discrimination. So much for open government! I cannot discuss with my local ranger or departmental office a local issue on behalf of a local constituent. I have to go to the minister's office. I will never be able to arrange that a ministerial adviser be present to get a local briefing with a local ranger. The protocol is insulting and appalling. It is certainly not open and accountable government.

Under point 2 the Premier promised the improved democratic operation of Parliament. Yet the government is proposing a bill to change the Legislative Council in such a way that it will become dysfunctional. Honourable members must ask why the government is doing that. The Legislative Council is the most democratic of any upper house in Australia. Every person over the age of 18 years is given a vote. At a meeting I attended a little while ago my colleague John Ross phrased it better than I can. I quote my colleague:

Labor fell into government. They have no majority in either house yet they are attempting to change the constitution of Victoria.

I agree! The Victorian Farmers Federation expressed concern about the government's proposal. In a press release headed 'Smaller Parliament would disadvantage rural Victorians' the president of the VFF, Mr Walsh, is quoted as stating:

Rural Victoria produces more than a third of the state's export income and deserves reasonable representation in the upper house.

Under point 3 the Premier promises to establish clear plans, strategies and targets for rural Victoria. The budget hype included the spin that the budget establishes plans and strategies for rural Victoria. Again I draw to the attention of the house the saga of the Mount Hotham powerline, which absolutely disproves that promise.

The existing Mount Hotham powerline is flawed. It runs under roads, tracks and the highway to Mount Hotham and is subject to lightning strikes. Eastern Energy wants to run a second powerline from Mount Beauty to Mount Hotham via roads and tracks also in the park to ensure a backup supply. All approvals were given except for a straightforward section 27 approval to be obtained from Parks Victoria at the time of the election. All environmental concerns were being accommodated. The powerline was to run under roads and tracks within the park and the project was subject to strict guidelines. New Minister Garbutt called the project in and the proposal sat on her desk all summer. No action was taken. Consequently the powerline cannot be built this year.

The no-action policy at Mount Hotham affected tourism and the skiing industry. The minister's decision to take no action for six months has sapped business confidence. Eventually the minister made a decision, but it was too late for this year. On 14 May the minister issued a press release in which she states — surprise, surprise! — that the electricity cable must meet strict environmental conditions. It was always going to do that. The press release goes on to state:

The Minister for Environment and Conservation, Ms Sherryl Garbutt, has agreed to a proposal for an underground power cable to Mount Hotham alpine resort subject to strict environmental conditions to protect the Alpine National Park.

The cable will be installed by Eastern Energy through the mountainous terrain north of Mount Beauty along forest roads and jeep tracks.

The point I make is that the minister took far too long to make the decision. I pay tribute to the local members,

the Honourable Bill Baxter and the honourable member for Benambra in the other place, who kept the issue on the agenda. All honourable members representing that area, including myself, forced the minister into making a belated decision. The decision gave no joy to local businesses and the equivocation of the minister was a bad omen for the future.

The fourth point I refer to is the supposed improved code of conduct for all members of Parliament. The policy sounds good but my own experience is different. In January this year the Minister for Energy and Resources invited some VIPs to the opening of the Snobs Creek facility of the Marine and Freshwater Resources Institute administered by the Department of Natural Resources and Environment. The invitation for local members on this side of the chamber to attend, including the Honourable Geoff Craige and me, must be still in the mail. I am particularly upset about this because I took a significant interest in the Kennett government's initiative. The minister was opening a project that her government had not initiated and it was petty not to invite honourable members from this side and did nothing to improve the code of conduct of members of Parliament.

The day after the election of the Bracks Labor government the new Premier said that it was a victory for decency, compassion and honour. I wrote down those words because I thought that one day I would have need to quote them back to the government. I have yet to see the government carry out any of those ideals of decency, compassion and honour. I have given some examples of the exact opposite.

In its budget promises the Bracks government exhibits some fancy and fast footwork. Prior to the election the then Labor opposition promised funding for the Bright and Romsey ambulance stations, but after the election those promises were first withdrawn and subsequently reintroduced as new initiatives in the budget. The electorate of Seymour voted for the Labor candidate on the implicit understanding that a swimming pool would be built immediately. No government funding will be provided for that project until July 2001 and the shire will have to pick up any shortfall — and it will have to spend its money first. No one knows whether there will be a blow-out in the cost of the project given the possible economic conditions during the next financial year and the shire will have to pick it up.

The people of Kilmore were promised the police station would be upgraded, yet there is no mention of that in the budget. Extraordinary promises were made to the people living in the electorate of Benalla and it will be

extremely difficult for the new member to fulfil the promises made by her government.

I was interested to hear Ms Hadden say during her contribution that 30 per cent of the allocations in the budget were going to rural Victoria. Mr Best and I had a conversation about that. We believe that the allocations to rural Victoria in the last Kennett budget amounted to 36 per cent. It is a big discrepancy in the understanding many people have about funding for rural Victoria and there is some fancy footwork being done by members of the government.

I will finish on a positive note. The Kennett government left Victoria, including rural Victoria, in good financial shape; it was not financial mismanagement that cost the coalition the last election. The Kennett government spent \$1.2 billion on rural water schemes to bring the water quality in small hamlets throughout the state up to World Health Organisation standard. A massive amount of money was spent on rural roads. I pay tribute to the former transport ministers, the Honourables Bill Baxter and Geoff Craige, for the great interest they took in rural roads.

In 1992 the Mansfield District Hospital was in considerable difficulty. That hospital now has international accreditation and is the pride of the north-east. The Kennett government introduced the Jigsaw campaign that is being continued by this government — a good decision. I pay tribute to the former Minister for Tourism, now the honourable member for Brighton in the other place, who had a personal commitment to tourism and who gave it her best when she was minister. The former government created 17 rail trails, complete with committees of management. That was part of my responsibility. I attended the opening of the Murray to the mountains rail trail as a passive onlooker. I was invited not by the government but by the shire, which acknowledged the work I had done with the former member for Benalla, the Honourable Pat McNamara.

I was interested to read a report in the *Myrtleford Times* that quotes the Minister for Transport, Mr Batchelor, and states:

Victoria's rail trail program is a wonderful way to bring new life to some of the old disused rail corridors.

I distinctly remember writing those words when I was the chairman of the program. I congratulate Mr Batchelor on keeping a straight face while he was reading out those words.

The opposition is rebuilding. It knows what hard work is. Opposition members know that in the real world effort is rewarded — that you get out what you put in. That is why Victoria went from being a rust bucket to the top of the heap and why unemployment fell from 11.8 per cent to 7 per cent. I am extremely proud to be part of a decent political party that believes in rewarding individual effort and spirit. The opposition is good at getting on with the job and it will continue to do that. During the next year the opposition parties will develop significant new policies. I look forward to their again being charged with running Victoria and ensuring it is once again the envy of Australia.

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

**Hon. JENNY MIKAKOS** (Jika Jika) — It is with great pleasure that I support the first of many budgets to be handed down by the Bracks Labor government. It could be said without much controversy that the Benalla by-election result speaks for itself about the disadvantage and neglect suffered by regional and rural Victoria during the Kennett years of government.

I will focus my remarks on the neglect suffered by many residents of the northern suburbs of Melbourne, including those in my electorate of Jika Jika Province. I note with great pleasure that the first Bracks Labor government budget has, as was stated by the Labor Party in its election policies and commitments, focused on the key areas of education, health and protecting Victorians who were much neglected over the seven years that Jeff Kennett reigned in Victoria.

It is particularly pleasing that the Bracks Labor government has ensured that its no. 1 priority in the budget is education. I note with much pleasure that the Bracks Labor government has committed \$165 million over four years to reduce prep-to-year-2 public school class sizes to 21 students, thereby giving those students adequate teacher attention in their most formative years of learning. In my inaugural speech in this house I noted that many young people in Jika Jika Province are disadvantaged in their socioeconomic status and therefore funding of the public school system is critical to their educational and future employment opportunities.

I note also that since the Bracks Labor government took office the injection of additional funds and the employment of additional teachers has already had a positive impact on class sizes in Jika Jika Province. In February the average prep-to-year-2 class size had been reduced in comparison with the 1999 figures. In Preston there has been a reduction in average class sizes of 1.9 per cent and the average class size is now

22.5 students. The comparable figures in other parts of my electorate show a reduction of 1.2 per cent in Bundoora, 0.9 per cent in Northcote, and 0.5 per cent in Mill Park. Overall, compared with the figures for 1999, there has been a reduction of 1.1 per cent in the average prep-to-year-2 class sizes in public schools. The average is now 23.9 students per class compared with 25.05 students in 1999, which is a significant reduction in class sizes.

The initial years of schooling are critical to young people developing the language skills needed to take them forward in their educational and employment opportunities. The employment of an additional 350 teachers at a cost of \$23.8 million in the next financial year will go a long way to further reducing the class sizes in Jika Jika Province and meeting the government's stated objectives.

The Bracks Labor government has also committed an additional \$105 million in the next financial year to school capital works and \$65 million over four years to school maintenance. I am very pleased that a significant part of that funding is being directed towards schools in my electorate, which certainly deserve that funding. I note for the record that the capital works funding to be provided in the budget includes \$1.025 million for stage one of a general purpose room, student lounge and lecture theatre at Lalor North Secondary College; \$950 000 for a classroom upgrade at Mill Park Primary School; \$420 000 for a multipurpose room and music and canteen upgrade at Rosanna Primary School; \$505 000 for a staff administration upgrade at Macleod College; \$450 000 for an upgrade at Watsonia North Primary School; and \$1.325 million for stage three of the redevelopment of Northcote High School. Northcote High School has had a remarkable record of achievement in the past and I understand it was the place of schooling for a significant leader of this state, former Premier John Cain, Jr. The Bracks Labor government's general initiatives in the education sector and capital works funding for local schools in Jika Jika Province will go a long way towards addressing the socioeconomic disadvantage faced by many of my constituents.

It is important to note that in addition to the many initiatives being taken in the primary and secondary school sectors, the government has acknowledged the very important role that the technical and further education sector plays in the education and training of our young people. The government's initiatives in the technical and further education (TAFE) sector address some of the disadvantages I mentioned earlier. Therefore it is important to note that in the next financial year \$10.3 million will be allocated to

reimbursing training providers so that they can give fee concessions to disadvantaged students. That will benefit the many students who attend the Northern Melbourne Institute of TAFE which has many of its campuses in my electorate. Those students will also benefit from the \$20 million to be spent over four years to replace obsolete equipment in TAFE colleges, the \$6 million to be spent in the next financial year on urgent maintenance needs, and the \$40 million to be provided in additional recurrent funding over the next four years.

I have noted on a number of occasions the above-average unemployment faced by constituents of Jika Jika Province. The Bracks Labor government recognises the important role which the TAFE sector plays in training young and older Victorians in a changing and demanding job environment.

The budget gives a significant boost to the technical and further education sector and to adult community education. The Bracks Labor government initiatives announced as part of the Connecting Victoria strategy to improve the public's access to communication and communication technologies will have a positive impact on the Victorian job market and for Victorian industry. It will ensure that young and older unemployed people who reside in my electorate will have access to state-of-the-art technologies in their training environment and access to computer technology, which is increasingly becoming part of the job market.

Many of my constituents and locally based businesses will also benefit through the addition of \$158 million during the next few years to target employment issues. They include a community jobs program, public and private sector traineeships, incentives for the employment of young and older people and a youth employment line. I speak to many people in my electorate who work in the building sector. Many trades people, who happen to form the second largest employment category in Jika Jika, have commented on the lack of young people taking up apprenticeships in that field. The additional support for TAFEs and employment incentives to be provided under this budget will go some way towards addressing that skills shortage. I intend to work closely with councils in Jika Jika and local agencies to ensure that my electorate takes advantage of the government's jobs plan and other initiatives that will go towards tackling the very high level of unemployment in the northern and north-eastern suburbs of Melbourne.

I note that health was another major plank of the Labor Party before the last state election, and the Bracks Labor government has delivered on its promise to

increase service delivery in the health sector. With the closure of the Preston and Northcote Community Hospital (PANCH) in February 1998 and the transfer of those services to the Northern Hospital in Epping, the Darebin council — —

**Hon. C. A. Furletti** interjected.

**Hon. JENNY MIKAKOS** — I am very proud of it. I attended the fundraiser on Friday evening. I note that perhaps Mr Furletti did not attend.

**Hon. C. A. Furletti** — I was there.

**Hon. JENNY MIKAKOS** — I did not see you there. I am not denigrating the hospital in any way; it has many committed staff members. Nevertheless the Darebin council conducted a study into the health needs of the area. It found an unmet need that is not being addressed by the Northern Hospital. Many senior citizens experience transport difficulties when accessing services at the Northern Hospital. For that reason the Labor Party committed \$5 million before the election towards funding the integrated community care centre which is to be built in Bell Street, Preston, just opposite the old PANCH site.

