

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE COUNCIL

FIFTY-FOURTH PARLIAMENT

FIRST SESSION

23 May 2001

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Wednesday, 23 May 2001

The PRESIDENT (Hon. B. A. Chamberlain) took the chair at 10.02 a.m. and read the prayer.

PERSONAL EXPLANATION

Hon. K. M. SMITH (South Eastern) — I wish to make a personal explanation. During the adjournment debate last night I raised a matter with the Minister for Consumer Affairs regarding a builder, a Mr Piechatschek. During the answer the minister said I had said that the young couple who raised the issue had worked for me. At the time I disputed that.

Upon checking yesterday's *Daily Hansard* this morning I note that I inadvertently said the young couple worked for me. That statement is not correct and I did not intend to give that impression. What I intended to indicate was that they were working with me to try to have action taken against the builder.

I apologise to the minister and to the house for my mistake, but I still expect some action be taken against the builder.

SCORESBY FREEWAY: FUNDING

Hon. B. N. ATKINSON (Koonung) — I move:

That this house:

- (a) notes that the Prime Minister has designated the Scoresby freeway as a road of national importance and has allocated \$220 million in federal funding to allow an early start to construction;
- (b) condemns the Bracks Labor government for failing to provide any state funding commitment towards construction of the Scoresby freeway in the current state budget or in forward estimates on capital works for future budgets; and
- (c) acknowledging the immediate availability of federal funds, calls on the state government to announce a project timetable and to commit the necessary state funds to commence the immediate construction of the Scoresby freeway.

It is incumbent upon the government today to explain to the house and the people of the eastern suburbs why there is a road block, a roadside breakdown, and why it has taken a U-turn on its policy relating to the proposed Scoresby freeway.

The government owes the house an explanation as to whether the Minister for Transport in the other house has been rolled on this vital project, which affects so many people in the eastern suburbs and which has

implications for the economic vitality of Melbourne and Victoria or whether the Labor government has simply been caught in its own rhetoric. Perhaps its hollow promises have come back to haunt it, because the federal government took the state's representations to be genuine when it looked at a partnership to develop the Scoresby freeway.

The project has all the characteristics of a hoax or a charade. The Labor Party represented an attitude when it tried to persuade people in the eastern suburbs that it was committed to the project, yet over an extended period it has demonstrated absolutely no commitment. The Labor government's freeway position has been characterised by its making U-turns.

When the government was first elected — or put in by the Independents — in 1999 it completely scrapped the Scoresby freeway project. Instead it suggested it would undertake some public transport studies in the area. Ever since the government has been regurgitating its press releases about public transport studies — and those studies have still not been commenced, let alone led to any changes. In August last year Labor suggested that it had changed its mind on the matter, that it now supported the construction of the Scoresby freeway and that it would pursue the federal government for joint funding of that project.

It is interesting to note that the minister who made this announcement was the acting Minister for Transport, the Honourable Justin Madden. He is in the house, so I am sure we will have the benefit of his insight into this project. I am sure he will be able to explain the government's about-face. He will also be able to explain why a government position in favour of the Scoresby freeway has amounted to absolutely nothing in funding commitments, a construction timetable or any progress other than the constant lobbying of the federal government for funding support.

The federal government accepted that from August last year the state government had been approaching talks on the project genuinely and constructively. However, the federal government was mistaken in believing that the Labor government was serious about this project. It was mistaken in believing that the announcement was anything other than another shallow promise made by this government on the basis that it could be fixed up later by the spin doctors. Labor thought it did not matter what happened so long as it got in. The government thought it would be all right if it could keep the thing bubbling along while deflecting any criticism. The government thought that eventually building the freeway would not matter and the issue would go away.

However, for people living in the eastern suburbs, the southern suburbs, Gippsland, the Mornington Peninsula, and the north and west of Melbourne — for people throughout Victoria — this project will not go away. I understand the Honourable Peter Hall will contribute to this debate. Although his constituency is in regional Victoria, the National Party recognises, as do my Liberal Party colleagues throughout Victoria, that this road is an important piece of infrastructure for the whole of Victoria. This road is just as crucial to Gippsland and the Latrobe Valley as it is to the eastern and southern suburbs. At the moment the Labor government is totally ignoring the importance of this piece of road, and it is ignoring the demands expressed by people in the area over many years.

This government sent out press releases, lobbied the federal government and said it would put its hand in its pocket if the federal government did so first. Yet when it came to the crunch and the Prime Minister went to the eastern suburbs and said, 'Here is the money, and here is the designation of the Scoresby freeway as a road of national importance', we heard what Peter Batchelor had been saying as the Minister for Transport, but we did not hear that various ministers in the Kennett government, including the Honourables Bill Baxter and Geoff Craige, had pushed the federal government to designate this road as a road of national importance. Federal members in the seats running along the Scoresby freeway, Liberal Party members and, further afield, National Party members in areas such as Gippsland have lobbied to have the project included on the federal government's agenda as a road of national importance and for it to receive federal funding.

One of the arguments the government will trot out is that the opposition did not do anything about the freeway in the Kennett years and that it was not a priority. Honourable members opposite will say that although the former government could not achieve it, the current government has been able to get the federal coalition government to come around and announce it as a road of national importance.

The fact is that this project was not on the backburner so far as the Kennett government or any of the elected representatives — federal, state or local government — in the eastern suburbs and beyond were concerned. If any Labor members have the audacity to take that position, they should tell the house which of the other projects should have been shelved to make the Scoresby freeway a priority in the Kennett years, as distinct from a project that should proceed right now because its time has come.

The projects the Kennett government concentrated on included City Link, Geelong Road, the Calder Freeway, the completion of the Western Ring Road, the extension of the Princess Highway to Sale and a wide range of important road infrastructure projects. Every one of those projects was important.

The Kennett government also concentrated on the Eastern Freeway, which in the Labor years came to a dead stop at Doncaster Road. The former government concentrated on repairing the former South Eastern Freeway, now the Monash Freeway, which in the Labor years was effectively a car park. It was the most extraordinary freeway in the world — one with traffic lights and intersections. The Kennett government also had to address the extension of the Eastern Freeway. It was recognised by all the Liberal Party members of the Kennett government, and, I believe, by the National Party members, that the completion of the Eastern Freeway was crucial so the Scoresby freeway could be proceeded with.

This approach was not putting it on the backburner, but by having prudent planning and proper development stages preventing the ridiculous things we had in the past, such as freeways stopping and starting at major roads with no linkages.

Hon. G. W. Jennings — How far does it take you to Scoresby?

Hon. B. N. ATKINSON — I hear the interjection from the Honourable Gavin Jennings. It seems he has taken up the position of many of his colleagues — presumably those who rolled both the Minister for Transport in the other place and the Minister for Sport and Recreation, whom I hope is still an advocate of the project given that he issued a press release in August last year saying it should proceed. Presumably the Honourable Gavin Jennings is in the camp of those who rolled the Minister for Transport on this project because he is suggesting the project — —

Hon. J. M. Madden interjected.

Hon. B. N. ATKINSON — Minister, you will have your chance to explain yourself. I would not want to be in your position.

Hon. M. A. Birrell — We look forward to his speech.

Hon. B. N. ATKINSON — We absolutely do, because it will be interesting to see how he gets through this.

The press release of August last year represented a U-turn for the government. Presumably it had done some research in the eastern suburbs and found just how important the project is. Presumably it has started to recognise that it has been in power for 20 months and does not have a single project of its own! Even the last budget with its so-called infrastructure projects provides for little construction activity. I wonder what Brian Boyd thinks about the budget and the infrastructure projects that have been trotted out? The budget has little in the way of infrastructure projects and the Scoresby freeway ought to be supported, and supported quickly, for no other reason than simply to bring construction activity into the economic movement of Victoria, which is rapidly grinding to a halt as we see companies fleeing the state.

On 13 May the Prime Minister announced that after extensive discussions between the federal Minister for Transport and Regional Services and the state Minister for Transport he had agreed to declare the Scoresby freeway a road of national importance. This was the result of the combination of a lot of work by a lot of people. The state government ought not be too quick to take credit, particularly if it seeks to take credit but then refuses to take responsibility for not providing any further commitment beyond saying, 'Yes, we got the federal government to spend half the money but we have not made any provision'.

Hon. G. W. Jennings — Half the money! Is that what has happened? Is that what you are saying?

Hon. B. N. ATKINSON — The opposition will address that in due course. The federal government has agreed to allocate \$220 million.

Hon. G. W. Jennings — Is that half the money?

Hon. B. N. ATKINSON — Opposition members will explain the position of the Minister for Transport in the other place, but we want to know the view of the government members in this place. As has been suggested by the remarks of honourable members, the project is worth \$960 million but in August last year the Minister for Sport and Recreation was seeking only \$67 million from the federal government to get it under way. In his press release of 8 August the minister — he might actually look it up; we know he is good at reading so he would have read this paragraph during the press conference — said that if the federal government gave \$67 million the project would proceed immediately. It has done better than that: it has declared it a road of national importance and allocated \$220 million.