**Hon. C. A. Furletti** interjected.

**Hon. JENNY MIKAKOS** — You might think the Preston integrated care centre is not particularly important but I assure you that the members of the People for PANCH community-based organisation of which I am very proudly a member is very pleased with the commitment to deliver on that election promise. The Preston integrated care centre will open towards late 2002 and will go some way towards meeting the unmet demand that both the Northern Hospital and the Austin and Repatriation Medical Centre are unable to meet at the moment.

**Hon. C. A. Furletti** interjected.

**Hon. JENNY MIKAKOS** — Mr Furletti might be interested in the redevelopment of the Austin and Repatriation Medical Centre as it is in his electorate. I note that many of my constituents are also interested in the future of that hospital because they use it, too. I am very pleased that the Bracks Labor government stopped the privatisation of the Austin and Repatriation Medical Centre and is currently considering options for the redevelopment of the centre to ensure that it meets the needs of the community in the northern suburbs.

I am also very pleased with the budget initiative to fund mobile intensive care ambulance units in Bundoora and other parts of Victoria. I congratulate the Minister for

Health on addressing the previous imbalance in recurrent funding for women's health with the increase in funding for Women's Health in the North, which is based around the corner from my electorate office in Edward Street, Reservoir. That organisation addresses the many and varied health needs and concerns of women across the whole of the northern and north-eastern suburbs of Melbourne and previously its recurrent funding was less than many other comparable bodies in Victoria. I am very pleased to congratulate the health minister on bringing that organisation's recurrent funding into line with other comparable groups.

In the transport area as part of the government's initiative to fund the extension of suburban rail lines a light rail connection will be provided from Epping to South Morang, which is certainly a growing area of Melbourne.

In my inaugural speech I spoke about the unique conservation and environmental features of the electorate of Jika Jika, which is bounded on many fronts by creeks and rivers that deserve continuing interest and support. They include the Merri and Darebin creeks and the Yarra and Plenty rivers. The government is committed to injecting significant levels of funding into conservation and the environment, which is particularly pleasing for me, given that Jika Jika Province is bounded by those creeks and rivers.

I am pleased that the Environment Protection Authority laboratory has been relocated to Mont Park at a cost in the next financial year of \$900 000. That laboratory works in conjunction with the La Trobe University in monitoring air and water quality in the various waterways across Melbourne.

Another significant announcement relates to additional funding for the upgrade of many of our police stations. I am pleased that the budget includes funding for a replacement of both the Northcote and Preston police stations. Both of those stations have been on the waiting list, but for curious reasons — which are probably quite obvious — they never seemed to make it onto the funding list over the past seven years.

The Northcote police station, for example, is 109 years old. I take this opportunity to extend my condolences to the families of the two young police officers based at the Northcote police station who were tragically killed in an accident last week. On many occasions when I have worked with members of the local police constabulary on constituent issues I found them to be highly professional in the way they conduct themselves and extremely dedicated and hardworking. The new

police stations in both Northcote and Preston will assist those dedicated officers in the conduct of their duties.

The Preston and Reservoir areas of my electorate have a significant proportion of public housing stock, and currently there is a high unmet demand for new public housing stock. In Preston there is approximately a 10-year waiting list for public housing, which I find extraordinary. I am delighted that this year 149 new housing stock acquisitions will be made; and in 2001, 150 acquisitions will be made in the municipalities of Banyule, Darebin and Whittlesea, which will include Aboriginal public housing and community-based housing. I am advised that a six-bedroom house will be constructed in the Thornbury area for people with intellectual disabilities. I commend the Minister for Housing, Bronwyn Pike, for those initiatives, as I am certain that that additional public housing stock will make a significant dent in the current waiting list.

The Bracks Labor government is committed to tackling Victoria's needs and inequities, addressing the neglect in regional and rural Victoria, and also the neglect suffered by residents in the north-eastern suburbs of Melbourne.

I am delighted that in the Bracks Labor government's first term it has addressed the needs in the areas of education, health, employment, transport and community safety. I am also aware that there are initiatives in other areas which time does not permit me to address tonight.

The budget is financially responsible. It has delivered a significant budget surplus. The government has demonstrated, without doubt, that it can adopt a prudent and financially responsible approach to the Victorian purse strings; and from the lack of response to the shadow Treasurer's budget reply the other week it is apparent that the Victorian business sector supports the government's approach and will continue to do so during the remainder of its first term.

I congratulate the new Treasurer, John Brumby, on his recent elevation, and I look forward to his delivering similar budgets in the next few years. I commend the budget to the house.

**Hon. B. C. BOARDMAN** (Chelsea) — I am delighted to speak on the first Bracks budget, and in particular to follow Ms Mikakos because she has confirmed exactly what this budget is about. It is about expenditure and the provision of services. It is about keeping to election commitments.

**Hon. R. F. Smith** interjected.

**Hon. B. C. BOARDMAN** — I am happy that Mr Smith is here to interject, although he is not in his correct seat. Mr Smith, who represents the same electorate as I do, when responding on a document in excess of 600 pages, made a 6½ minute contribution. I am not sure whether that is reflective of the level of commitment the government has to the electorate of Chelsea Province or whether it is more reflective of Mr Smith's ineptitude and inability to interpret financial data and to make a worthwhile contribution. But if Mr Smith wants to make inane interjections, let him do it. I encourage that activity because I like listening to his idiotic banter and enjoy putting him back in his place and showing him just how irrelevant in the electorate he really is.

Ms Mikakos spoke with a great deal of delight about what the budget delivers to her electorate. That is terrific — I am happy for her. The honourable member justifiably should be proud of what the budget has given her electorate. It is through her hard work, her lobbying, and her close relationship with the government's financial managers that she has been able to secure those things.

The results are impressive, and they have been achieved because Ms Mikakos has been an effective member. I make the comparison between Ms Mikakos and the honourable member for Frankston East in the other place. I welcome the additional 32 beds at Frankston Hospital, but they would have been added irrespective of who was in government.

The honourable member for Frankston East campaigned on the development of Monterey Secondary College. That site was sold to a private developer because the school was justifiably assessed by the former government as being surplus to educational requirements for the area. It was sold to a private developer with the specific intention of the land being subdivided to improve the general amenity of the suburb and to provide better facilities for the community.

**Hon. R. F. Smith** interjected.

**Hon. B. C. BOARDMAN** — I am happy to take up the interjection.

*Honourable members interjecting.*

**Hon. B. C. BOARDMAN** — Let the navy boys discuss the budget across the chamber! The honourable member went about lobbying to secure \$1 million for the site, but the recent publicity shows that development of that site is now in jeopardy. As I was quoted in the press as having said recently, if a private

developer who owned that property discovered that the government had publicised an amount appropriated to buy it, would that not amount suddenly become the purchase price irrespective of what the Valuer-General may say is the appropriate valuation? Would the developer not suggest to the government, 'You have allocated \$1 million: that is what I will sell it for, not \$1 less.'?

It is interesting that the honourable member for the area in the other house has undertaken an extensive public campaign to buy back the land that would have enabled the community to enjoy additional parkland. His actions will deny the community of Frankston North the opportunity to grow.

That is what the budget is about: it denies communities the opportunity to grow. It focuses on expenditure, outcomes and service delivery. The government's paranoia about or fascination with responsible financial management is an old cliché that Victorians continue to hear, but it lets the state down.

On page 2 of the budget speech the Treasurer states:

It delivers on each and every one of our commitments in education, health and community safety.

...

There are no 'core' and 'non-core' promises here.

Although many would admire the government's faith and integrity in keeping to its election promises, how does the budget create \$1 more in economic benefits, create one more job or maintain the momentum Victoria had gained under the seven years of the Kennett government? It does none of the above because the government's fixation and paranoia in trying to honour its election commitments and its promotion of the notion of responsible fiscal management will unfortunately lead to Victoria being denied the opportunities it deserves.

The momentum the Kennett government established over the past seven years — the feeling of confidence and respect the state had developed internationally and nationally — will disappear because the budget acknowledges that Victoria is the second-best place to be.

Domestic investments will decline and growth will disappear, but not one government member has touched on those issues. They have been proud to give notice of the wonderful achievements in store, they say, for their electorates in health, education and community safety but, as the Honourable Wendy Smith said, they do not talk about the rest of the state and about how this

strategic piece of financial management will add to the overall economic development of Victoria.

On page 4 of the budget speech, under the headline ‘Growing the whole state’ the Treasurer states:

Robust Victorian economic growth is expected to continue, although at a more sustainable pace.

That does not justify the Treasurer’s definition. It says that growth will increase at 4.5 per cent this year and 3.5 per cent in 2000–01. I turn to the economic projections table on page 47 of budget paper 2. It says the actual growth in gross domestic product for the last financial year was 6.2 per cent. The recovery in the economies of Asian countries formed a high proportion of Victoria’s growth, I am sure honourable members will acknowledge that in an internationally competitive environment growth of 6.2 per cent is an admirable target and is comparable with what the rest of the world is now achieving.

The projections are 4.25 per cent for 1999–2000 and 3.5 per cent for 2000–01. The figures subsequently fall to 3.25 per cent for the three remaining years to 2003–04. Why has the government focused on less growth? It may be a realistic target and one that the government is proud to accept. But why do Victorians have to cop that? Why, when the state had been performing so well internationally, has the Bracks government upon its election accepted declining growth rates?

Chapter 9 of budget paper 2, at pages 45 and 46, goes into detail on degrees of risk. It makes the point about growth slowing resulting from a slowing of the economy in the United States of America. I am not sure who came up with that suggestion, but it refers to repercussions for the Australian dollar when compared with the stronger American dollar.

**Hon. R. F. Smith** — Blame John Howard for that.

**Hon. B. C. BOARDMAN** — I am willing to take up the interjection. How did the Prime Minister directly intervene in hindering increasing opportunities from the USA?

**Hon. R. F. Smith** interjected.

**Hon. B. C. BOARDMAN** — I am fascinated by that interjection. The Honourable Bob Smith has pre-empted what I was about to say. When the Bracks Labor government runs out of excuses, it blames the goods and services tax (GST). That is a classic cliché.

When the Prime Minister went to the states, including the Labor states of New South Wales and Queensland,

to discuss the commonwealth–state agreement on expenditure and grants related to the GST, which states were the first to sign? It was Queensland and New South Wales, because they could see that the benefits coming their way would be far better with the GST than is the case now. The Labor Party is against the increased economic benefits to be brought by the GST, but will the Victorian government lobby its federal colleagues to drop the GST in the unlikely and unfortunate event that the federal Labor Party wins the next federal election? I don’t think so, because it knows it will benefit from the GST.

The budget contradicts what Labor promised at the election. Table 3.1 on page 47 of budget paper no. 2 goes into detail about the unemployment rate, and that is a salient point. The Bracks government made a firm election commitment to reach an unemployment figure of 5 per cent in its first term in office. It faces the possibility of going to an election before the completion of the 2003–04 fiscal year and on its own projections the best it will achieve is 6 per cent. The government went to the people with and made a deal of fuss in its election commitments about its policy of achieving 5 per cent unemployment and the second-reading speech says that the budget delivers on each and every one of Labor’s election commitments. There is the first contradiction.

Another issue concerning table 3.1 that needs to be brought to attention is population growth. Actual population growth in 1998–99 was 1.2 per cent and it is projected to gradually decrease by 20 to 25 per cent over the term of the government. I am not sure if that is an indication that potential immigrants to Victoria are already aware of the decreased opportunities the government and the budget are providing for Victorians, but it sends a disturbing signal and a warning that perhaps Victoria is going back to the days of the Cain–Kirner government, when net migration to Victoria was substantially low compared with other states.

Under the Kennett government Victoria was able to achieve a population growth surplus for the first time in 25 years. It was a demonstrable and achievable target of which the former government was quite proud and it set an example for the rest of the country. However, the signs for the current government are disturbing. It is going back to the bad old days of big expenditure and of not understanding what financial management is all about.

Once I deciphered what the subheading ‘Promoting growth across the whole state’ at page 47 was all about I noted that the text goes on to say that the budget is a

pro-business budget that focuses on a plan to improve Victoria's competitiveness, attract new investment and generate jobs. The document says the government will achieve those key pillars of governance by developing a strategic audit of Victorian industry. That is fascinating! Is the government telling me that Business Victoria, the Department of State and Regional Development and the Department of Treasury and Finance do not already have those figures available? It need only go into the parliamentary library and pick up the Australian Bureau of Statistics monthly summary of statistics. I have the March 2000 issue, which goes into considerable detail about the state of the Victorian economy and the prospects and outlooks for economic activity, and gives a breakdown of labour forces in industry sectors. The information is publicly available — and the key aspect is that it is accurate. Despite that the government wants to develop yet another committee — in addition to the hundreds already in existence — to come up with a strategic audit of Victorian industry.

The government also wants to develop a new manufacturing industry consultative council to advise on strategic directions for what it says is a long-neglected sector. One can only wonder who will form the membership of the council. Let me guess! How many members of the union will be on the council? How many mates of the government will be on it? How many people will reflect the interests of the industry? The government is proposing to form an unjustified and unnecessary consultative council. The government wants a new Victorian economic and social advisory council to advise it on the economic and social development of the state.

I may be relatively young, but is it not a core responsibility of governments to develop policies and initiatives that will deliver outcomes and provide opportunities? The government is getting all the advice it can, forming all the committees it can and having all the ministerial reviews it can, but I would have thought the core competency of a political party in government was the ability to deliver the real outcomes and provide the real opportunities that sadly the Victorian community appears to have lost.

I draw a direct comparison between the first budget of Treasurer Bracks and the 1999–2000 budget, the last budget of the Kennett government. It was delivered by the Honourable Alan Stockdale, unarguably the best and most competent Treasurer the state has seen. The key initiatives of the former government's last budget focused on what was in the best interests of the state. Major new funding was provided for science, engineering and technology, which must be the focus for future industry opportunities in Victoria, yet this

government has not talked about it and its budget contains no mention of it.

The last Stockdale budget provided for 50 000 initial apprenticeships and traineeships, again providing an opportunity for young Victorians to become skilled in areas where there was demand and growth opportunities. The current budget has unfortunately also neglected that area. The last Stockdale budget also outlined reductions in payroll tax, the building of major transport infrastructure, investments in cultural assets, and so forth. The comparisons are distinct. One budget is a result of a fascination with election commitments; the other budget was the key to providing opportunities, encouraging investment and economic activity, and providing the appropriate services Victorians desire.

The key to achieving those goals is the creation of the right environment. It has been noted that one of the key pillars to improving economic activity in Victoria is a reduction in taxes and duties, particularly property-related taxes.

**Hon. T. C. Theophanous** interjected.

**Hon. B. C. BOARDMAN** — I will take up that interjection, because the Kennett government progressively reduced stamp duties and property-related taxes. It inherited such a financial disaster from the Cain–Kirner government that it was necessary to increase the taxation base to a sustainable level. Once the economic outlook improved and opportunities increased for the state through responsible and appropriate economic management, the taxes and duties could be reduced.

The key to a good budget is to ensure the environment a government creates will increase economic and business activity to provide increases in income through increased business output that will allow the reductions in duties, taxes and other expenses that demonstrably build up economic development.

Growth is also affected by wages. While wage increases are a fact of life and are necessary for workers, they have to be reasonable and responsible. I refer to two current industrial issues. The first relates to the construction industry, in which workers have received a 24 per cent wage increase and shorter hours. The second relates to the retail industry, where there is currently a push for higher wages. If they could do only basic mathematics the unions and the government would understand that the fragility of the Victorian economy — and I will talk about that in detail later — makes it impossible to grant excessive wage increases without jeopardising employment opportunities.

**Hon. T. C. Theophanous** — You win!

**Hon. B. C. BOARDMAN** — Thank you. Putting up the cost of employment by increasing the remuneration of employees leads to a reduction in employment. It would be easy to assume from that that the unions are looking to further decrease membership at a time when it is already decreasing through attrition and disinterest. I would expect the unions to want to increase membership instead of promoting absurd and completely economically unjustified policies that will have a negative effect in that regard.

The government does not have a real public works infrastructure projects platform. Some of the projects the Kennett government initiated are reaching completion. I refer to City Link, the new museum and Federation Square, all of which employed thousands of Victorians and provided opportunities for the construction industry. It is disappointing that the government has not outlined its policy to keep the momentum and opportunities flowing. One would expect that with the massive surplus the government inherited it would have considerable funds available to provide capital works opportunities for the additional assets and facilities the state requires. The government seems fixated on having committees, reviews and receiving advice from other sources rather than providing policies, initiatives and opportunities.

My biggest disappointment with the budget is its lack of focus on international and national trade, a key pillar of the previous government, which made Victoria a world-class competitor that was viewed by the rest of the world as being a good place to invest and export product. The budget does not go into detail about the future of Victorian export opportunities.

The Australian Bureau of Statistics shows that currently Australia has a trade deficit of about \$12.5 billion. Victoria plays a considerable role in the national economy. It does not have Queensland's climate, which generates incredible tourism income. It does not have Western Australia's mineral deposits or the economic hub of New South Wales. Victoria should strategically and responsibly identify its opportunities in the international environment, and the Kennett government deliberately did so.

I pay tribute to the former industry, science and technology minister, Mr Birrell, who developed a number of initiatives to make companies export ready and ensured that Victorian businesses were appropriately equipped to foster opportunities and increase their export potential. The budget makes no mention of that. The major areas in that regard are the

manufacturing, retail, trade, property and business services industries. Victorian manufacturing sector workers are currently appearing before the Australian Industrial Relations Commission, and that will have a negative effect. Retail trade is threatened with a log of claims and the government does not realise the devastating effect that will have on Victoria. Problems in the construction industry will affect opportunities for future public works investment.

Australia's greatest currency earner and one of Victoria's growing industries is tourism. In 1999, overnight stays in Victoria amounted to in excess of \$900 million tourist dollars. The industry is distressed by what is currently going on. The Kennett government's campaign, which focused on Melbourne as the gateway to Victoria and regional Victoria and which offered world-class and international competitive tourism products, has gone. Although the current minister repeatedly promotes tourism as a bipartisan issue, that cannot be justified with the government's policy. Outcomes and initiatives must be introduced to give confidence to the industry to invest, advertise and promote itself internationally to increase international and interstate visitors. It is a warning sign that the tourist industry, which attracts foreign currency and is a source of employment for young people, may be jeopardised.

The budget is about expenditure and meeting commitments made both prior to the election and subsequently. This budget is not about generating growth, jobs and economic development.

I turn to another heralded aspect of the Bracks Labor government. During the election campaign and subsequently it promoted its policy for a safe and just society. It promoted public safety and said Victoria was in jeopardy because of an apparent lack of police. It said resources were so low that police could not do their work. However, the actual policy states that police officers are so overworked they do not have adequate time to attend or report all crimes, which means that up to 25 per cent of crimes are not reported in the statistics, leaving Victorians unprotected. That is a classic example of a campaign to score cheap political points. It puts Victoria Police at risk and jeopardises crime prevention strategies. Budget paper no. 2, which refers to a safer community, states:

Victoria remains a relatively safe community. The *Report on Government Services 2000* indicates Victoria had the lowest proportion of all states of victims of recorded crime in 1998-99 against both property ... and against the person ...

It then compares Victoria with other states and nationally. Victoria had the lowest reported crimes per

capita of all states and was well below the national average. The government's policy prior to the election contradicted that statement. If the government were serious about public safety, policing and adequate resources it would tell the truth and not embark on a cheap and unresponsive campaign to try to scare people into voting for it when it was not talking about the facts.

The much-heralded extra 800 police in the budget is a complete misgiving. Department of Treasury and Finance officials have confirmed that 400 police were already allocated in the previous year's budget — that is, 400 police are currently at the academy and when they graduate there will be 400 more police on the streets. It is inexcusable that the government has taken credit for that in the budget. All it is doing is providing an additional 400 police over four years. That contradicts its policy. Since the election there has been a net increase of only 55 personnel. That takes into account attrition, some of the recent management decisions and so on. Because of that there could be a net deficit in police numbers at the end of the first term of the Bracks Labor government.

I do not know how the government will achieve its target of 800 additional police officers, and I do not know whether the government will continue with its rhetoric about the safety of Victorians being in jeopardy, following on from its pre-election comments.

The final issue I want to discuss concerns the broader perspective of industrial relations and, more succinctly, the ministerial review on industrial relations. I will detail the minister's target and what outcome he is hoping to see from the review, and I will compare that with what is happening in Queensland and New South Wales particularly.

The so-called independent chair of the review, Professor Ron McCallum, although seen in academics circles as an eminent, strong academic who is qualified in his field, is in no way impartial. His track record is definite and justifies some of the opposition's concerns. He headed the review into industrial relations for the Queensland government, resulting in a return to a state-based industrial relations scheme, as legislated for in the Queensland Industrial Relations Act 1999. Among other things, the act introduces the notion of dependent contractors.

I will mention briefly some sections of the act and in particular section 275, which has the potential to be replicated in Victoria. Under the provisions of that section, upon application by the minister, organisation or peak council, the full bench of the Supreme Court may make an order declaring a class of persons who

perform work in an industry under a contract for services to be employees. Under the Queensland legislation a subcontractor working for someone else can be subject to a Supreme Court application from either the union or the minister declaring that subcontractor to be an employee. Undoubtedly that has ramifications from the perspective of that person's income and taxation base and the overall project's income and taxation base. It is an unworkable situation.

More than 1.1 million employees in Australia call themselves independent contractors — people who perform work on a contract basis either by themselves or with another individual or group of individuals in an independent and self-employed manner. Undoubtedly that increases competition and increases opportunities for their respective industries. The only reason the opposition can see for the legislation being introduced is that once a person is declared to be an employee that person is bound by certain obligations.

If a building site is dominated by a union, the union will not allow an employee to work on the site unless he or she is a member of the union and consequently bound by union rules. A contractor is not an employee and hence can work on a building site or other industry site on his or her terms and conditions, which is to the benefit of the person with whom the contractor has a contract and to the contractor. The review seems to be another grab at increasing union membership by replacing the good and decent philosophy of the federal Workplace Relations Act with a state-based system.

Another issue that must be brought to the attention of the house is the involvement of Professor Ron McCallum in an organisation called the Australian Council for Industrial Relations Research and Training, or ACIRRT, which is based at the University of Sydney. As confirmed in its 1998 publication *Australian at Work*, some of the philosophies ACIRRT wants to reintroduce into an industrial relations context include the payment of higher taxes by forcing contractors to join PAYE employees in providing tax support for the industrial relations system; the regulation of working hours, setting minimum and maximum working hours; the regulation of the number of people who can attend work at businesses; the regulation of the amount of overtime; and the introduction of increased leisure time.

Such a heavily regulated employment structure and the domination of industrial relations by the unions — thus lessening the opportunities for flexible arrangements for employees — provide a considerable warning for industry. The key to increasing industrial development opportunities is to provide a responsive and worthwhile

industrial relations system that promotes increased employment rather than negating it through the enforcement of an outlandish, irresponsible, unjustified, union-orientated industrial relations system.

The opposition has obtained much information on Professor Ron McCallum and ACIRRT, but I will not take up the time of the house in detailing that matter any further. The opportunity for that will arise in the future. But there is one point I wish to conclude on.

It seems that the Australian Workers Union is the main protagonist of the return to a state-based industrial relations system. It obviously sees the benefits in having contractors classified as employees, thus increasing its union membership. It has acted in Queensland in a draconian and interventionist fashion. It has attempted to register an independent Queensland sheepshearer as an employee — someone who works as a sheepshearer in a part-time fashion to ensure his livelihood is not jeopardised by his employment conditions; someone who offers complete flexibility in employment conditions.

The union is not satisfied with that individual's right to choose how and when he works. It is trying to have him classified as an employee, bringing him into line with union conditions and not his own. That is a disgraceful act on the part of the Australian Workers Union. The decision of the full bench of the Supreme Court will be handed down on 2 July, indicating the ramifications of the Queensland system for employees in that state.

The government wants to introduce into Victoria a state-based industrial relations system that will increase the dominance of unions and the regulation of employees, which is bad news for the state. The government and the budget do nothing to improve the state's position. It is a budget of lost opportunities that is fixated on expenditure and promised election commitments. The government might think that is admirable, but the key to responsible financial management is increased economic activity, thus increasing the income base of the state and allowing services to be provided.

Government income should not be based on taxation alone. The government seems to think that that is the case. Unfortunately it appears that Victoria, in the next two to three years of the Bracks government, will find its position has changed from that of having been at the head of the pack and internationally recognised and viewed with envy by the other states to again being the basket case it was in the Cain and Kirner years.

**Hon. J. M. McQUILTEN** (Ballarat) — I endorse the final comments of Mr Boardman. There is no question that country Victoria needs regional development and investment by private enterprise. Anyone living in country Victoria will know there is no doubt of that. Mr Best is looking at me; he knows that is the case. That is where real jobs can be created, and that is what Victoria needs. Mr Boardman has rightly stated that that is crucial to regional Victoria. Also major infrastructure expenditure on education and roads is needed. Expenditure in the past seven years in that respect has been very poor. That is all I will say.

**Hon. B. C. Boardman** — You have to justify comments like that.

**Hon. J. M. McQUILTEN** — I have been asked to justify that comment. When travelling around rural Victoria, that is all one hears from regional councils. They say that infrastructure such as roads, hospitals, schools and bridges have not been funded. That is all they talk about. It is an extremely important part of what is needed in country Victoria. The Bracks budget is important because it redresses many of the problems that were endemic in country Victoria. Unfortunately, there is a huge problem that residents of Melbourne do not understand. The Honourable Roger Hallam understands that rural Victoria needs economic investment, private enterprise investment. If the opposition were fair minded they would acknowledge that the budget is making a strong attempt to assist private enterprise investment in rural Victoria.

**Hon. B. C. Boardman** — How?

**Hon. J. M. McQUILTEN** — The packages have been referred to by almost every honourable member who has spoken on the budget debate in the other place and in this house. I will not go through the details now. Mr Boardman can find out how that will be done by looking at the budget papers. In the late 1980s I wrote the Labor Party policies on getting investment in country Victoria.