Hon. D. G. Hadden interjected.

Hon. B. N. ATKINSON — The Honourable Dianne Hadden says by interjection, 'Is that all?' The Honourable Gavin Jennings has said in this place, 'Is that all?'

Hon. G. W. Jennings — No, I haven't.

Hon. B. N. ATKINSON — You indicated it was not enough. Minister Kosky in the other place also said it was not enough. In August last year \$67 million was enough, but the federal government is giving \$220 million to start the project. How much has the state government allocated for it — \$2 million!

Hon. I. J. Cover — That must be for traffic lights!

Hon. B. N. ATKINSON — No, that is for another study. It is not for a single traffic light, a yard of bitumen or a concrete barrier, but for another study. That is what the government is good at, having studies; it is a \$2 million study of public transport. This is the study that was promised before the last election, and it has been recycled and regurgitated in press releases ever since.

I am a little encouraged by the latest study because the government has taken up one of my ideas. It is going to look at whether it can run a rail line down the middle of the Scoresby freeway — a matter I raised in this house and in the local press. That idea had never appeared anywhere until I floated it. It is good to see the government has listened and is looking at public transport facilities, because there is no doubt that in the eastern suburbs public transport is a priority, particularly north-south public transport.

To say progress is being made on the project by the allocation of a measly \$2 million to look at public transport implications is a joke because some of them are so far fetched. The extension of the Knox tramline is not supported by any of the local members in the area because it will be a white elephant. The prospect of extending a spur railway line from Huntingdale or Glen Waverley to Rowville is an expensive pipedream and will not provide an effective public transport system for people in Rowville, Scoresby, Knox, or more broadly, the eastern suburbs.

The government has shelved having to make a decision. I can understand the government saying, 'Well, the \$220 million provided by the Prime Minister was announced the Sunday before we brought down our budget and we did not have time to re-jig our budget', except that since August last year the Minister for Transport has been saying the project is ready to

proceed immediately. In January he told all the municipalities in the eastern suburbs that the project was ready to go straight away — immediately!

He has constantly said that the government is in a position to get stuck into this project and start it with funding, so long as the federal government says yes. It is not yes to all of the project. In fact the Minister for Transport has been quite happy to entertain private investment in this road, which was also a feature of the Prime Minister's press release of 13 May, in which he said:

Our aim is for this major transport corridor to be toll free and we will be negotiating financing arrangements with the Victorian government and the private sector on that basis. The commonwealth funding is subject to satisfactory negotiations with the Victorian government, including on a range of matters under discussion between the Deputy Prime Minister ... and his Victorian counterpart —

that is, the Minister for Transport in the other place.

Those discussions have been going on since about October last year, and working parties have been working on this project. The announcement by the federal government should not be any surprise to the state government. What concerns me is not just that there is no funding for this year, but that the project does not even feature on the radar map for the forthcoming years. The government has been prepared to detail capital projects over the next four or five years, but the Scoresby freeway has no funding commitment at all in the forward estimates.

Where is the difference, where is the slip between the rhetoric and the reality with this government? Where is its real commitment to the project? I can anticipate that some of the clever boffins on the other side will say, 'Oh, well, you know, it's all an election stunt. There's a by-election out there, and the Prime Minister has coughed up the money for that, but we're not ready for this or that'.

Government members interjecting.

Hon. B. N. ATKINSON — Let us take a serious look at it. When the government was elected, when it fell into office in 1999, when it just kicked a goal, it scrapped the project. It announced that the project was off, that the Scoresby freeway would not be built, that it had abandoned the project. It was members on this side of the house who had to ensure that the government would not sell off the land. We had to try to discover what the government's intentions were for the land. We had to make sure it would not torpedo this vital project forever. It scrapped it!

When the government assumed office that project was off. The first promise it made after it dropped the project was that it would conduct a public transport study. That was in October 1999, and the transport study will finally be conducted now as a budget initiative this year. It is a long time between the promise and delivery, despite the fact that it is a measly \$2 million study.

The timing of the project and the federal government's response is not of that government's making, it is of this government's making, because the state government decided only in August of last year to change its mind and say, 'Yes, we will proceed with the Scoresby freeway. The Scoresby freeway ought to be built'.

Subsequent to that and ever since then the state government has been involved in negotiations and discussions with the federal government. It has pursued funding arrangements and so forth to try to achieve this project. So it ought not be a surprise that this comes about at this time. It is nothing to do with an election or a by-election; it is all to do with the federal government being able to make proper provision in the budget it brought down this week, because yesterday's federal budget is the first federal budget since the Bracks government changed its mind and said, 'Yes, we will proceed with the Scoresby freeway. Yes, we agree with what the Kennett government was looking at in pursuing the project and with what all the opposition members, particularly those representing the eastern suburbs, and the municipalities in the eastern suburbs, were saying about having the proposed freeway declared a road of national importance and getting funding'. The Bracks government agreed that the project warranted support from the Victorian government.

Government members need not be so smug about having had the proposed freeway designated as a road of national importance, because had they continued with their original plan to scrap it, which is what the government said after it assumed office, there would have been no point in having it declared a road of national importance because it would not have existed. They should not believe they pursued this and achieved a great outcome by themselves, because it has been the constant support of the project, even at times when the government walked away from it, by the Liberal Party and the National Party that has ensured that the federal government made a commitment to the project. It has dug into its pockets, but this government has not.

In a press release dated 8 August 2000 the Acting Minister for Transport at the time, the Minister for

Sport and Recreation — and, as I said, I am sure he would have read it very well — said:

In the first stage, \$65 million —

I am sorry; earlier I said it was \$67 million. I must have added the \$2 million for the public transport study. I am sorry for that, because the government needed only \$65 million —

is being sought from the commonwealth government to begin work on the section (stage 1) between Ringwood and the Burwood Highway in 2002–03. Matching funding would then be required from the Victorian government.

So \$65 million was needed to start construction. To get the freeway from Ringwood to the Burwood Highway the government now has \$220 million, so it could take it further. The press release continues:

Stage 2, possibly between Frankston and the Monash Freeway, could then quickly follow.

The acting minister's media release went on to say — and it has been repeated many times since, because I have heard the Honourable Gavin Jennings say, 'It's not all the money', and I have heard the Honourable Dianne Hadden say, 'It's not enough':

The size of this project is too big for a state government to finance alone. It can only proceed with partners. That's why joint funding has been sought from the commonwealth government.

He said the Bracks government would also investigate opportunities for private sector investment in the project.

Where did the idea of private sector involvement come from? It came from the state government: from the Minister for Transport and, no doubt, from the Treasurer. I am confident it came from the Treasurer because he unveiled an initiative called *Partnerships Victoria*. It was the government's framework last year for integrating private sector investment in public infrastructure. The media release from the office of the Minister for Transport states:

Partnership options for funding the Scoresby freeway will now be prepared as a priority by Vicroads and the Department of Infrastructure for consideration by the Bracks government.

The media release about the Scoresby freeway quotes the acting Minister for Transport, the Minister for Sport and Recreation, as saying:

That's why we have developed genuine funding mechanisms to enable work on the project to commence.

In other words, back in August the state government changed its mind and decided to proceed with the Scoresby freeway, but it was initiating the concept of

involving the private sector. That was embraced last week by the Prime Minister in his announcement which members on the other side suggest is inadequate; they say that the federal government will not be providing enough money because it is not offering half the money for the project all the way through.

The Prime Minister's response is consistent with what was asked for from the federal government. His response delivers absolutely on what was asked for in a press release in August by the Minister for Sport and Recreation, who is now mumbling about in his beard, so to speak. The minister should be so lucky as to go cap in hand asking for a certain amount of money — in this case \$65 million — and every time get three times as much as he asks for. He was successful this time because the federal government is so committed to the project.

It has been pointed out by many honourable members on this side of the house that the road is very important. Some 40 per cent of Melbourne's manufacturing and production activities are located in the Scoresby corridor. Transport economists have estimated the project would add \$400 million a year to the gross domestic product. In an economic study of infrastructure projects around Australia undertaken some three years ago, in its generation of economic activity the Scoresby freeway stacked up as the most important road anywhere in Australia.

It is a crucial link road for Gippsland and the Latrobe Valley, the Mornington Peninsula, the eastern suburbs and right throughout Victoria. More than 1 million people live in the area and about 28 per cent of Melbourne's jobs are located in the corridor, in the major centres of Ringwood, Knox, Dandenong, and Frankston. If one considers the fast-growing south-eastern suburbs towards Gippsland and beyond, one can see it is a crucial area for economic activity and employment.