**Hon. B. C. Boardman** interjected.

**Hon. J. M. McQUILTEN** — You should not interrupt my speech, Mr Boardman, because you live in metropolitan Melbourne and do not know what you are talking about. Opposition members who represent rural communities may understand what I am saying. It is about convincing companies to invest strategically in rural Victoria, in areas where those companies can make significant returns and not be subsidised.

**Hon. R. A. Best** — Use areas of natural advantage to attract industry to their territory.

**Hon. J. M. McQUILTEN** — That is correct. The opposition knows that country communities need leadership, which sometimes is lacking. Often they are fearful, especially about globalisation, rationalisation and information technology. I believe information technology is creating enormous opportunities for regional Victoria and regional Australia. The Labor budget is trying to promote that industry, and I know that Mr Hallam made many efforts to promote that industry in regional Victoria. The problems are immense and it is sometimes difficult to convince our country brothers of the benefits.

The budget is a major step forward for regional Victoria. The ultimate accolade is a letter written by the Ararat Rural City Council to the Premier.

**Hon. R. A. Best** — Ms Hadden has already read that letter into *Hansard*.

**Hon. J. M. McQUILTEN** — I will not read it out then, but it is a major statement from regional Victoria indicating that the Labor government is having a go. Everyone knows that we do not have all the answers but at least we are having a go and making an attempt, just as we did in the late 1980s and early 1990s. What the Labor government has done and what the budget sets out is the first try. It will fulfil the promises made during the election campaign. It is not the end of what is required in regional Victoria — it is the start. The Labor Party's regional strategy is the start, stage 1, and I am working on initiatives now for the next stage. We need to proceed to stage 2 as soon as we can. If members of the opposition come up with a good idea I will embrace it because my aim is to get jobs in country Victoria. That is the no. 1 priority.

**Hon. R. A. Best** — That is the first priority.

**Hon. J. M. McQUILTEN** — Yes. I now move to the sensitive issue of the Country Fire Authority (CFA), an important institution in regional Victoria.

**Hon. R. A. Best** — I read your letter to the editor in the local Shepparton paper.

**Hon. J. M. McQUILTEN** — Thank you. I have done a pumped-up version for the *Regional Times*.

**Hon. R. A. Best** — There is a reply coming.

**Hon. J. M. McQUILTEN** — I look forward to that. The dispute that is occurring at the moment is unfortunate.

**Hon. R. A. Best** — It is an insult to the volunteers. We both appreciate the role they play.

**Hon. J. M. McQUILTEN** — Mr Best says it is an insult to the volunteers. I do not object to that term. I believe the problem should be resolved quickly because clearly it is inhibiting the training of CFA people.

I want to refer to the Touch project that I have been working on for some time. I wish Mr David Davis was present in the chamber. I said during my inaugural speech that I would report to the Parliament when I achieved some results. I have achieved a result for which I do not take the entire credit. I was working with an honourable member in the other place on this project, but I suspect that I did more work than him, but I will not argue with the honourable member for Hawthorn about that because we worked on the project together. Before entering Parliament I was a business and industrial relations consultant and I was approached to offer advice about various projects.

Two days after I was pronounced the winner of the ballot in Ballarat Province, I met with representatives of a company in Melbourne and I have been working on the project for some seven months. For those who do not know, it is a \$65-million, 350-job, Melbourne-based, high-tech information technology company. Honourable members may ask why a member for Ballarat Province is working to get jobs in the Honourable David Davis's seat. The answer is I did that work and will continue to work on such projects because it is good for Victoria.

Such projects take a long time to come to fruition — the announcement was made last Monday by John Calvert-Jones and John Brumby, the Minister for State and Regional Development in the other place. That great product is a giant information technology leap forward in what can be made available for consumers — and it is based in Melbourne. When I first met representatives of the company they were thinking of going to Queensland or Malaysia. I would have loved to have had it in Ballarat or Creswick or Maryborough but the nature of the company meant there was no choice but to fight for Melbourne because this is where the IT people are and the company needs top-of-the-range high technology people.

**Hon. I. J. Cover** — A minister for multimedia could have convinced it.

**Hon. J. M. McQUILTEN** — On the mention from the other side about multimedia, I think that was Victoria's greatest advantage — Multimedia Victoria actually had dealings with the company. Some 18 months ago the company spent about \$6 million on research and development. I will not name the person the company met with in Multimedia Victoria as that

person is no longer there but that bureaucrat suggested that it was a great product for a billionaire — or something like that.

I had to convince the company that Business Victoria was a professional organisation and that both the previous and current governments would not let such an opportunity go. It took some convincing. It has taken seven months work but the project has landed in Victoria. The company will be investing \$60 million plus and employing about 350 high-tech people — not in Ballarat but in Melbourne in the Honourable David Davis's seat. I wish he would concentrate more on his electorate and do what I have been doing rather than spending time on talking rubbish about what is happening in Maryborough. His attacks on me and Joe Helper, the honourable member for Ripon in the other place, will be answered with some vision about education facilities when the time is right. A \$65 million investment has taken seven months to achieve. I am sorry it took so long but it is there.

**Hon. R. A. Best** — The people in the department are professional and they will deliver on the outcomes — that is what you are saying.

**Hon. J. M. McQUILTEN** — They did not know about the project — I had to bring it back. Members who have been in government will know that departments tell ministers about projects and ask them to sign something so that they can get them up and running. I took that one to the government.

**Hon. R. A. Best** — However, you are not suggesting they are not professional in what they do?

**Hon. J. M. McQUILTEN** — They are professional but I brought that project back to the government — it is one of my projects, thank you, Mr Best.

**Hon. R. A. Best** — I want a rounded speech.

**Hon. J. M. McQUILTEN** — Members will not get a rounded speech from me!

Finally I refer to a strange thing that happened to me on Anzac Day at the Avoca races — apart from picking four winners and two seconds. As a young man I was against conscription and against the Vietnam War, so I fought hard against conscription and against our country's involvement in the Vietnam War. I was 14 years old when I started that fight and I firmly believe I was proved correct — but what does it mean to be proved correct? When I was older I met some old diggers from the First World War. As a young firebrand who was against conscription and a campaigner against Australia's involvement in the Vietnam War, I had to

go through a journey — that is, to meet and understand old Australians who had fought in the First World War. The father-in-law of a good friend of mine fought in some of the worst battles in Egypt and France in 1915. In Maryborough I met a bloke called Ernie Morton, an old Australian Labor Party branch member, who was a Gallipoli veteran. Mr Best might remember him — he became the member for Ripon. As I approached middle age, I started to listen to those guys and their stories. When I was 20 years old I could not come to terms with the Anzac tradition and the Returned and Services League (RSL).

**Hon. R. A. Best** — Because of a glorification of war.

**Hon. J. M. McQUILTEN** — Yes. When I was a young man I considered the RSL was too pro a certain way and I was against it. My leanings were also against many of the old diggers. As I grew up I talked to my Uncle Bill, who volunteered for World War II, became a tail gunner and survived the Battle of Britain. I progressed in my journey of understanding about the Anzac tradition.

To cut a long story short, I was standing in the queue to collect my winnings at the Avoca races on Anzac day a few weeks ago and a bloke about my age was standing in front of me. He was also collecting his winnings. He was wearing civvies but across his chest he proudly wore all the medals from the Vietnam war. I asked, 'What are the medals?'. He replied, 'They are the medals I received in the Vietnam war'. We spoke for only 3 or 4 minutes and I told him how I had been anti-Vietnam and anti-conscription and so on. At the end of our conversation I said, 'I am so proud that you are able to stand there wearing your medals'. We clasped hands, which to me was very special. It was a form of healing — a healing between the protester and the guy who went to Vietnam. I was prepared to go to jail for two years because I knew I could not duck my mates; if my mates were going to get shot and killed I had to go to jail — it was that simple. To me, that handshake was so important.

**Hon. J. W. G. ROSS** (Higinbotham) — I contribute to the debate with somewhat mixed feelings. The 2000–01 budget is the first of the Bracks Labor government. Having gained the Treasury benches the Bracks government will certainly not go down in the annals of political history as an incoming government that was called on by the electorate to set matters right. The government is embarrassed by the riches it has inherited. The Kennett government bequeathed to the Bracks government between \$1.3 billion and \$1.4 billion. In a sense the new government is

challenged to rise to the occasion; it must hoist its jib and set sail on the sea of opportunity. I feel the Bracks government is just a little timid in the face of that challenge.

As a result, the Bracks government budget is focused almost entirely on expenditure and has assiduously avoided the need for a comprehensive set of policies and to provide leadership to the state. In fact this budget is in stark contrast to the budgets of Alan Stockdale and indeed the whole performance of the Kennett government. That government stimulated the budget sectors of the economy and exuded sufficient confidence to draw Victoria from the depths of depression. Victoria was no longer regarded as a rust-bucket state and the butt of jokes across the nation. The Kennett government restored the Victorian economy to the strong position it now enjoys.

The Kennett government inherited a moribund economy and set about revitalising Victoria by a variety of measures, and that should never be forgotten. Its first measure was to unlock the infrastructure of the state and to create new opportunities. Those were the times of opportunity where services from gas and electricity to public transport were freed from the monolithic shackles of bureaucracy and union feather bedding. In many ways that was a watershed in the history of Victoria. It moved from being an immature economy to a mature economy and emulated some of the great economies of the world such as the United States of America and Japan. Innovation and free enterprise drove the Victorian economy out of the depths of depression and recession and set the scene for sustained prosperity. That is the situation the Bracks government inherited.

As well as those infrastructure changes, Victoria became pre-eminent as a new economy player. The Kennett government appointed the first Minister for Multimedia in the world. It led the charge towards a national electricity grid and embarked on the most spectacular program of cultural and commercial infrastructure renewal this state had seen since the golden age of the 1850s.

The buzz word of the Kennett government was vision, and it was based on the coalition partners' philosophy of individual freedom and free enterprise. The problem with this budget is that it distributes the fruits of the coalition philosophy, a philosophy that is simply beyond the ken of Labor members. The Bracks government is captive to its own history and its own philosophy, and it should never be forgotten that the Labor Party is the political wing of the trade union movement. It enshrines a great deal of the traditional

tussle between capital and labour. The government mouths the words of tax reform and being aggressively pro-business but it simply does not know what it does not know. In the words of John Howard, this government has not got the ticker for the job.

It is true that the budget provides for some reductions in payroll tax and commercial stamp duty. In the words of the Premier, he is unashamedly pro-business. The Premier is also keen to reward his regional and rural constituencies and has used the money he inherited from the former government to construct the \$1 billion Growing Victoria reserve fund. That fund is described as having the objectives of job creation, providing infrastructure for better transport, communication and education and an economy created by command style economics. I would have to say that is the same Victorian Economic Development Corporation style of thinking that brought John Cain to his knees.

The government has proposed a number of tax cuts. According to page 5 of the budget speech the initial \$100 million tax cut is proposed for 2001. In 2002 it will increase to \$200 million and by the financial year 2003-04 it will total \$400 million. However, there is a catch. There is always a catch. Business will have to wait until the next financial year for the cuts and small businesses with few employees will not be the main beneficiaries. The government said it will determine the details of the tax cuts following an entire review of Victoria's tax system to be completed by the end of this year. I shall make a couple of points about that process.

Such promises have been made in the past, where Labor was long on rhetoric but short on delivery. Those promised tax cuts have all the hallmarks of the Keating 'L-A-W' income tax promises that never saw the light of day and never delivered a single dollar to the Australian taxpayer.

The settings in this budget and the philosophy that underpins it are all wrong-headed. I will illustrate the extent to which the budget is wrong-headed by some examples in Higinbotham Province, which is one of Victoria's major employment centres with more than 7000 businesses, employing more than 70 000 Victorians. The light industrial precincts of Moorabbin, Braeside and Cheltenham, are home to about 4500 factories and represent one of the largest concentrations of light industry in the state. Some of the best known firms in my electorate include Philip Morris, Nylex, Coca-Cola Amatil, Simplot Australia and Watty Australia. My electorate also contains Moorabbin Airport — the third busiest airport in Australia — and as I speak this evening the foundations are being prepared for a new and impressive industrial

complex to be located on that site. In other words, the electorate of Higinbotham is one of the principal contributors to the Victorian economy.

However, the bulk of that economic activity is generated by small to medium-size enterprises. The Australian Bureau of Statistics business register for September 1998 shows that 92 per cent of industries in Higinbotham have fewer than 20 employees, and 83 per cent have fewer than 10 employees. Currently the first \$515 000 of gross payroll is deductible for the purposes of the payment of payroll tax, which accumulates at the rate of 5.75 per cent of gross payroll thereafter. Therefore, businesses with a payroll of less than \$515 000 gross are not subject to payroll tax.

The employment mix in various sectors of the industrial economy make it difficult to calculate how many employees are required before that payroll tax kicks in. It is probably between 10 and 20 employees, but one thing is certain — the vast majority of industrial enterprises in my electorate will not gain a great deal from the Bracks government's proposal for an inquiry into payroll tax. But that does not mean the government's mooted payroll tax reductions are not welcome. Many large enterprises in the state are looking for some form of tax relief, and that tax relief is welcome. But in an analysis of this budget, the devil is in the detail, and when one looks at the large productive output from an electorate such as Higinbotham, it could well be that about 82 per cent of that effort needs something different from payroll tax reductions.

Local manufacturing requires a complete program of support for small to medium-size enterprises, and if my electorate is anything to go by, around 92 per cent of Victoria's gross state product is probably delivered by small businesses with fewer than 20 employees. The budget has not addressed that imperative in any shape or form.

I also mention the profile of certain industries within my electorate. There is a heavy concentration of industries that support the automotive industry — for example, firms such as Hella Australia, PBR Australia and Ajax Fasteners design and manufacture a substantial proportion of new vehicle components for the major vehicle assembly plants in areas such as Broadmeadows, Altona and Geelong. However, the automotive industry is poised in a very delicate position. It is certainly not in the land of milk and honey. I am seriously concerned about some of the automotive manufacturers in my electorate.

In South Australia, Mitsubishi is contemplating its future, and an article in yesterday's *Age* reports that the

Nissan Motor Corporation in Japan is just coming to grips with an \$11 billion loss. A billion dollars here, a billion dollars there; often we forget that this is real money we are talking about — and \$11 billion is an awful lot of money.

With those sorts of catastrophes occurring around the country and the world the automotive industry needs all the help it can get. The best help is assistance with industrial infrastructure such as roads to reduce transportation overheads and comply with the just-in-time manufacturing imperatives that are the hallmark of small to medium enterprises such as Ajax Fasteners, which manufacture the bulk of nuts and bolts used in the automotive industry. The company has to deliver in short time frames, and the time of delivery is critical to the assembly of the total vehicle.

**Hon. R. F. Smith** — The problem is that most of it is manufactured in Taiwan and Malaysia, and stamped as Asian products and packaged here!

**Hon. J. W. G. ROSS** — There is a vast amount of local manufacturing in my electorate.

**Hon. R. F. Smith** — And a lot less of it than there used to be. They are now manufactured overseas.

**Hon. N. B. Lucas** — Aren't you happy with that?

**Hon. R. F. Smith** — I'm appalled by it!

**Hon. J. W. G. ROSS** — The point the honourable member makes is a very real one. The Victorian automotive industry is not just in competition with other parts of Australia; it is in competition with the rest of the world. That is the reason why a budget such as this one needs to contemplate that fact. The rest of the world is out there — they are after our lunch. The honourable member makes my point completely.

As I said, Higinbotham Province is an important focal point of manufacture in Victoria and Australia. It is up to this government to provide some leadership, and to encourage and enhance that manufacturing capability.

I shall briefly relate to the house the extent to which I feel personally betrayed by the way the budget has addressed some infrastructure requirements in my electorate. In an article in the *Age* of 22 May last John Cox proposed an interesting hypothesis about the benefits of private funding of infrastructure. He prefaced his remarks by referring to the penchant of the Labour Party in Britain and Europe to invest in transport infrastructure. He referred in precise terms to the Bracks government's \$1 billion Growing Victoria

reserve fund established for the funding of infrastructure projects in future years.

The article also referred to unrelated research findings at the Australian National University that provided convincing evidence that targeted infrastructure projects, if they are correctly targeted, increase private sector productivity and outputs. The classic case quoted by John Cox in the article was about the productivity improvements in the building industry once road transport allowed plasterboard to be delivered to each building site rather than the plastering needing to be done on site. I could add other examples, including the delivery of prefabricated concrete buildings and entire classrooms such as the one delivered to the Brighton Secondary College in my electorate to replace the science wing of the school that had been gutted by fire.

The philosophy and goal of the Kennett government in creating City Link was to facilitate private sector investment and to open a corridor between Dandenong and Geelong and to the rest of the world through Melbourne Airport. But that is not what the Treasurer and the Minister for State and Regional Development in the other place had in mind. The intention of the government to concentrate on rural road services and public transport has little effect on public sector productivity. John Cox pointed out that rural passenger patronage had declined from 60 per cent of the total in 1946 to about 2 per cent now, despite the granting of passenger subsidies. Similarly, public transport subsidies of \$32 million a year nearly equal the cost of Melbourne's arterial road network, despite the fact that the roads are carrying more than 90 per cent of all passenger, business and freight movements.

Within that context and the hypotheses articulated in the article, I shall be specific and talk about the proposed Dingley bypass in my electorate. The meagre funds of \$30 million allocated in the budget do nothing to deliver that project. The Kennett government estimated it would take \$165 million to construct the bypass. In the lead-up to the last election Labor's spokesman, Pat Power, a former member of this place, said a Labor government would immediately start work on the Dingley bypass with an initial allocation of \$30 million from the roads allocation budget. Mr Power added that more funding would be made available from the \$185 million collected yearly from the Better Roads levy to match the coalition promise to complete the bypass.

I immediately smelt a rat. On 23 March this year I sought an assurance from the Minister for Transport that the Labor Party's election policy would be honoured to the letter; that not only would the works be

commenced but that the government would extend the bypass the full distance from Warrigal Road to the Springvale bypass. My fears of my electorate being short-changed were well founded. The government has no intention whatsoever of honouring its promise.

**Hon. W. R. Baxter** — Have you received a reply to your letter?

**Hon. J. W. G. ROSS** — No, I have not. I assume the Minister for Transport would refer me to this year's budget and say the letter was unnecessary in the light of subsequent events. All I can see in the budget for that project is smoke and mirrors, with the promised \$30 million being spread over three years. To be absolute specific, the budget has set aside \$2 million in the first year, 2000–01, notwithstanding the fact that Pat Power said \$30 million would be immediately allocated in the first year. At budget paper 2, on page 171, the budget allocates \$12 million in the second year, 2001–02; and \$18 million in the following year, 2002–03.

As I said earlier, the former Kennett government committed \$165 million to connect the Springvale bypass. At present Vicroads owns about 70 per cent of the land needed for the bypass. The budget allocates little more over the next three years than is needed to purchase the residual 30 per cent of land needed to honour the commitment of the publishers of *Melway* to include the Dingley bypass reserve in their street directory. The episode is a sham and a scandal; it is a betrayal of the electors of Mordialloc and Carrum and my seat of Higinbotham. I am certain the community will hold the Bracks government to account in due course.

The only infrastructure funding that will provide any alleviation to the traffic problems in my electorate are programs entered into by the Kennett government — that is, the completion of the Springvale–Westall roads bypass at a cost of \$11 million and \$1.6 million to widen and improve traffic flow in Heatherton Road between Boundary and Tootal roads. I am grateful for small mercies and that the government has seen fit to honour the previous commitments of the Kennett government.

The scene I set regarding the important industrial activity that occurs in that locality means there is a screaming need for road infrastructure to capitalise on that economic activity. The budget does nothing to alleviate that problem. Local businesses in and around Braeside that are accessed through roads such as Governor Road and White Street experience a gridlock on any Thursday or Friday morning or afternoon; the

whole of that industrial area becomes almost inaccessible. The extent to which the government is committed to providing the infrastructure to capitalise on that small to medium manufacturing precinct is long on rhetoric but short on delivery. When we talk about the challenge of competing with the rest of Australia and the world, the government needs to pay attention to those sorts of infrastructure requirements.

The engine room of growth and employment in Victoria is small and medium-size enterprises such as those in my electorate. They are desperately in need of transport infrastructure; mentoring programs to encourage expansion and the development of economies of scale in production; cuts in government red tape; seeding funds for research and development; and grants to encourage innovation as well as education and training programs and, above all, to create the climate of confidence in the state not only to encourage local businesses to flourish but also to attract enterprises from other states and to retain companies within this state.

I refer again to the example of Ajax Fasteners, which is a clear case in point. Ajax Fasteners established itself from a British off-shoot at the time of the construction of the Sydney Harbour Bridge; it supplied nuts and bolts for the bridge. It subsequently established itself in Richmond and evolved into supplying essential components for the motor vehicle industry.

Some five or six years ago, the principals of the company asked what their future might be. The Queensland government was active in attempting to attract Ajax Fasteners to that state. To his great credit the Honourable Mark Birrell, as Minister for Industry, Science and Technology, provided the encouragement and support to maintain Ajax Fasteners in Victoria. Subsequently the company decided to move from Richmond to Braeside, in my electorate. However, within weeks of the change of government last September Ajax Fasteners was served with a log of claims by the militant manufacturing unions. It must really have wondered whether its decision to stay in Victoria was the best it could have made.

I will conclude by making a brief mention of the problems faced by schools in my electorate. Although in the budget the Bracks government has provided additional funding for schools, what it has delivered is less than half of what was promised by the Kennett government. The budget contains an allocation of \$3.5 million for a new primary school at Aspendale Gardens. That option was under active consideration by former Minister Gude and the Department of Education, but they were constrained by the lack of a

proper needs analysis for the locality. The Bracks government is now honouring a blatant pork-barrelling exercise in the electorate of Carrum, which will possibly have an adverse effect on the Mordialloc Primary School.

The principal of the Edithvale Primary School, Mr Peter Boyes, is reported by the *Mordialloc-Chelsea News* of 8 May as saying that the new school would have an impact on his school because staffing levels would be reduced and his school might lose a degree of flexibility in what it was able to offer. That school is under threat and will possibly decline, but the Bracks government still proposes to spend \$615 000 on the proposal. I think the colloquial term for doing that is stuffing its mouth with gold.

The question that must be posed is whether the expenditure of more than \$4.1 million on two schools about a kilometre apart to meet the untested election promise of the Australian Labor Party is justified. By comparison, the previous government promised the nearby Parkdale Secondary College \$1.121 million during the current triennium. That figure has now been pared back by \$50 000, and I am advised that the school now has only \$15 000 available to meet unseen contingencies. In that southern area of my electorate schools are being compromised because of the blatant pork-barrelling of the Bracks Labor government in the lead-up to the last election that promised expenditure way outside the guidelines for estimation of need for educational services.

Budgets are all about choice. The choice of the Bracks government has been to sacrifice rational planning for political kudos and short-term expediency. The truth is that whatever budget surplus the Labor Party inherited it can never satisfy its fiscal attitude in the long term. This government is basking in another government's sunshine, and like the weather it just cannot last.

The Labor government has generated unreal community expectations, especially so in rural and regional Victoria. In typical fashion the first Bracks budget has focused on short-term political expediency. I predict that like an economic dinosaur it will revert to type and that the profligate tradition in spending will continue. With those few remarks I conclude my contribution to the debate.

**Hon. W. R. BAXTER** (North Eastern) — I want to take a line similar to that taken by Dr John Ross this evening. The budget and the marketing of it has built up high and unreal expectations, particularly in rural and regional Victoria, which will come back to bite the government severely.

Before I develop a case I must say that I found the budget document confusing. Since I have been a member of Parliament I have seen probably 21 or 22 budgets delivered. I remember back to the days of Premier Hamer when budgets were fairly simple documents and easy to follow. I am prepared to acknowledge that I live in a much more complex world now in which budgets, public accountability, and the like, perhaps necessitate more expansive documents. I used to think that the budgets introduced by the Kennett government, of which I was a part, were difficult enough to follow, but at least they were capable of being comprehended by citizens or members of Parliament who had half a mind to have a go at them. I defy anyone to make head or tail of the budget documents produced by the now former Treasurer, the Honourable Steve Bracks, three weeks or so ago.

**Hon. P. R. Hall** — I am glad I am not the only one who feels that way.

**Hon. W. R. BAXTER** — Mr Hall, you and I are certainly not alone; I have heard that view expressed by many of our colleagues and people outside who have attempted to look at the budget to see whether projects they are interested in have been funded. It is impossible to detect what has been funded.

The budget contains no consolidated list of capital projects. Some projects which were announced by the previous government and which for all intents and purposes we on this side are certain are proceeding do not receive a mention in the budget — for example, the new courthouse and police station at Wodonga. When one looks through the budget one becomes alarmed because it looks as though that project has somehow disappeared into the wide blue yonder. Fortunately, I have been advised that it will proceed. It would have been a travesty if the government had reneged on the undertaking of the previous government — an undertaking that is not mentioned in the budget.

Similarly, another undertaking of the former government, the proposed new hospital at Beechworth, is also not in the budget. A decision on that was arrived at after a good deal of soul-searching among the local community about whether it was prepared to go to a greenfield site or wanted its existing hospital on its century-old site refurbished. However, unfortunately for the people of Beechworth they are not getting the good news Wodonga is getting. The Beechworth hospital is not funded in the budget and is not proceeding. That is another reason to be disappointed about and another complication with the budget.

I call on the new Treasurer, Mr Brumby, if and when he gets the opportunity to present the budget 12 months from now, to turn his mind to producing a document that the average citizen can decipher. The government talks about providing open and accountable government. Surely that must start with the production of government documents that are able to be easily read and understood by the citizens of this state. The current budget papers seem to be an exercise in obfuscation, if ever I saw one.

I also agree with a phrase that has been used several times this evening — that the budget is all smoke and mirrors. It has been paraded around the countryside as a great document that has come down from on high and will rescue us from all our ills.