The project should not be dillydallied with. It ought not be part of a political game conducted by the state government. The project should proceed, and it should proceed very quickly. The government now has the money to do so. It has constantly said, 'If the federal government puts up, we will put up'. Where is the money? There has been no such commitment by the state government, not just beyond the \$2 million in this budget for the transport study, but indeed in any forward estimates.

Statements in the press reveal the government's duplicity on the project. In the *Herald Sun* of 3 January the Minister for Transport is reported as having said

that Victoria was ready to fund its share, and that the onus was on Mr Anderson, the federal transport minister, to loosen federal purse strings and declare the freeway a road of national importance. On 3 January the state government would have been preparing its current state budget, which was brought down just last week. In the middle of the period when the government would have been preparing the budget and certainly preparing forward estimates on capital works programs, the Minister for Transport said, 'We are ready to fund it; we are ready to go with this project now'. At a meeting on 9 February with municipalities in the eastern suburbs Mr Batchelor said that the project was ready to proceed; it was ready to go.

All that was needed was that the federal government declare it a road of national importance. All that was needed was funding from the federal government. Well, it is there! It happened this month. The road has been declared a road of national importance and the funding has been put in place. To people who say 'That is not enough', I might add that the Kennett state government also entered into discussions with the federal government on a road of national importance — the Geelong Road. It was an important infrastructure project for Victoria.

Hon. I. J. Cover — And they are claiming it!

Hon. B. N. ATKINSON — Absolutely. On that occasion the Kennett state government said in its discussions with the federal government, 'Okay, we want you to come in on this project, but as a sign of good faith we will put in the first \$118 million towards the project to get construction started'. So the previous government recognised that it was not just a case of sitting back and waiting for the federal government to come in with funding but that in a true partnership situation it was possible for the state government to proceed with an important project and then look at bringing the federal government in later.

If there is concern that it is not enough money, if the state government has taken another U-turn and decided that it was not serious about its *Partnerships Victoria* program — which was launched with much celebration at the time by the state Treasurer — and it does not want to attract private investment, if it is really all talk and not a real program, then there is an opportunity for continuing dialogue with the federal government because now, even more importantly than the \$220 million allocated to start construction on the Scoresby freeway immediately, the road has been declared a road of national importance or RONI.

There should be ongoing dialogue between the state and federal governments on the construction of the freeway. That is what the opposition wanted, that is what the government said it wanted, and that is what has been achieved — yet there is no commitment and no progress.

It is interesting to note a statement made by the Minister for Transport after the Prime Minister's statement — and this is why I think he got rolled. An article on the front page of the *Knox Leader*, a local newspaper in the eastern suburbs, of 15 May states:

Mr Batchelor said the state government welcomed the announcement.

'There are continuing discussions that need to be considered between Mr Anderson and myself,' Mr Batchelor said.

There is also a working party, which on a number of occasions Mr Batchelor has described as interacting constructively between the two levels of government. The article also reports him as saying:

... the money would pave the way for the land-purchasing program to be completed and to 'build the first stage'.

'There's no reason why that could not start as soon as the money is made available,' Mr Batchelor said.

In other words, Mr Batchelor was not under the same illusion as some members of this house have been, given their interjections, and as the Honourable Gavin Jennings certainly has been. Mr Batchelor — —

Hon. G. W. Jennings — That is not charitable at all.

Hon. B. N. ATKINSON — Mr Batchelor said that the project could proceed and that there was no reason why it could not proceed immediately.

Honourable members interjecting.

Hon. B. N. ATKINSON — Mr Batchelor said this project could proceed, and he welcomed the funding.

Hon. G. W. Jennings — Back in April last year I said we were calling for it to be a RONI — not August, as you said.

Hon. B. N. ATKINSON — We will be interested in that.

Hon. G. W. Jennings — It was on 12 April last year, as you well know.

Hon. B. N. ATKINSON — I take up the interjection. The honourable Gavin Jennings says that in April last year he showed his commitment to this

project. That commitment was not evident from the government until 8 August — —

Hon. G. W. Jennings — I am part of the government.

Hon. B. N. ATKINSON — You might be part of the government — —

Honourable members interjecting.

Hon. B. N. ATKINSON — We welcome the fact that you have so much clout with the government!

After today's debate we expect Mr Jennings to go back to the government and have the proposal in the motion carried out so construction can start. He tells the Premier what to do, and he tells the Minister for Transport what to do. Seeing that he has so much clout, that back in April last year he was the only visionary in the government and that this was all his work and had nothing to do with the Minister for Transport, who made his announcement in August — which was, as we understand it, the first commitment the government made to this project — Mr Jennings should have the project started immediately. He is obviously the person we ought to be talking to; he is the one with clout in the government who makes it happen.

Given the ministerial line-up in this house, we are not surprised at the admission that the Honourable Gavin Jennings is running the government.

Honourable members interjecting.

Hon. B. N. ATKINSON — As I said, we welcome it, because we now know exactly whom to talk to. Mind you, given the answers we have received to most of the questions we have asked the others, we know you would fix them up later, anyway.

A media release of 16 May quotes the Minister for Transport as saying:

The decision by the Howard government to name the Scoresby freeway a road of national importance is a significant breakthrough for the people living in the Scoresby corridor ...

The opposition would argue it is significant for people living far beyond that. It further reports:

Mr Batchelor said more than \$110 million worth of land between Ringwood and Dandenong had been purchased for the proposed freeway by successive governments, including the Bracks government.

'The government is now in the process of purchasing the remaining land required —

for the freeway. He went on to laud his \$2 million transport study, which looks wonderful but does nothing to express the commitment of this government to continuing the project.

Nonetheless, there is no allocation in the budget this year. Perhaps Mr Jennings will revisit the budget, given his clout. Even if he does not, he will have an opportunity next year, because the \$220 million provided by the Prime Minister will at least get this project started. The Eastern Freeway extension, which is currently under construction, will end at Ringwood, so it is crucial that this project progresses, which is what the Kennett government and, in particular, the Liberal members who represent the eastern suburbs were working towards. We must ensure that the Eastern Freeway does not just finish in a dead end, as occurred under Labor during the Cain-Kirner years, when the Eastern Freeway finished at Doncaster Road. That continuation is now achievable, thanks to this money.

For all its rhetoric there is no real indication that this government is committed to this project in the sense of putting up the funding. I would welcome the Honourable Gavin Jennings committing the government to the project. As he said, he was the visionary back in April last year; apparently he announced this project long before anybody else. We hope he is now in a position to announce the construction timetable.

Hon. I. J. Cover — And the money.

Hon. B. N. ATKINSON — And the money, which is called for in this motion. Given his comments, I look forward to the government voting with the opposition on this motion — —

Hon. G. W. Jennings — In condemning himself — yes, that would be right.

Hon. B. N. ATKINSON — Mr Jennings, you at least should vote with the opposition. You should be condemning the others for not acting on your vision and taking up the things you have been pushing.

I urge members of the house to support the motion. The funding proposals the state government has been discussing with the federal government have been of its own invention. In other words, the private sector funding that is to be explored as extra funding beyond the \$440 million is an invention of the Bracks state government, not the federal government. The federal government has delivered more than the state government ever sought by way of a commitment. In other words, it has declared the road to be a road of national importance, a significant step that has been

acknowledged by Mr Batchelor. The federal government has also given \$220 million, when back in August the state government sought only \$65 million.

The federal government has put the money out now; it is available to start this project forthwith. Mr Batchelor has said it can be started immediately, that the state government is in a position to proceed straight away.

An honourable member interjected.

Hon. B. N. ATKINSON — It is now, thanks to the federal government but no thanks to the state government itself in the context that it has provided no funding commitment in this budget, or indeed in forward estimates.

Opposition members look forward to the assurance by the Honourable Gavin Jennings, the leader and manipulator of government, that this project will proceed and will be funded, if not through some reorganisation of funds in this budget or perhaps by an allocation from an expected surplus, then certainly in the forthcoming 2002–03 budget. In the meantime we want an assurance that the project will proceed immediately, as Mr Batchelor said it could, as the state government ought to be committed to doing and as the people of the eastern suburbs and beyond want to happen given the importance of this road to the economy, the social structure, employment and so much of the functioning of other aspects of transport and construction in the eastern suburbs and beyond.

This project ought to proceed immediately. The federal government has provided the wherewithal to make that happen. The state government ought to be attending to that immediately. I urge honourable members to support this motion.

Hon. G. W. JENNINGS (Melbourne) — Mr President, let me respond enthusiastically to a number of elements of the motion and lay out an opportunity for the Parliament this morning to find a way through so we can have a constructive motion before the house in the name of proceeding with the project, of which Mr Atkinson is a strong proponent and of which the opposition claims to be a proponent.