It appeared on the front pages after the first day. I can remember when budgets were talked about for weeks because they were the prime piece of government activity for the year. They set the scene and generated a great deal of interest. This budget was a one-day wonder. For all the government spin doctors' attempts to paint it as some mighty document, the public soon concluded that it was largely a smoke-and-mirrors document. The Honourable Bob Smith spoke earlier about the restoration of the AAA credit rating for Victoria. I invited him by way of interjection to explain who was in government when Victoria lost the AAA credit rating, but he declined.

We should not let the people of Victoria forget who lost the credit rating and who got it back. They should not forget the difficult decisions that were made to recover the AAA credit rating for the state. Cabinet had to make tough decisions when it came into office in October 1992, decisions that would not rectify or recover the AAA credit rating overnight, in six months or one year. It was clearly to be a long-term project. The Kennett government stayed on course, made the necessary decisions, got the budget back into the black and ultimately the credit rating agencies, Moody's Investors Service and Standard and Poor's, restored the AAA credit rating to the state. It did not happen without a good deal of angst, commitment and pain.

I become tired of the tendency of many members of Parliament and others in the community who take the populist line all the time to tell people what they want to hear rather than what they should hear. If the first Kennett government had not acted as it did and if it had been populist and took the easy way out, the \$30-billion debt in 1992 would by now have been \$50 billion because the government would never have got on top of it. The state would certainly not have won back the AAA credit rating. It would have been downgraded

another notch or two. I reject entirely the comments of one member in the other place that we should act like him in the way we represent our electorates. If honourable members had all taken their cue from him the state would never have restored the AAA credit rating.

If I had been prepared to play to the gallery, making the easy decisions and seeing the state slide further into financial rack and ruin, I would not have deserved my membership of this place. I could not in all conscience have retained my position and I would have departed. Fortunately, I was not alone in having those views. I was supported by a cabinet and by a parliamentary party room. In both the Liberal and National parties, almost to a man and a woman, it was acknowledged that such decisions had to be made. Victorians are enjoying the fruits of those decisions, albeit it was a difficult period and albeit it is probably the principal reason those honourable members are now on the other side of the house. The people of Victoria failed to adequately grasp the decisions made that restored the state to financial stability.

The budget has created high expectations, and the government will find it difficult to live up to those expectations and deliver on the promises it has apparently made to the people of Victoria, particularly those outside Melbourne. I say 'apparently made' because as time goes by it will become increasingly evident that those promises have been couched in such a way that they can be reneged upon. Labor Party members have kept up a constant mantra that the country is missing out.

Although I am prepared to acknowledge that things are tough in many country districts, the main reasons are that the terms of trade have been moving against farmers for many years. Commodity prices for some of Australia's traditional products are so dismally low in comparison with the cost of production that many farmers are finding it difficult to make taxable incomes. Understandably they look at the wage levels they perceive are being paid to city people who work in offices, in factories and particularly to some chief executive officers of big corporations and members of boards and the like.

Naturally they feel they are being hard done by. I understand that. For many it is difficult to accept that the businesses for which one's family traditionally worked for perhaps two or three generations are now becoming unprofitable. That has ramifications for country towns because if farmers do not have disposable incomes they do not buy machinery and motor cars. They cut back on painting the house,

buying clothes and the like. Clearly the government has been irresponsible in feeding upon the decline in the terms of trade. It has weaved the myth that this is all the former government's fault and that it should have been more active in doing something about it. There are other reasons why things have changed in the country, not the least being the march of technology. You, Mr Deputy President, have mentioned in this house how technology has increased productivity. Farmers no longer need to employ the numbers of workers they once did.

The previous government went a long way towards setting the scene for regional and country Victoria to deal with the new millennium, to cope with the terms of trade and to compete in the global market or global village. Australia is no longer an isolated community on the other side of the world remote from everywhere else. It is part of a world that is becoming smaller in terms of transport and communications.

No honourable member would honestly believe the state could have continued with 210 separate municipalities. However, if one believes what the Labor Party is saying around Victoria one would say that somehow the Kennett government denied democracy by restructuring local government. The facts are that the Cain government tried to do exactly the same thing. I am the first to acknowledge that maybe the Local Government Board and the government of the day did not get it entirely right in reducing the number of municipalities from 210 to 78.

By and large if that action had not been taken country Victoria would be even further behind than it perceives itself to be at the moment. Only last week at a conference for dairy farmers I attended it was interesting to see the number of dairy farmers who acknowledged that local government restructure has put money into their pockets — that their rates have gone down and their towns are now better serviced and maintained than they were. The new municipal structure is achieving an economy of scale that simply was not possible in some of the smaller municipalities that existed.

All honourable members have a responsibility to ensure that that message is understood by the community at large and that people do not just fall in with the view constantly put forward by some that somehow local government restructure has been harmful and counterproductive. It has been exactly the opposite. The previous government equipped country Victoria for the modern world so that it was not in the horse-and-buggy age when clearly a municipality was needed in every little town. Those days have long gone. The previous

government set the scene for the country to prosper and progress through local government restructure.

That is one example of the former government's equipping country Victoria to move forward. One of the most important responsibilities governments have is to equip communities to move forward — not to cosset them and have them believe they can remain stationary while the world passes them by, somehow being insulated from the demands of the marketplace. That is not the real world. It simply will not work that way. All governments have a responsibility to do what the previous government did — that is, to equip country communities for the future.

I am very disappointed with some of the messages being sent out by current ministers that somehow country Victoria can divorce itself from what is happening everywhere else and live in its own world. That is a recipe for disaster. Country Victoria will not survive if it takes that course.

I do not intend to enumerate the many things done in country Victoria by the previous government, whether in funding hospitals, schools, roads or whatever. But the \$170 million in the much-heralded and much-touted Regional Infrastructure Development Fund pales into insignificance when compared with what was spent between 1992 and 1999 on rural infrastructure, whether that be expenditure on water supply infrastructure, the \$15 million expended on the Wodonga District Hospital, the \$9 million on the Goulburn Valley Hospital or the \$9 million on the Wangaratta District Base Hospital. I can cite extraordinary expenditure on every hospital in my electorate, and I know every other honourable member from country Victoria would be able to cite the same expenditure. It adds up to hundreds of millions of dollars of expenditure on rural infrastructure.

If the \$170 million trumpeted around Victoria is the best the Premier can do at the end of the day, he will be found wanting. Country Victorians will turn on the government because they will realise that they have been conned by the government's rhetoric, that it has no intention of honouring the promises it has made and that it is simply paying lip-service to country Victorians. Country Victorians are not fools; they will wake up to that more quickly than the government obviously expects. If in the next two budgets there is not a big lift in capital expenditure and works in country Victoria, the Labor Party had best watch out at the next election because it will be cut to ribbons. The government has built up high expectations, but the budget has not met those expectations. Unless the government does so in the next two budgets, the

honeymoon with country Victoria will be short-lived indeed.

I am disappointed with the smugness of many government members about how popular they are in country Victoria. It is worth while for Labor Party members to note that in the Benalla by-election fewer people voted for the Labor candidate than voted for the same candidate in 1999.

I am also disappointed at the way government members have traded on the understandable worries and insecurities of many country people in the environment in which we now find ourselves. It is irresponsible to play to the gallery as members of the government have done so often, particularly when in opposition just prior to the election.

It is fascinating to note that responsibility often changes the tune. Since the Labor Party has come to office many of its pet theories run in country Victoria have been reversed or at least hidden or dropped. I instance electricity charges as one example.

All honourable members would remember that before the election a maximum uniform electricity tariff for country Victoria was almost a token item for the Labor Party. Now that it is in government and is actually responsible, Labor knows — as it knew before the election — that that will not achieve anything for country Victoria. The way to achieve any change in price for country Victoria is to maintain competition. Competitive pressure was established by the Kennett government though its five distribution retail companies.

I am interested to see that the main proponents who previously espoused that populist theory in country Victoria no longer do so. I am encouraged by that because I think that is the right way to go, but it is another indication of Labor's playing to the gallery. When Labor found itself in a position of responsibility, it found it had to change tack.

**Hon. P. R. Hall** — When in opposition they also said something about capping petrol prices.

**Hon. W. R. BAXTER** — Surprisingly, the next thing on my list is petrol pricing! We heard all the talk about what Labor was going to do about the price of petrol and liquefied petroleum gas in country Victoria. The house has seen many examples of the Minister for Small Business changing the tune since Labor got into office, but none is more graphic than the answer of the Minister for Small Business to a question without notice about petrol pricing asked today by Mr Bishop. How did the minister respond? She responded exactly

as she has done for the past month, stating that the matter has nothing to do with the Victorian government as it is a federal government responsibility. That is another example of the rhetoric outstripping what the government is prepared to do in action, and that is another reason why the high expectations that have been built up in country Victoria will come back and bite the government with a vengeance.

I move on to another matter that is considerably worrying and that might but I hope will not overwhelm the state before the year is out — namely, water supply. It is interesting to note that concern has been expressed in metropolitan newspapers about the need for water restrictions in Melbourne. I hope that does not come to pass, but it could well do so. It is appropriate that water supply companies are at least flagging that possibility. I mention especially the irrigation industries in the Goulburn Valley serviced by Lake Eildon. Lake Eildon is at its lowest level on record since it was increased in size in the 1950s. It is holding about 14 per cent of its capacity.

People who travel along the highway and cross the bridge to Bonnie Doon soon realise the parlous condition of Lake Eildon. I am concerned that at the end of May Victoria seems to be in a weather pattern not dissimilar to that experienced in the past three years, when there has not been a genuine autumn break. Some parts of Victoria have had an autumn break. Rainfall has been adequate, if not exceptional, in the north-east and in the Murray Valley, but many other parts of the state — the south-west and especially the central area in the Eildon catchment — are now in the fourth year of rainfall and run-offs that have been well below average.

If the weather pattern continues Victoria will be in a diabolical situation at the beginning of the next irrigation season. It is worth reflecting on the fact that the irrigators in the Goulburn system have received only their bare water rights for the past two seasons. That has been achieved, particularly in the past season, by some expert management by Goulburn-Murray Water, which by agreement with the minister has allowed additional water that is normally retained for hydro-electric power to be drawn from Lake Eildon. Irrigators have used up that credit and it will not be available next time around. Goulburn Valley irrigators could be facing a year of subnormal water rights. That will prove difficult for the irrigators, but it will also be difficult for towns and cities such as Shepparton, Echuca, Kyabram, and Tatura, which rely on the horticultural and dairy industries.

I am flagging that the government should turn its mind now to what might be necessary to assist Victoria to get through a period that may result in subnormal water rights in the Goulburn system this year. Not just irrigators will be badly affected. Recently I read a report of a study prepared for the Shire of Delatite on the impact on businesses around Lake Eildon which rely on tourism — caravan parks and the like — and which are already in a serious situation.

A month ago I met Mr Greg Smith, the proprietor of the Lakeside caravan park at Bonnie Doon. He told me that he had not had any water at his caravan park for three years. We can well imagine what that is doing to the holiday trade, particularly among those people who bring their own caravans and stay for a week or more. Those people are clearly now not staying at his caravan park but are going elsewhere. Worse still, he is now seeing his permanent trade — those who leave their caravans on site year in and year out — taking their caravans to the Murray Valley or elsewhere. His is just one business that is feeling the impact of the low level of Lake Eildon.

Mr Smith acknowledges, as do I, that the lack of rainfall is an act of God. No-one can make it rain. He understands that he will not have water at his frontage every year and his business and risk management plans obviously take that into account. However, he has not had water at his frontage for three years and it now looks as though he will not have water for a fourth year. The government should turn its mind to introducing some assistance program, possibly low-interest finance through the Rural Finance Corporation, to assist rural proprietors ride out the weather phenomenon in that part of the state. There is a precedent for doing so. In 1983, during a one-year glitch, assistance was given to certain businesses affected by the low level of Lake Eildon. I commend such action to the government.

Victoria should be preparing contingency plans now lest the worst should happen. I do not want to sound like a Jonah, but I am concerned that at the beginning of winter Victoria is yet to see substantial rainfall, and there has been no inflow of water to Lake Eildon. If irrigators are to receive minimum water rights there will need to be an exceptionally wet winter and spring, and that seems not to be on the cards.

The irrigators along the Murray system are fortunate not to be in the same situation, largely because of floods in northern Australia and northern New South Wales that have filled the Menindee Lakes and other catchments. Victoria has been able to supply Adelaide's water from the Menindee Lakes and the Darling system instead of releasing water from Lake Hume and the

Dartmouth Dam. Good rains elsewhere in the nation have enabled the Murray system to come out better than the Goulburn system. I reiterate that the government should be preparing contingency plans lest the worst happens.

I commend the Minister for Environment and Conservation for her action in suspending water trading between Victoria and New South Wales due to the circumstances Victoria is now in. Honourable members will be aware — but the house may need reminding — that New South Wales and Victoria operate vastly different water regimes for their irrigators. New South Wales has a policy of using the water while it is there, and Victoria has a policy of operating a more secure system so that it can ride out the periods of low rainfall and low run-offs and still supply irrigators with their water rights.