I will move an amendment to the motion that will not move away from what I believe is its legitimate spirit and intent. In fact, my amendment will leave intact paragraphs (a) and (c). In the spirit of being constructive and joining in support for the motion, all government members would be prepared to support it if paragraph (b) were deleted. Where the motion condemns the government clearly government members will not support it. I move:

That paragraph (b) be omitted with the view of inserting in place thereof:

“(b) notes that the commonwealth Deputy Prime Minister is developing funding options with the Victorian government for the entire Scoresby freeway project and acknowledges the Victorian government’s contribution to date of \$110 million for the purchase of land for the project; and”

In moving that amendment — —

Hon. M. A. Birrell interjected.

Hon. G. W. JENNINGS — I think the house is capable of congratulating successive Victorian governments on a whole range of things; I do not think there is much difficulty in identifying the ongoing commitment of successive Victorian governments to various projects, of which this is one.

I move that amendment to maintain what I believe may be a skerrick of credibility in the motion, if there is any, apart from its being a purely cynical exercise. If the house is interested in completing this project, in the appropriate negotiating framework between the commonwealth and the state, in being a proponent of this — —

Hon. M. A. Birrell interjected.

Hon. G. W. JENNINGS — The interjection of the Leader of the Opposition is interesting, because rather than just debating the motion in what may be interpreted to be a cynical exercise, all members of each political party have a role to play. The Liberal component of the opposition can leave the chamber and have conversations with the Prime Minister and the federal Treasurer about making sure there is an immediate release of the money. On a number of occasions Mr Atkinson referred to the \$220 million as if it exists, as if the Victorian government has the cash in hand and is able immediately to proceed on the project. That is not the case; but if it were the case there is the potential for immediate progress with this project. The National Party members of the opposition could leave the chamber and have a word to the Deputy Prime Minister, the federal minister for transport, and find a way in which we could determine the scope of and construct this project, because in fact — —

Hon. P. R. Hall interjected.

Hon. G. W. JENNINGS — No, on behalf of the government I would leave the chamber and have urgent discussions with the Victorian Minister for Transport to urge him to work constructively with these federal ministers to determine the scope and timing of this important project. We all have a positive role to play,

rather than the one that may be played out during the course of this debate this morning.

As recently as a fortnight ago, when the federal Parliament met in this Parliament, the contributions of the leaders of all federal parties — the Prime Minister, the Deputy Prime Minister and the federal Leader of the Opposition — in turn referred to a cynical attitude within the electorate and the Australian community about the role politicians and the role Parliaments play. Each of them in their contributions to mark the centenary of Federation referred to a cynical response of the Australian community towards its politicians.

In fact the nature of the debate today is that not all sides of this house will respond positively to the amended motion. My amendment would enable us to vote together on this motion and say, 'Yes, every member of this chamber believes in the value of this project and that there is an appropriate recognition by the commonwealth that this is a road of national significance'. On 12 April last year, not August as Mr Atkinson said this morning, in this chamber I put on the public record on behalf of the Victorian government that it called on the federal government to nominate this proposal as a road of national importance.

It was not until a fortnight ago that the Prime Minister responded to the Victorian government's request which was started meekly and unassumingly by my call more than 12 months ago. In fact, now that the Prime Minister has said it is a road of national importance, which the federal Minister for Transport and Regional Services had not been able to confirm, the nature of the dialogue, the negotiations and the scoping and construction of the program have taken a quantum leap.

This morning during Mr Atkinson's contribution I interjected that the Prime Minister's announcement that this is a road of national importance had consequences for the funding of the proposal. In entering into the negotiations the Victorian government understood that it would be a fifty-fifty proposal. The Scoresby freeway — —

Hon. B. N. Atkinson — That is not what you said in August.

Hon. G. W. JENNINGS — That is what I said this morning in my interjection. I am saying that the \$220 million is not half; it is not fifty-fifty.

Hon. B. N. Atkinson — You never expected it to be.

Hon. G. W. JENNINGS — The important element of staging this entire project is an understanding of how

it will be built and over what time frame. As Mr Atkinson knows, on Monday of this week the Victorian cabinet visited the City of Knox.

Hon. B. N. Atkinson — I was there.

Hon. G. W. JENNINGS — I know you were. That is why I know you can attest to the fact that Victorian ministers visited the Knox community. In his submission to cabinet the mayor of Knox said, 'Whatever you do, please ensure that the staging and construction timetable of the Scoresby freeway does not lead to traffic being dumped in the City of Knox'. He was determined to ensure that at no stage during the development of the proposal would the people of Knox have traffic dumped on them. This is a critical matter.

At no stage did the Prime Minister indicate his vision for the staging of the proposal. The federal Minister for Transport and Regional Services has not indicated his view on how the road should proceed to benefit the residents of Melbourne's eastern suburbs.

Mr Atkinson also said that Labor, when in opposition, did not say what part of the then government's capital program should be put on hold or reallocated to provide for a different emphasis in terms of the Scoresby proposal. Mr Atkinson suggested the proposal put forward by the Kennett government was not on the backburner. That is a pretty desperate long bow.

Hon. M. A. Birrell — We did an environment effects statement. How can it be on the backburner when you do an EES?

Hon. G. W. JENNINGS — That same argument can apply today. Last week in the budget brought down by the Treasurer the government allocated funding for the Eastern Freeway extension. From memory \$75 million or \$76 million was allocated in the budget for the construction of that extension.

Hon. B. N. Atkinson interjected.

Hon. G. W. JENNINGS — Indeed, it does. I agree that over the years the problem has been replicated by various Victorian governments. The problems of traffic management and traffic flows in Victoria have been bedevilled on occasions by all governments because of a lack of coordination and consistency in the scoping and construction of various roads with public transport options. That is a major reason why the Victorian government does not want to replicate that problem in the scoping and construction of the Scoresby freeway. It is one reason why the Victorian Minister for Transport is determined that this important road proposal will be scoped within an appropriate

integrated transport strategy for Melbourne's eastern and south-eastern suburbs. It is essential that all those various elements of an integrated transport plan are considered in the context of this important infrastructure.

Mr Atkinson damned a number of important proposals that will be considered within that integrated transport plan, but the Minister for Transport is committed to ensuring that the transport model that is put in place for Melbourne's eastern and south-eastern suburbs guarantees that there is access for both road users and those who would prefer or have no choice but to use public transport options. They include light rail and heavy rail options, improving the modal exchanges between road and rail, and providing for improved integration of bus services along major routes within the eastern suburbs. It is important that those matters are put on the table.

I repeat a message that was clearly articulated by the community of Knox to the Victorian cabinet and which is equally as important from their perspective — that is, a commitment by state and federal governments to ensure there is appropriate integration of public transport initiatives.

The mayor of Knox made absolutely clear the community's expectation that the Victorian and commonwealth governments would deliver an integrated package which provided equal weight and emphasis to both delivery of public transport options and this important piece of road infrastructure.

One of the reasons for the Victorian government's concerns — hopefully we are on our way to overcoming them — about the commonwealth government's level of support for the project was that until recently the commonwealth had made no clear commitment to declaring it a road of national importance, nor had it indicated that there would be a partnership or that the cost would be shared. That was one of the reasons the Minister for Transport and the acting minister kept all options on the table, even though the government has repeatedly made it clear that it does not support tolls and will not do so until a negotiated understanding is reached on the details of any partnership between the state and commonwealth jurisdictions. The government has needed to keep all options open until agreement is reached on the appropriate funding mechanism to deliver the timely construction of the road.

An Honourable Member — So you don't rule out a toll?

Hon. G. W. JENNINGS — The important element of the Prime Minister's announcement is that it is the first indication from a commonwealth minister that it is a road of national importance (RONI). The Victorian government understands that to mean there will be a fifty-fifty funding arrangement, which it considers to be a significant breakthrough.

This morning by interjection I kept pressure on the opposition by asking how far will the \$220 million go towards securing the entire project? At what stage will the money run out? When will further funds be released to enable completion of the road so it does not end half-way and create difficulties for communities such as Knox but ensures proper delivery of the project?

Hon. B. N. Atkinson — You are setting out to stage the project over 15 years!

Hon. G. W. JENNINGS — Obviously it is important to stage the project.

Hon. B. N. Atkinson — That is a contradiction of what you just said!

Hon. G. W. JENNINGS — No, it needs to be completed in a staged manner because of the sheer size of the project.

Hon. B. N. Atkinson — All right, so you will stage it over 15 years!

Hon. G. W. JENNINGS — No. The Victorian government requires an assurance that as each stage along the route is completed the project provides as much as possible an integrated and seamless connection with the existing transport system.

Honourable members interjecting.

Hon. G. W. JENNINGS — I remind Mr Baxter that this morning I acknowledged that successive Victorian governments have not had a great track record in that regard. I am saying the lessons have been learnt and the Minister for Transport does not want that problem to be revisited by the people of Victoria ever again.

Certainly my friend and colleague the Minister for Transport is committed to ensuring that the project is completed in a professional manner which addresses all the planning and development needs of the eastern and south-eastern suburbs. As I indicated, now we have that quantum leap — the road has been declared a RONI. My proposed amendment to the motion keeps intact the original intention of Mr Atkinson's motion to say that this house acknowledges that the funding is available

and calls on the release of the funds and the conclusion of an understanding between the Victorian and the commonwealth governments to enable the announcement of the scope and construction timetable. As I said, if the motion is amended all government members would be able to support it and to demonstrate to Victorians, particularly those in the south-eastern and eastern suburbs of Melbourne, that all political parties in Parliament are committed to working constructively on the project and not treating it as a cynical exercise.

Hon. B. C. Boardman — Then vote for the motion!

Hon. G. W. JENNINGS — I have moved an amendment to the motion — —

Hon. B. C. Boardman — No, vote for our motion, damn it!

Hon. G. W. JENNINGS — Through his interjection Mr Boardman has again tried to sound a cynical note in this debate. There is no way the government will support a motion that condemns it — that is a ridiculous proposition. It reinforces my argument that the Prime Minister's announcement was not necessarily in the name of the long-term infrastructure needs of the Australian community but is more consistent with the comment in the lead article of today's *Age* that yesterday's budget is a 'desperate measure'. It follows a succession of budget announcements made in a climate of the prospective demise of the federal government; the federal government is thrashing about in an attempt to shore up its electoral standing.

A number of extremely critical commentaries appear in today's press. They include an *Age* editorial headed 'Shrinking vision, short-term budget'. An article on page 14 of the *Australian Financial Review*, headed 'There's a hole where the surplus used to be', comments on the succession of budget announcements made specifically to target individuals in the community, notwithstanding that any number of individuals in this community are worthy of support.

Instead of taking what used to be described as a big-picture approach to what government is about, the commonwealth government is taking a government-welfare approach to sections of the community to try to shore up its electoral standing.

On a number of occasions during opposition business throughout the previous sessional period I referred to other areas where that has occurred. In fact, the great opportunity for infrastructure spending across the nation from road funding was frittered away last year

by the commonwealth government's announcing a \$1 billion project, which was effectively pothole fixing. I commented at the time that a great opportunity would be lost because the federal government was about to dump proposals for its support of the very fast train, which would have been a major infrastructure project for the nation.

I have said on a number of occasions that the Victorian government is extremely wary of the commonwealth making unilateral decisions to commit funds and expecting the states to match them not by way of consultation, negotiation and settlement but by pre-emptive strikes.

A fortnight ago in the debate on diabetes and the needle provision program I said on the public record that the salinity program across the nation announced by the federal government last year was an extremely worthy project which the Victorian government was able to support financially. However, that project was predicated unilaterally by the commonwealth on its being matched by the states on a fifty-fifty basis, regardless of whether or not all states across the nation were in a position to match that funding. It is a dereliction of responsibility of the commonwealth to announce such measures when there is no guarantee that the states can meet the funding.

Hon. B. N. Atkinson interjected.

Hon. G. W. JENNINGS — Mr Atkinson has for some time been trying to get on the record by interjecting that we have called for this measure. Indeed, we did call for this measure. As far back as April last year I meekly put on the public record in this chamber a call by the Victorian government for the commonwealth to announce the proposed Scoresby freeway as a road of national importance.

Hon. B. N. Atkinson interjected.

Hon. G. W. JENNINGS — Mr Atkinson is giving me somewhat overly estimated credit for bringing the Prime Minister to the eastern suburbs of Melbourne two or three weeks ago to announce that the freeway was to be a road of national importance.

As Mr Atkinson has said by way of interjection, the Victorian government did call for a partnership and for fifty-fifty funding.

Hon. B. N. Atkinson — No, it called for private investment as well.

Hon. G. W. JENNINGS — I have already addressed the question of why options were kept on the

table. Mr Atkinson should read the *Hansard* report. Indeed, if honourable members can step over the partisan positions we adopt in this place to position ourselves for the electoral cycle — which will be very difficult for us — there is an opportunity for major infrastructure to be delivered to the eastern suburbs of Melbourne.

For my part as a member of the government I call on all parties, at both state and federal levels, to work constructively on this important project and to acknowledge the context in which it has to be delivered to the people of those eastern suburbs — that is, as part of an integrated public transport strategy to be implemented in a timely way to augment the importance of the road.

No-one could deny the importance to Victoria and Australia of the economic and social interaction that occurs within that region of Melbourne. That is not disputed. I believe that what lies at the heart of the motion moved by Mr Atkinson would be maintained by my amendment. However, I would be amazed if the opposition were fleet-footed enough to embrace the amendment and provide the Parliament with a united motion.

Hon. W. I. Smith — The land was bought years ago!

Hon. G. W. JENNINGS — The honourable member's interjection does not say which term of the Victorian government is responsible for the purchase of the land.

Hon. W. I. Smith — We are talking about the Bracks government.

Hon. G. W. JENNINGS — Members of the house would be very aware of the number of times the phrase 'the Bracks government' is used in a contemporary sense every single day. That is not what the amendment says. The amendment is constructed in a way that would enable all parties within this place to be fleet of foot enough, astute enough and constructive enough to support the motion.

If the opposition is not able to embrace the amendment to the motion, the Parliament and the Victorian community will be the poorer for it. It would not be the first time the opposition has not been prepared to engage as much as possible in a bipartisan way to address the concerns of the Victorian community. That is a disappointment, but it is not surprising.

If the opposition is not able to support the amendment, the government will be opposing the motion. However,

regardless of what happens in this place, the important message for all parties concerned is to go out and play their various roles to ensure that there is a clear agreement, a clear negotiating framework and a clear understanding of the scope and timing of this important project for the people of Victoria.

Regardless of the outcome of the motion today, I maintain my call on all members of Parliament to play a constructive role in delivering this important project, and I urge the house, if it possibly can, to lift its sights, lift its game and support the amendment I have put before Parliament this morning.

Hon. P. R. HALL (Gippsland) — The Honourable Gavin Jennings, like his colleagues, practises the art of procrastination. Government members are the masters of delay: they promise the world, yet deliver nothing to the people of Victoria. Inquiries and studies have become the hallmark or the forte of the Bracks government, and it is forever refusing to accept the responsibility that comes with government.

We have another example of procrastination here this morning — another example of government refusing to accept the responsibility that comes with government — in the Honourable Gavin Jennings moving this amendment to the motion moved by the Honourable Bruce Atkinson. The amendment talks about developing funding options, and the Honourable Gavin Jennings spoke of undertaking, scoping and developing a construction timetable and the need to develop an integrated system of transport movement in the northern and eastern suburbs of Melbourne — all further delays to what the Honourable Bruce Atkinson has called for this morning, and that is some action on this Scoresby freeway project.

The Honourable Gavin Jennings would want us to delay this project. He is refusing, on behalf of his government, to accept the responsibility of the Victorian government to match the offer that has been delivered by the federal government and get on with this simple project. On behalf of my colleagues in the National Party I say that that is simply not good enough.

The Honourable Bruce Atkinson has put up a three-part motion here this morning. The first part acknowledges the commitment by the federal government towards the project. The second component of the motion talks about a lack of state government commitment and tries to evoke that commitment from the state government, and the third part calls for the establishment of a timetable.

The Honourable Gavin Jennings has spoken purely to divert our attention from some of these important parts of the motion. He suggests we need to undertake further studies. How many studies have already been undertaken on the freeway proposal? How many submissions has the Victorian government made to the federal government calling for the project to get started straightaway? How many times in the past two years has the government said, 'We are ready to start this project; give us some federal money and we are ready to go on to stage 1 of the project'?

It seems that Mr Jennings's contribution this morning contradicts what his own Minister for Transport has been saying in the past 12 months. The minister has been calling on the federal government to make a commitment. His own minister is saying, 'We are ready to start stage 1,' but Mr Jennings tells us this morning that we are not.

He is almost suggesting that the \$220 million offer from the federal government was premature. That is the meaning that I gleaned from his contribution this morning. He said, 'Two hundred and twenty million is not good enough. We cannot do anything until you give us half of that money'. He is saying that the \$220 million from the federal government is not wanted. I say when one reads what the Honourable Gavin Jennings has said here this morning, it contradicts everything his minister has said. The honourable member said that we cannot proceed until we totally and completely have a planned, integrated study for transport systems around Melbourne. If that attitude had been taken, we would be nowhere today. We would not have any decent transport interlinking systems in Melbourne at all.