New South Wales irrigators fly by the seat of their pants and have got away with it for years. They have probably made lots of money operating that way. However, they have been caught out in the past few years when they received something less than 30 per cent of their water rights, which has had an impact on their incomes; whereas the Murray irrigators, who receive water out of the same system, got 100 per cent of their water rights plus 90 per cent of sales because Victoria operates a more secure system.

The oddity is that New South Wales has overs and unders, which means that the irrigators can overdraw their allocations by taking from their allocation for the next year. It is like taking out a bank overdraft. Victoria does not allow that system. I do not object to New South Wales irrigators having that system. It is dangerous and risky but that is up to them. However, because of the interstate trading in water New South Wales irrigators, aided and abetted by a particular broker from Victoria who saw an opportunity to make a few bob out of commissions, have been buying up temporary water rights in Victoria and transferring them to New South Wales for use next year.

Victorian irrigators are unable to overdraw on their rights, so the system is operating unfairly and in a way not envisaged when the regulations were drawn up. Victorian irrigators are not able to overdraw from next year's allocations but New South Wales irrigators can tie up water rights out of the Goulburn and store them for use next year in New South Wales, without even taking water out of Lake Eildon. If Victoria has another dry winter there could be the ridiculous consequence that Victorian irrigators may get subnormal water rights while New South Wales irrigators could plunder Lake Eildon by taking water back to New South Wales.

Members of Parliament — including me — and of the industry, took up the issue with the minister. She suspended the trading rules and is putting in place a review. That was the only possible action to take in the circumstances and I applaud the minister for doing it. Although I do not criticise the broker who saw the opportunity to use a loophole in the regulations — smart people who identify such opportunities make the world go round — it was an abuse of the system and I am glad it has been corrected.

I make one other reference to water. Honourable members will recall that I chaired the Northern Victoria Water Consultative Committee which made certain recommendations to the then Minister for Agriculture and Resources, the former member for Benalla in the other place, Mr McNamara, as to the manner in which water for irrigation could be captured and stored in the upper catchment of the Murray Darling Basin that falls within the state of Victoria. The former minister adopted that report and further work was being done on it when the government changed. However, I am the first to acknowledge that the so-called Baxter committee recommendations fell down in the sense that the committee was unable to come up with any better definition of waterway than that contained in the 1989 Water Act — a definition which is open to interpretation and has caused a good deal of ill will in the upper catchment area as many gullies that the average landowner and farmer does not consider to be waterways are increasingly being so declared by the rural water authority.

The former Minister for Agriculture and Resources established a second committee headed by Mr Bill Hill, the chairman of Bonlac Foods, a dairy farmer at Warrenbayne and a man of considerable capacity.

**Hon. E. G. Stoney** — A good man.

**Hon. W. R. BAXTER** — A very good man. That committee did some further work on the issue and in January presented its interim report to the Minister for Environment and Conservation. The committee's report is worthy of consideration. I believe the Baxter committee report will not go any further but that in due course it will be seen to have been the turning point or catalyst of the community at large and the irrigators at the two ends of the catchment — the gravity irrigators and those in the upper catchment area — acknowledging that there is a problem that needs to be addressed. That committee got the wheels turning in coming up with a workable solution. I acknowledge that the Baxter committee's solution has some drawbacks and a few holes in it but it will be the catalyst for developing a better solution.

The solution that Mr Hill's committee has put forward is worthy of consideration. However, my concern is that the Minister for Environment and Conservation in the other place is yet to act on any of the recommendations of Mr Hill's committee. The minister has established a consultation period and put out a discussion paper.

**Hon. P. R. Hall** — Another discussion paper?

**Hon. W. R. BAXTER** — Yes, another discussion paper. I do not believe it can lead to a particular conclusion unless the minister acts on Mr Hill's recommendations, not the least of which is to let a consultancy to enable the committee's preferred option to be analysed and assessed on its technical feasibility. If the solution is feasible the consultancy could develop operating rules and guidelines that will enable the government to consider its policy and implementation options in an informed manner. There does not seem to be much point in having consultation all around the state if we are consulting about a committee's report that states that a lot more technical work needs to be done to reach a firm conclusion.

I call on the minister to establish that consultancy. I have the draft brief for the consultancy, which was returnable on 27 February. We are now at the end of May and that consultancy still has not been let.

Another of Mr Hill's recommendation is that the consultants will:

Above all, provide technical background relating to the recommended policy, in order to facilitate consideration and possible adoption of the recommended policy by government.

I agree entirely. The consultation period will not be productive if the technical work is not done beforehand.

Finally, I turn to a completely different issue. In this wide-ranging budget debate I make a plea for the government to give consideration to a particular issue in the future. It goes to the increasing propensity at election time for various political parties to plaster each polling booth with all sorts of electoral paraphernalia — bunting and the like. The matter is getting out of hand in terms of the amount of material that is being erected and it is leading to unintended consequences. There is real competition to see who can get to the polling booths earliest — in the dark — and get their bunting up before their opponents and then leave someone on guard to ensure it is not removed by opposing parties.

**Hon. K. M. Smith** interjected.

**Hon. W. R. BAXTER** — I am about to give the house an example of what Mr Smith is alleging. At the

Benalla by-election 10 days ago there was the unfortunate and potentially dangerous spectacle of the Australian Labor Party bovver boys and thugs turning up from Melbourne just as the booths opened and attempting to remove material that had been erected by other parties or to place their particular brand of bunting over the top of that of other parties. There was a potential for violence, particularly at the Benalla West polling booth. Fortunately it was headed off by the good offices of a gentleman who was in the gallery a while ago but is not there now and Mr Sykes and Mr Ryan.

Be that as it may, my point is that the issue is getting out of hand. It would be in the interests of democracy and the good conduct of elections if consideration were given to banning the erection of any material outside polling booths. It is an affront to the electors who arrive to cast their votes to be confronted by an array of material and slogans. The material that can be within 400 metres of a polling booth should be restricted to the registered how-to-vote cards of the various candidates as registered with the Electoral Commissioner. It behoves members of Parliament to turn our minds to the issue before it gets further out of hand. What we saw in Benalla last Saturday week worried me considerably and I feel a responsibility to draw it to the attention of the house before some more dire consequences follow.

**Debate adjourned on motion of Hon. P. R. HALL (Gippsland).**

**Debate adjourned until next day.**

## TRANSPORT (AMENDMENT) BILL

### *Introduction and first reading*

**Received from Assembly.**

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

## PSYCHOLOGISTS REGISTRATION BILL

### *Introduction and first reading*

**Received from Assembly.**

**Read first time on motion of Hon. M. M. GOULD (Minister for Industrial Relations).**

## HEALTH PRACTITIONER ACTS (AMENDMENT) BILL

*Introduction and first reading*

Received from Assembly.

Read first time on motion of Hon. M. M. GOULD  
(Minister for Industrial Relations).

## HEALTH SERVICES (GOVERNANCE) BILL

*Introduction and first reading*

Received from Assembly.

Read first time on motion of Hon. M. M. GOULD  
(Minister for Industrial Relations).

## SUPERANNUATION ACTS (AMENDMENT) BILL

*Introduction and first reading*

Received from Assembly.

Read first time on motion of Hon. M. M. GOULD  
(Minister for Industrial Relations).

## ADJOURNMENT

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

That the house do now adjourn.

### Hume Highway: Albury–Wodonga

Hon. W. R. BAXTER (North Eastern) — I ask the Minister for Energy and Resources to direct a matter to the Minister for Transport in another place. The house will be aware that the Hume Highway is a national highway funded by the federal government. It has been progressively duplicated and is now an excellent freeway from the outskirts of Melbourne to Wodonga.

The house will also be aware of a proposal to continue the duplication through Albury. Part of that process is what is known as the internal freeway. It is an urgent and necessary measure for Albury–Wodonga, which is currently served by only one bridge across the Murray River on the Lincoln Causeway. Traffic density is already approaching saturation point. Clearly a second river crossing is a matter of some priority. In its recent budget the federal government allocated \$180 million

to enable stage 1 to get under way, bearing in mind that \$20 million has already been spent on the planning stages in any event.

Unfortunately, yesterday the local members from both sides of the river, Mr Fischer and Mr Lieberman federally and Mr Glachan, Mr Plowman, Mrs Powell and I from the state scene plus the respective mayors of the cities of Wodonga and Albury and the Shire of Hume received the bad news that the cost estimates prepared by the Road Traffic Authority (RTA) of New South Wales, which is the lead agency in the joint project, have proved to be extremely shonky. I have already pointed out to the house that in 1992 the RTA estimated the cost of building the project to be \$200 million.

In 1995, an environmental impact statement (EIS) was prepared and the cost was then estimated at \$203 million, which was a very modest and perfectly acceptable increase. In 1998, the governments of the commonwealth, Victoria and New South Wales announced their acceptance of the EIS and still the cost was \$203 million. In 1999 the New South Wales RTA undertook a review and the cost had risen to \$300 million, which was somewhat alarming. But worse was to come. Yesterday we were informed at a meeting at Mr Fischer's office in Albury that the RTA review in 2000 has seen the cost of the project escalate to \$465 million-plus, which is more than a 120 per cent increase in the cost estimates.

It demonstrates to me an extraordinary degree of incompetence and bungling on the part of the New South Wales RTA. It makes one wonder about the sincerity of the New South Wales government in proceeding with the project.

My plea, bearing in mind that Albury–Wodonga will strangle unless a second river crossing is provided fairly soon, is: will the minister offer to his New South Wales colleague the expertise of Vicroads, which is acknowledged as the premier road builder and cost estimator in the nation? It is clear to me that the RTA needs a bit of assistance and I think Vicroads could offer it.

### Locust plague

Hon. B. W. BISHOP (North Western) — I ask the Minister for Energy and Resources to direct a matter to the attention of the Minister for Agriculture in another place. The house may well be aware that plague locusts are gathering in very large proportions in southern New South Wales, in the Riverland of South Australia and also in parts of north-western Victoria. It is now very

common in the city of Mildura to see vehicles coming in from their travels heavily splattered with locusts.

Even at this early stage reports have been received of crops of all types suffering damage. In the past such situations were well handled by the Australian Plague Locust Commission, which did an excellent job coordinating the control of locust plagues.

A large amount of rain has fallen in the New South Wales grazing area across the river from Mildura which has created a wonderful breeding ground for locusts. Large quantities of rain have created similar breeding grounds in other areas as well. Next spring could be a disastrous time when the locusts hatch. Appropriate communication and cooperation must occur between the states, and the breeding grounds in all states must be closely monitored.

As honourable members would be well aware, locusts do not have demarcation lines; they can certainly fly a long way and damage many crops. Therefore appropriate control mechanisms must be ready, and they are best organised by the Australian Plague Locusts Commission. I therefore ask the minister to ensure that all appropriate processes are in place across all states to ensure the best preparations for what could be a very difficult spring.

### **Rail: Murrumbeena crossing**

**Hon. M. T. LUCKINS** (Waverley) — I ask the Minister for Energy and Resources to direct a matter to the attention of the Minister for Transport in another place. Last week near my office at Murrumbeena railway station a traffic incident occurred that has been repeated four times in the past six months — the traffic signals failed and the boom gates remained down. Murrumbeena Road, near the intersection of Neerim Road, is very busy. The result of the boom gates being down at peak hour means the traffic cannot move, and the road chokes up from Waverley Road all the way through to East Bentleigh.

When I left my office to investigate the problem last week, I was stunned to see a member of the public holding up a boom gate to allow some traffic through. It certainly allowed vehicles to pass through but it was very dangerous, given that there were still trains operating on the line at the time.

In the past I have always called the police and authorities at the Public Transport Corporation for an explanation and to send assistance. Last week when I phoned the Murrumbeena police station — about which a commitment was made by Labor before and after the election to have it fully manned — I received no

response. I rang the 11444 police emergency line and still received no response. In the meantime buses and cars were banking back for around 45 minutes until a police motorcyclist, on his way home, arrived at the intersection and halted the movement of traffic while trains were crossing the intersection.

I ask the Minister for Transport to investigate the cause of these incidents which have occurred four times during the past six months. I ask him to ensure that if this occurs again, not only in Murrumbeena but also further down in Carnegie — I understand it happened at the next railway crossing as well — emergency procedures are in place so that the traffic is managed properly and members of the public are not endangering themselves by crossing the line on foot, holding up boom gates or getting aggressive after being stuck in the traffic.

### **Beaconsfield: traffic strategy**

**Hon. N. B. LUCAS** (Eumemmerring) — I raise with the Minister for Energy and Resources, who is the representative in this house of the Minister for Transport, traffic problems in the township of Beaconsfield. I will outline the traffic problems in Beaconsfield.

Beaconsfield is located on the eastern side of the fastest growing part of Melbourne. There is growth occurring to the north, south and to the east of the township. The western end of the planned Pakenham bypass will be located to the south of the Beaconsfield township. The major intersection with Princes Highway East meeting the eastern end of the Berwick bypass is located just to the east of the township.