We have been fortunate that the past seven years of the previous government showed some vision and projects have come to fruition that have greatly assisted the movement of vehicles around the city of Melbourne. One need only reflect on some of the documents produced by Vicroads annually to see that that is true. They are worthwhile documents. Every year Vicroads produces the National Roads in Victoria Forward Strategy submission to the federal government. I have kept many of those articles because they are relevant to the question of where we are going in the development of a transport system.

Over the past 10 years there has been a slow build-up of that network. Ten or fifteen years ago we spoke about a ring-road right around Melbourne, with a western component and an eastern component, and we spoke about linking freeway systems to facilitate movement from one side of Melbourne to the other, from country

regions into Melbourne. Under the Kennett government we saw the realisation of many of those aims. We saw the development of the Western Ring Road, which was one of the great road systems to facilitate movement in the western areas around the city of Melbourne. We have also seen significant improvements to the Monash Freeway. It used to be called the South Eastern Freeway or, as somebody mentioned before, the South Eastern Car Park.

When the Kennett government came to office that freeway still had traffic lights at Warrigal, Toorak, Burke and Toorong roads. Admittedly, under the Cain government initial work was undertaken to address some of the problems in Burke and Warrigal roads, but the other two roads — Toorong Road and Toorak Road — still had traffic lights. That project was completed under the Kennett government, as were the overpasses at Toorong, Toorak and Burke roads.

Under the Kennett government we saw the development of the great City Link project. Speaking as a country member of Parliament I believe City Link has been one of the greatest possible assets for people coming from the country and moving through the city, whether it be for private purposes or for the movement of manufactured and agricultural products to the ports or to manufacturing processors based in Melbourne or in other parts of country Victoria.

City Link provides that arterial movement from one side of the city to the other, if a driver happens to be coming from the east and wants to go to the west. So there was a great deal of improvement under the previous Kennett government.

To date under the current Bracks government not much at all has been delivered. In the Linking Victoria Vicroads document, the forward strategy for the past two years, which I have in front of me, the maps in the middle pages that outline the strategic transport corridors show that there is absolutely no difference between the situation 12 months ago and that outlined in the current submission being made to the federal government.

In the past 12 months not one link has been filled in by the Bracks government. Not one link has been completed from my area of Gippsland. I am waiting for small links like the Hallam bypass, a commitment that is still to be delivered. I am waiting for the Pakenham bypass, a commitment on which work has not even started — and the same can be said about the Scoresby freeway.

The strategic transport corridor policy shows up the gaps in the transport system, and one of the starkest is the Scoresby freeway. The map I have shows the proposed freeways coloured in red. It says they are proposed roads of national importance. There is a big gap between the Western Ring Road and the Monash Freeway and down into the southern suburbs. In fact, there is no major road there at all. The Scoresby freeway will in part provide that link, but even after the freeway project is started there will be other gaps in the system. I refer particularly to the proposed link between the Scoresby freeway, the Eastern Freeway and the Western Ring Road, which currently goes nowhere, finishing at Greensborough.

One of the great frustrations of people driving from the country to the capital city is that too frequently they are emptied into traffic bottlenecks with nowhere to go. If you are travelling down the Hume Highway and want to get to the eastern or southern suburbs, you have few alternatives. There is a huge bottleneck of traffic turning from the highway onto the Western Ring Road. If you want to go east or into the city, you must struggle down the Hume Highway, through the Sydney Road bottleneck and into the city. If you want to go east you must struggle across Bell Street or one of the other streets through the north-eastern suburbs.

Hon. W. R. Baxter — Or you go around the Western Ring Road and join City Link.

Hon. P. R. HALL — As Mr Baxter said, the other alternative is to join the Western Ring Road and drive through City Link. That would add considerable time and cost for those transporting goods.

The Scoresby freeway is an important link that needs to be completed — and completed quickly. In addition, other areas need to be addressed. The government's contribution was disappointing. All the house heard from the Honourable Gavin Jennings was about diversions and delaying tactics.

I will quickly refer to some of the other links that need to be developed from a country perspective. A lot has already been said about the Scoresby freeway. The National Party congratulates the Honourable Bruce Atkinson on moving the motion. He spoke about the importance of the Scoresby freeway and the 40-kilometre link between Ringwood and Frankston. It will deliver major national economic benefits and will be a catalyst for urban renewal in much the same way as the federal government's investment in the metropolitan ring-road has helped with the development of Melbourne's north-west.

We need that development in the north-east and south of the state, which is why the Scoresby freeway is such an important project. The Honourable Bruce Atkinson also put on the record the fact that the Scoresby region is home to more than 40 per cent of Melbourne's manufacturing and production activity and 28 per cent of Melbourne's total work force. He spoke about the need to complete the whole project, which is estimated to cost some \$1 billion, but once the project is up and running that will be recoverable through the savings achieved in reduced traffic times and the more efficient conveyance of goods.

The Honourable Bruce Atkinson also spoke about the government's commitment to the project and, in the Honourable Gavin Jennings's case, the lack of commitment. It is disappointing that the Minister for Sport and Recreation will not participate in the debate, because he spoke glowingly about the project as the acting Minister for Transport in his press release of 8 August:

The Bracks government has formally called on the commonwealth government to declare the Scoresby freeway a road of national importance and to join Victoria in providing a fifty-fifty share of funding for its construction.

That request from the acting Minister for Transport has been delivered. The federal government has declared the Scoresby freeway a road of national importance. As the Honourable Bruce Atkinson said, the call from the state government on 8 August last year was for \$65 million, but it got \$220 million from the federal government to start the project, which will go a long way. In the press release of 8 August the minister said that once the \$65 million was available the project would be ready to go. Victoria was ready to match that and get the first stage under way — that is, the link between Ringwood and the Burwood Highway. The press release also states:

Stage 2, possibly between Frankston and the Monash Freeway, could then quickly follow.

The Honourable Gavin Jennings suggested that the government was not ready for the project and that more integrated studies were needed. As I said before, the government's contribution this morning has been contradictory compared with what it has said in the past.

I understand that, like any major project, the development will be done in stages. I also understand the importance of the first stage — the connection between Ringwood and the Burwood Highway — but it would be more logical if the next stage were the connection between the Burwood Highway and the Monash Freeway, rather than starting at both ends and

having a missing link in the middle. We should start at one end and progressively build from it, otherwise we will be left with the problem that the Honourable Gavin Jennings mentioned this morning, a freeway to nowhere and traffic being dumped without access to a further, decent relay system or road network.

I do not think there is any dispute about the importance of this project. Every member in the chamber and every member of the government and the opposition recognises the importance of the project proceeding.

Some say it needs to proceed as quickly as possible. We on this side of the house say that it should proceed as quickly as possible. Some government members are suggesting they are not ready to proceed or ready to take up the federal government's offer. It has already been highlighted by both previous speakers that on 13 May the federal government made its commitment, and last night's federal budget confirmed that \$220 million has been put aside as a federal government contribution towards the start of the project.

The second part of the motion:

condemns the Bracks Labor government for failing to provide any state funding commitment towards construction of the Scoresby freeway ...

It is true there is only a minuscule commitment by the government to proceed with the project. A state budget 2001–02 fact sheet on the transport portfolio lists some of the projects the government is promising but not delivering, such as \$96 million over five years for rail standardisation. Honourable members would like to see that, but they will be waiting for a while. It is the same with the return of train services to some country areas. Honourable members would like to see that, but they will be waiting a few more years. There are more promises and more delays, but no delivered project at this stage. Nothing has been delivered.

The fact sheet says that about \$2 million will be provided for Scoresby transport corridor planning and that:

Public transport planning and development associated with the proposed plan for the Scoresby transport corridor. The work includes investigating a range of financing options for the freeway as well as scoping rail links and busways.

Although that is a good start, it contradicts previous statements made by the government. The Honourable Justin Madden, as acting transport minister in August of last year, said, 'We are ready to go, give us the money and we will put our dollars up'. In recent months the Minister for Transport has been saying, 'We are ready

to go, we just want the federal money'. Now that those funds have been delivered the government is backing away from its commitment to this important project.

I turn to a couple of other matters that I referred to earlier concerning the Melbourne transport network. It is important that the transport system be integrated and linked. Apart from the Scoresby freeway, one other important area that is missing is the completion of the ring road around Melbourne.

In October 2000 the Royal Automobile Club of Victoria (RACV) published a special report entitled *Roads to the Future — a Vision for Victoria's Strategic Highway Network*. It refers to the metropolitan ring road, and states:

Many major cities in Europe and North America have a motorway route circling their central core. This route, variously referred to as a beltway, an orbital, or a ring road usually connects important developing industrial and employment locations typically located in middle and outer suburbs.

It provides a bypass of the congested city core for through traffic and enhances access to the metropolitan area from regional and rural centres.

Australian cities are moving to adopt this road configuration, and Melbourne, Sydney, and Brisbane are all actively planning orbital routes.