Concerns were expressed at a public meeting on 18 April called by the Beaconsfield Progress Association, and chaired by Mrs Joy Bishop, about traffic in the township area. Traffic congestion to the west of the township occurs in the Berwick area, where all of the traffic has to funnel through the Berwick township. There is the possibility that access will be made available to the Berwick bypass road south of the Beaconsfield township, which will exacerbate the issue because traffic congestion does not exist there at the moment.

I ask the minister to facilitate, with appropriate funding, the preparation of a traffic strategy for the Beaconsfield area jointly with Vicroads, the Department of Infrastructure, the Shire of Cardinia and the City of Casey.

### Motorised scooters: regulation

**Hon. ANDREA COOTE** (Monash) — I raise an issue with the Minister for Energy and Resources, who is the representative in this house of the Minister for Transport. I ride my bicycle every weekend along either Beaconsfield Parade or the bicycle path along the Yarra River, and I have noticed a recent alarming trend — the increasing number of motorised scooters.

I do not refer to the small, trendy scooters that fold up into briefcase size which are also becoming popular in my electorate. They have been described as cheap, green and great for the buttocks! I refer to the more substantial scooters equipped with motors. They travel at quite alarming rates on the Yarra bike track and the footpaths of Beaconsfield Parade.

Upon investigation I found that a scooter with a motor over 200 watts is considered to be a vehicle and must be registered. That information is not well known among purchasers or retailers. Those riding such scooters face \$500 fines if their vehicles are not registered. Scooters are not allowed to travel faster than motorised wheelchairs. However, the scooters I have seen are travelling much faster than that. If a scooter's motor is under 200 watts it is allowed on the footpath and riders do not need to wear helmets, although it is advised. This is an issue about which consumers and the police are still in the dark.

I have contacted the police and they are becoming alarmed at the increase in the number of motorised scooters and the lack of understanding about helmets and speed limits. Although it may be amusing to some honourable members, that mode of transport is increasing and safety regulations need to be implemented at the outset of the trend. I ask the minister whether safety precautions can be put in place and when they will be implemented.

### Victorian Patient Transport Assistance Scheme

**Hon. P. R. HALL** (Gippsland) — I raise a matter with the Minister for Industrial Relations, as the representative in this house of the Minister for Health. It concerns the Victorian Patient Transport Assistance Scheme, which is designed to offset the cost for people in rural areas who are required to make private travel journeys for hospital treatment.

In this case Mr Ian and Mrs Robyn Quinn were required to travel to their nearest hospital, which is more than 100 kilometres from Genoa. Because Mr Quinn was suffering some heart pains at the time — there is no local ambulance in an isolated place like

Genoa — it was much quicker for Mrs Quinn to transfer her husband to the hospital. She then returned home because she had to look after her children. However, three days later she returned to the hospital to pick up her husband and bring him home. She made application under the Victorian Patient Transport Assistance Scheme for assistance towards the cost of that travel and received a cheque totalling \$2.55 from the Department of Human Services.

When I investigated this matter and examined the criteria for the scheme, I found that the \$2.55 was based on a reimbursement of only 11 cents per kilometre. It applied only to the times Mrs Quinn was the carer of her husband by taking him to the hospital and returning him home. In addition I discovered that the cost of the first 100 kilometres is required to be met by the individual themselves.

Mrs Quinn is a health care cardholder and had the fee reduced from \$40 to \$20, so she was required to meet the first \$20 of the scheme anyway. It applies to seven journeys per year. It is obvious that to travel a distance of more than 400 kilometres to the nearest hospital and receive a cheque of \$2.55 to help offset the cost is far from generous. I suggest that the scheme be reviewed. Firstly, the rate per kilometre paid to assist people in isolated areas who have to travel to hospitals is insufficient. Secondly, if people have to return home to look after their families that should also be counted as a cost reimbursed by the government.

This is a serious issue. I ask that the minister raise it with the Minister for Health with a view to reviewing and overhauling the scheme to provide people like Mr and Mrs Quinn with more appropriate reimbursement for the cost of travel.

### Yarra Ranges: mobile immunisation program

**Hon. A. P. OLEXANDER** (Silvan) — I direct a matter to the attention of the Minister for Industrial Relations, as the representative in this house of the Minister for Health. The minister may be aware that the Shire of Yarra Ranges in my electorate has conducted a mobile immunisation program mainly for those in the community who are not as mobile as others — that is, young and elderly residents.

The program has been jointly funded by the federal and state governments and administered by the shire. It is estimated that in the past two years more than 18 000 immunisations have been successfully completed in the community. The federal government supplies all the vaccine used in the program and the state government provides the ongoing funding for the

operation of the bus. The department owns the bus; because it has been wholly purchased, no capital costs are associated with its operation.

I have been advised that the two-year pilot timetable for the program expired last November. Recently the shire was contacted by someone from the minister's department who said the program will conclude on 27 May next. It has given no indication that a review will take place to examine the success the program has had over the past two years; the shire has been given no commitment to the ongoing funding of that important program.

As recently as last week the federal Minister for Health and Aged Care, Michael Wooldridge — the local federal member — gave a public commitment that the federal government would gladly continue to provide funding for its part of the program. But it will be difficult for the program to continue without state government support.

I ask the minister to ensure that a formal review takes place of the success of the two-year pilot program. Will he seek community input from the Shire of Yarra Ranges residents and council to determine the success of the program? If that can be determined, will he ensure that the minimal funding required to continue the program will be allocated?

### **Northern Highway: Kilmore intersection**

**Hon. G. R. CRAIGE** (Central Highlands) — I direct a matter to the attention of the Minister for Energy and Resources, representing the Minister for Transport in the other place. The issue I raise concerns the dangerous intersection of Rutledge Street with Powlett Street, also known as the Northern Highway, Kilmore.

The issue is urgent because the number of through vehicles and local traffic is causing much traffic congestion at the intersection. I will not list the number and types of vehicles, but a significant number of heavy vehicles use those roads. On behalf of the community I ask the government to install traffic lights at the intersection.

My request is supported by local schools, including Assumption College, which is located in the vicinity and has sought the installation of traffic lights rather than a traffic island there. It is concerned about the safety of pupils and their parents. Visitors to the Kilmore and District Hospital travel through the intersection, which needs to be upgraded. Also, pupils at the Kilmore Primary School, the Kilmore

International School and St Patrick's Primary School are driven through the intersection to their schools.

Therefore, I ask the minister to give urgent consideration to the installation of traffic lights at the intersection. Importantly, the Shire of Mitchell believes the intersection should be upgraded so that children and parents can travel along Rutledge and Powlett streets with some degree of safety.

### **Bonlac Foods**

**Hon. W. I. SMITH** (Silvan) — The matter I raise for the attention of the Minister for Small Business relates to the closure of three Bonlac plants in Victoria — at Camperdown, Toora and Drouin. I ask the minister what action she has taken to assist small businesses that have been affected by the closures.

### **Retail tenancies: leases**

**Hon. BILL FORWOOD** (Templestowe) — I raise with the Minister for Small Business an issue I raised with her on 21 March this year. It concerns retail tenancies, particularly the case of *Apriaden v. Seacrest*, which was before the Court of Appeal. At the time I requested the minister to reconsider her decision not to meet with my constituent on the matter. She said that she was advised not to speak with him on the basis that the matter was before the courts, but that she was happy to go back to her department and raise it again. I have no doubt that she did, but she contacted neither me nor my constituent.

Since that time the court case has been resolved. The appeal was dismissed. On the point of law argued by Mr Heller, Justice Phillips noted in his judgment — and I am not calling for legislation:

If I may say so, this case demonstrates that section 14 ... is in need of urgent reconsideration by Parliament.

My constituent is still seeking a meeting with the minister. I ask whether the minister will meet him.

### **Fuel: prices**

**Hon. PHILIP DAVIS** (Gippsland) — I raise for the attention of the Minister for Small Business, who is also the Minister for Consumer Affairs, the issue of fuel pricing, a vexing issue to all consumers who have a high dependency on petroleum fuels for their primary transport. Rural communities have long been frustrated by the high differential between rural and city pump prices.

A survey of pump prices today revealed that prices at an East Melbourne Mobil retail fuel outlet were

82.09 cents per litre for unleaded petrol (ULP), 33.09 cents per litre for Autogas and 82.09 cents per litre for diesel. Those prices can be compared to the prices at Cann River. A Caltex roadhouse was retailing ULP at 99.09 cents per litre, Autogas at 54.09 cents per litre and diesel at 98.09 cents per litre. For the information of honourable members, Cann River is east of Cabbage Tree Creek, from whence the honourable member for Gippsland East in the other place derives.

The differentials I have just pointed out are 17 cents per litre for ULP, 21 cents per litre for Autogas and 16 cents per litre for diesel. Given the significant differentials, has the minister advised the honourable member for Mildura in the other place of the government's attitude towards the private member's bill on petroleum pricing that he is introducing on Wednesday?

### **GST: electricity**

**Hon. T. C. THEOPHANOUS** (Jika Jika) — Will the Minister for Energy and Resources ask the Regulator-General whether post-goods and services tax electricity prices can increase by more than 10 per cent?

### **Responses**

**Hon. M. M. GOULD** (Minister for Industrial Relations) — The Honourable Peter Hall raised a matter for the attention of the Minister for Health involving two of his constituents, Mr and Mrs Quinn, and the Victorian Patients Transport Assistance Scheme. I will pass that on to the minister and ask him to respond in the usual manner.

The Honourable Andrew Olexander asked me to refer to the Minister for Health a matter relating to immunisation and the Shire of Yarra Ranges. I will pass that on to the minister and ask him to respond in the usual manner.

**Hon. C. C. BROAD** (Minister for Energy and Resources) — The Honourable Bill Baxter raised for the attention of the Minister for Transport a matter concerning the duplication of the Hume Highway at Albury–Wodonga. He reported that he is in possession of information about escalating costs and asked the Minister for Transport to offer the services of Vicroads to New South Wales in the interests of addressing the matter. I will pass his request on to the Minister for Transport.

The Honourable Barry Bishop raised for the attention of the Minister for Agriculture a matter relating to crop damage by locusts. He asked the minister for an assurance that measures are in place to ensure interstate

cooperation in the preparations being made for next spring to contain the locust plague. I will refer that matter to the minister.

The Honourable Maree Luckins raised for the attention of the Minister for Transport problems with the boom gates at Murrumbeena railway station near her office, including four incidents when the boom gates have remained down. She asked the minister to investigate the cause of the problems and to take action to ensure that emergency management procedures are in place to deal with any such incidents at Murrumbeena and elsewhere.

The Honourable Neil Lucas referred the Minister for Transport to traffic management issues in the township of Beaconsfield. I had a little difficulty hearing all that he said, but I think the gist of it entailed his asking the minister to provide the funding to initiate traffic management studies that involved the various stakeholders in the area. I will pass that on to the Minister for Transport.

The Honourable Andrea Coote referred the Minister for Transport to the number of people who ride scooters along Beaconsfield Parade and the Yarra River at high speed without helmets. She requested that the Minister for Transport put in place measures to ensure the safety of everyone who is affected by the people who ride scooters in those vicinities. I will pass that request on to the minister.

The Honourable Geoff Craige referred the Minister for Transport to the problems caused by the confluence of local traffic and heavy vehicle traffic at the Rutledge–Powlett street intersection in Kilmore. He called for traffic lights to be installed at that intersection to improve safety for the local community, including students at the local schools. He asked the Minister for Transport to give his urgent attention to the matter. I will pass that on to the Minister for Transport.

The final matter was raised by the Honourable Theo Theophanous, and the answer to his question is yes.

**Hon. M. R. THOMSON** (Minister for Small Business) — The Honourable Wendy Smith referred to the closure of the three Bonlac factories and asked what action I had taken to assist the small businesses affected. The government is concerned about those closures and their impact on the local towns, and it will be talking to businesses about the matter. Some towns are still wondering what the impact will be. Last week I was talking to people in Colac about the Bonlac closures. The government will continue to pursue the ways in which it may be able to assist.

The Honourable Bill Forwood asked about retail tenancies and referred to a Mr Heller. I believe I have an appointment with Mr Heller next week.

The Honourable Philip Davis raised the matter of fuel pricing and the difference in prices between Cann River and a Mobil service station in East Melbourne. I have had first-hand experience of the price of petrol in Cann River. The mapping and pricing exercise will ascertain where issues arise in country Victoria because prices are not uniform. We are trying to assess how we should deal with that in cooperation with the federal government. I have had early discussions about petrol pricing with the honourable member for Mildura in the other place but have not yet received sufficient data to make any conclusive decisions about how the matter should be dealt with to rectify the problems country people face. The government intends to deal with the matter seriously and hopes to have the support of the federal government.

**Hon. Philip Davis** — On a point of order, Mr President, I asked specifically whether the minister had dealt with the honourable member for Mildura about the private member's bill he will introduce tomorrow in the other place. The minister has not responded to that question. She has spoken about petrol pricing but has not addressed the issue of the private member's bill which was the substantive nature of the question.

**The PRESIDENT** — Order! The minister was clearly responsive to the matter raised by the honourable member. She said she had some discussions with the honourable member for Mildura.

**Motion agreed to.**

**House adjourned 11.28 p.m.**