RACV considers that Melbourne's orbital route is vital to Victoria's economic future. With the Monash Freeway, southern link of City Link, West Gate Freeway, and the Western Ring Road complete, and work to start soon on the outer section of the Eastern Freeway to Ringwood, it is already more than 75 per cent complete. Only the Scoresby corridor and the connection between the Western Ring Road at Greensborough and the Eastern Freeway remain to be committed.

I agree with those sentiments. The report refers to the function of the orbital corridor and the importance of it. It states that it will:

provide convenient access to Melbourne Airport, the ports of Melbourne and Geelong, and rail freight terminals, from all parts of Melbourne and from across the state.

It also refers to the problems associated with the proposal, such as the Springvale Road rail crossing at Nunawading. That rail crossing experiences enormous traffic congestion in the area close to the Whitehorse and Springvale roads intersection. The report also mentions the economic benefits of the Scoresby corridor and the Greensborough to Eastern Freeway link.

Without reading through all of the benefits again, I endorse and stress the importance of completing the metropolitan ring road project, particularly that part

connecting Greensborough to the Eastern Freeway. That must proceed if we are to get maximum benefit from the Scoresby freeway project.

I conclude by saying that roads are one of the National Party's favourite topics, and they will continue to be because of their importance to country Victorians. We are concerned with both country and metropolitan roads, particularly major roads in metropolitan areas that allow people to travel quickly from north to south or east to west across our capital city. They are roads of great importance to the residents of country Victoria. If we want to travel through the city we have a good route via City Link which provides a network for the major arterials. From Princes Highway east and west we can access City Link easily as can people coming along the Western Highway, the Calder Highway and the Hume Highway. The Hume Highway still has some difficulties: one has to travel on the Western Ring Road because of the lack of a direct link to the centre of the city. Access from the Hume Highway and the eastern section of the Princes Highway in particular need to be improved.

The Scoresby freeway project is an important one that will complete one of the two remaining missing links to which the RACV referred. It is important for country Victorians that those links are completed as soon as possible. National Party members are greatly disappointed that the government has today refused to put its money where its mouth is. It has refused to honour its earlier commitments that it would support this project. It is refusing to match the contributions proposed by the federal government.

Hon. M. M. Gould interjected.

Hon. P. R. HALL — Even the Leader of the Government is suggesting that this contribution is premature. She is saying to go back to Anderson and talk about the whole lot.

Hon. M. M. Gould interjected.

Hon. P. R. HALL — What are you saying by way of interjection? If you have something substantial to say perhaps you will put your name on the list.

Hon. M. M. Gould — I said, 'Go and talk to Mr Anderson and ask him why you wanted it'.

The ACTING PRESIDENT
(**Hon. E. G. Stoney**) — Order!

Hon. P. R. HALL — It is another diversion by the state government. The federal government has put \$220 million into the project; the state government has

put \$2 million towards the project for planning purposes only. It is ignoring the needs of people in the eastern and southern suburbs of this state and those in country Victoria. They will do it at their peril.

We have had enough of these diversion tactics; we have had enough of the promises that are not delivered. It is an important motion and it is an important project. The National Party congratulates the Honourable Bruce Atkinson for putting the motion forward, and it supports him wholeheartedly.

Hon. W. I. SMITH (Silvan) — I support the motion before the house and completely reject the amendment put forward by the Honourable Gavin Jennings. It is fatuous and ridiculous to propose an amendment that suggests the government had anything to do with the \$110 million contribution to the purchase of land for the project, and I reject it completely.

The motion notes that the Prime Minister has designated the Scoresby freeway as a road of national importance, and has allocated \$220 million in federal funding to allow an early start to construction. Further, the motion condemns the Bracks government for failing to provide any state funding commitment towards construction of the Scoresby freeway in the current state budget, or in forward estimates on capital works for future budgets. The motion acknowledges the immediate availability of federal funding and calls on the state government to announce a project timetable and to commit the necessary state funds to commence the immediate construction of the Scoresby freeway.

I wholeheartedly support the motion for the building of the Scoresby freeway because it is fundamental to Victoria and to my electorate. The first stage of the project will start in my electorate. The project is fundamental for many reasons, which I will outline.

After 53 reports on the necessity for the freeway and after debate and procrastination since 1984, after the Kennett government committed \$275 million in a budget, and it had the money to start works on the freeway extension, Victorians still do not have a freeway. What do we have? We have a Labor government without any real commitment, because it has not put any finances aside in this budget. The federal government has given the freeway the go-ahead and has committed \$220 million. More importantly, it has designated the road as being of national importance.

I pay tribute to the late Peter Nugent, who was a major tireless worker for this project. Peter Nugent linked together many members of Parliament representing the outer eastern area, and linked together many of the

councils from Dandenong through to Maroondah. He tirelessly pushed the project with the Prime Minister and with transport ministers. One reason for the funding coming through is the work Peter Nugent undertook in the past. I pay tribute to the work he has done. The Scoresby freeway will be a great monument for the work he did.

The Scoresby corridor is home to 1 million residents. More than 40 per cent of Melbourne's manufacturing and production activities are located there, and almost one-third of Melbourne's jobs. It is essential that the freeway be built. When it is built the 34-kilometre freeway from Ringwood to Frankston will deliver significant economic benefits for places like Ringwood, Knox and Frankston.

A federal government press release states that the Prime Minister believes by putting this money up and getting matching money from the Victorian government, and in partnership with the private sector, it would be ensured that no tolls will be levied on the Scoresby freeway. The Prime Minister believes the freeway will be toll free and is negotiating financial arrangements with the Victorian government and the private sector on that basis.

When the Scoresby freeway is completed there will be a 20-minute saving for motorists travelling from Ringwood to Frankston, and a 15-minute saving from Frankston to the Melbourne Airport. There will be considerable improvements in road safety and a reduction in the number of accidents.

What has been the response of the Bracks government to the Prime Minister's announcement? Some \$2 million in this year's budget. It is naive to suggest that the Bracks government did not have some understanding that the federal government was going to put in some money. Ongoing discussions have been held for a considerable time. The fact that the Bracks government has put in only \$2 million in the budget is a sign of its lack of commitment to the project.

What will the freeway do? It will link traffic flow from Melbourne's east and south-east for a major freight route around Melbourne. It will complete the eastern portion of Melbourne's vital ring-road. It will complete the missing link in Victoria's road system. It will improve freight movement, it will be cost effective and it will be more efficient for people to move their goods, particularly those in the transport industry. It will be more attractive to export-oriented industries. As the Honourable Bruce Atkinson said, it is predicted that the direct benefits to business would be approximately \$143 million in 2001.

What will happen if construction is not undertaken? By 2011 local motorists will face gridlock during peak-hour travel. I suggest they already do at Springvale Road. Greenhouse emissions will almost double, average trip lengths will increase, and user costs will increase by 45 per cent.

Since 1999 the Bracks government has done a series of backflips on its support, or non-support, for funding for the Scoresby freeway. When the Labor government came to office in 1999, it was opposed to the construction of the freeway. Minister Batchelor, after becoming transport minister, changed his party's commitment on the issue. However, 18 months down the track we have not moved much further. On 12 April last year a motion was moved to support the construction of the Scoresby freeway as an urgent priority, and to get funding out of the 2000-01 budget. The government totally opposed the motion; it was totally opposed to the construction of the freeway.

It is no surprise that the Scoresby freeway has been on the books since 1984. The Kennett government conducted an environment effects statement process from 1996 to 1999, and in 1999 budgeted \$275 million. But what did members of this government say when the motion was moved to support the Scoresby freeway? The Honourable Gavin Jennings walked around the issue and did not say a lot, but he did say a couple of things. He said, 'Well we cannot do anything; we certainly cannot support this project until we get federal money. There is no point agreeing to this because we don't have any federal money. We are talking to the federal government, we want a commitment from it, and then we will put some money in'. There is now a commitment — but still only \$2 million in the budget. When this government came to office it inherited a budget with a \$275 million commitment to the project by the Kennett government. I believe the argument is fatuous.

During debate on that motion the Honourable Gavin Jennings also said that the Labor government did not have a mandate to build the freeway. He finally admitted that at that stage the Bracks government was not interested in building it and talked about its construction not being a commitment by Labor to the people of Victoria. He opposed the motion to make the Scoresby freeway a priority, to put money in the budget and build it.

It was interesting to hear what the Honourable Bob Smith said. He was also opposed to the building of the Scoresby freeway and opposed the motion. That is interesting, because his electorate would certainly

benefit from the building of the freeway. At the time he said the issues were funding and time. There is now funding, but I did not see any money allocated in the budget from the Bracks government. He did suggest that the project is important; however, at the end of the day he still voted against the motion. In fact, all 13 government members, including Mr Bob Smith, voted against the motion to make the Scoresby freeway an urgent priority and to provide money for it in the budget.

Hon. W. R. Baxter — And they acted on it, too; they did not provide it.

Hon. W. I. SMITH — They did not indeed, Mr Baxter; they provided \$2 million this year and \$22 million last year, which is not a huge commitment.

On 13 April 2000 the Minister for Transport issued a press release headed 'Liberal's proposal on Scoresby branded irresponsible'. It states:

The government is proceeding with the requisite planning scheme amendments identified ... and is lobbying the federal government for the necessary funding ...

It has lobbied the federal government; it has the funding, but it still has not delivered. In fact, that was the 53rd amount of work done on the project.

The Minister for Small Business attended a business breakfast at the Maroondah council, which I also attended. After the breakfast I asked her whether the Bracks government was committed to building the Scoresby freeway. She replied unequivocally that, no, the Bracks government would not build it. Yet it has done a complete backflip and now says it is committed. With a commitment of \$22 million last year and \$2 million this year you have to ask the question: how committed is it? There has been silence.

The electorate of Silvan Province, which I represent, will benefit enormously from the building of the Scoresby freeway. At Springvale Road there is a huge congestion of traffic trying to get into the city, and there is a desperate need for the continuation of the freeway. In the mountain areas in my electorate is the rural cut flower industry — 40 per cent of Victoria's cut flowers are grown there. Goods need to be moved and transported to aeroplanes.

Hon. W. R. Baxter — They are perishable.

Hon. W. I. SMITH — They are perishable, indeed. The area also has strong apple and strawberry industries, which would benefit enormously from the building of the Scoresby freeway.

In Bayswater there is a lot of technology. A lot of small businesses there are involved in moving goods around, particularly in exporting. There are also a lot of large businesses — world-class cutting edge businesses, particularly in the plastics, IT and automotive industries. One of the issues commonly raised when I visit the businesses in those areas concerns the costs and time delays in moving goods from that area, particularly to the airport.

According to the latest ABS figures 50 per cent of my electorate is involved in businesses of some form or another. There is no doubt that the extension of the Eastern Freeway to Springvale Road has had an enormous impact on people living in my electorate. It has reduced travel time and has made it much easier for people to get around and do a whole range of personal and business activities.

To give some idea of how fast the area is growing in importance I will now refer to population growth projections for the eastern region. The Honourable Bruce Atkinson has clearly outlined the need for the Scoresby freeway. That need is growing as the population increases. Between 1993 and 2010 Manningham, one of the councils in my area, will have a projected population increase of 2.7 per cent from 108 713 to 116 000. In Knox it will be 11.6 per cent, from 130 284 to 145 000. In Maroondah there will be an increase of 4.5 per cent in population growth — from 91 477 to 94 123.

One of the areas that has not been picked up in the debate is the Yarra Ranges, a wine growing area that produces a lot of perishable foods. The Scoresby freeway will make an enormous difference to access to airports and seaports. The population of the Yarra Ranges is expected to increase by 10.4 per cent — from 149 075 to 155 250. The outer eastern region is growing, and the need for the freeway continues to grow with it.

What will be the impact of not building the Scoresby freeway? It is expected that the average trip time will increase by 19 per cent, that greenhouse emissions will increase, and that user costs will increase by 45 per cent. When it is finally built stage 1 will go from Ringwood to Dandenong, and the road will commence at Ringwood. It is obviously extremely important for my electorate, as it is for other areas across Victoria. As a member for Silvan Province I can say that we desperately need the construction to start.

Stage 2 will be Dandenong to Frankston, and will be staged from Dandenong. The Scoresby freeway has met the commonwealth road funding criteria — that is, it is

vital for export growth, promotes accessible tourism and improves business efficiency. We have a road that has been classified as of national importance, we have federal money put into it and we still await the state government coming to the party.

The Bracks government basically has snubbed the Scoresby freeway. The state budget came out several days after the Prime Minister's announcement of funding, and still there was only \$2 million in the budget. Since it has been in office the Bracks government has called upon the federal government — for the past 18 months — to match state funding. State funding has been matched. As soon as the federal government delivered, the Bracks government became silent on the issue. As I said, the government says it is committed, but on the evidence put before us it does not appear very solid — \$22 million in the budget allocation last year, \$2 million in this year's budget is not an overwhelming financial commitment, one would say, to a project.

There is a great and demonstrated need for this freeway. The government has the needed federal commitment, but again it is silent. The Bracks government came in rejecting the Scoresby freeway. It backflipped. It changed its support. It put up two small amounts in budgets and it used the federal government as an excuse. It does not have any more excuses not to build and put the money in. I call on the state government to announce a project timetable to commit the necessary state funds and commence the immediate construction of the Scoresby freeway.

Hon. R. F. SMITH (Chelsea) — I oppose the motion, and I do so because this is clearly a cynical, political exercise. It is all about Aston and the forthcoming by-election there. We do not take it seriously, and might I say, nor will the people of Aston.

When members of the opposition were in government they had seven years to do something about Scoresby, and they did nothing, absolutely nothing. They have found their voices on this project now, when they are in opposition. I suppose they do not have too much to do in opposition, but all of a sudden they have rediscovered the importance of the Scoresby freeway. As a member for Chelsea Province I can state that it is clearly — I will repeat what I said earlier — a very important project not only for the south and the east but for Victoria overall. The economic development that would flow from this is major, and as is now finally agreed by both federal and state governments, it is a road of national importance. We will get to that a little later.

The issues now involve who actually funds it and how it is to be funded. The economic benefit is underlined by the fact that 40 per cent of manufacturing and productivity in Victoria takes place in the Scoresby corridor. The importance of that cannot be overestimated, and that sector will definitely increase as a result of the development. As I said, it is vital not only for Chelsea Province but for Victoria overall.

The possible public transport improvements that come from this will also be of significant benefit. Not only will it have obvious benefits from an infrastructure point of view and because of all the jobs that will flow from it in manufacturing, all the way down to quarrying, et cetera, but it will have transport benefits for the general public. The importance of that for Frankston, the Mornington Peninsula and the Carrum area cannot be overestimated. We are desperately in need of improved public transport, and this presents a real opportunity to do just that.

The opposition is constantly hammering the point that we have done nothing to fund this project other than to provide some small amounts that have been dedicated to feasibility studies and so on — \$20 million-odd last year and \$2 million in this year's budget to look at the feasibility of the public transport aspect of the project. I point out that we have been, if nothing else, consistent in our demands for the federal government to fund this project as you would expect any road of national importance to be funded — that is, that the commonwealth government commit itself to 50 per cent of the overall costs.

It is interesting that on 13 May this year the Prime Minister announced that not only is it a road of national importance but the federal government will match state government funds dollar for dollar for up to 50 per cent of the project. That is what he said in his statement — 50 per cent, dollar for dollar. What was announced last night — \$220 million. We congratulate the federal government on that; it is certainly a step in the right direction. But where is the rest of the money? Where is the other \$300 million-odd necessary for this project? There is no mention of it in the federal budget, just a commitment for \$220 million to start stage 1. Where is stage 1? Where will it impact politically? Let's not be cynical about it. Let's just say it is pretty close to Aston. As I said earlier, the people of Aston will not swallow it.

Hon. B. C. Boardman interjected.

Hon. R. F. SMITH — Purely coincidence! The sneaky, underhanded little man in Canberra has done it again. I need to be careful of what I am about to say,

but would it be too much to suggest that the sneaky little bugger from Canberra has taken advantage of the opportunity of the Honourable Peter Nugent's recent passing away to actually announce it?

Hon. B. C. Boardman — On a point of order, Mr Acting President, the term Mr Smith used to describe the Prime Minister is unparliamentary and I ask him to withdraw it.

Hon. R. F. SMITH — I withdraw.

The federal government is acting cynically with this project in arguing about who pays for what. It has not got its act together. In his contribution Mr Hall referred to the goings-on, et cetera, but he does not accept that Mr Anderson, the federal Minister for Transport and Regional Services, seems to be out of the loop. The Prime Minister is off on a tangent doing his own thing and not explaining to Mr Anderson what he is about. However, it is the Prime Minister's normal modus operandi, or at least it has been during the past 18 months, which is clearly an indication that he is rattled — and he has good reason to be.

Hon. P. R. Hall — What is your point about Mr Anderson?

Hon. R. F. SMITH — He is not in the loop like your good self, Mr Hall, in that he does not understand what is going on. To emphasise that point I mention that on 4 January Mr Batchelor and Mr Anderson agreed to establish a joint working party to explore options for developing and funding the Scoresby transport corridor. Those negotiations are ongoing. No-one knows where they will end. Why then would the government commit money to the project when it is not agreed who will pay what, whether it will be fifty-fifty government-state funding, as we demand, or some sort of private contribution? It is not clear; therefore, we have not made any absolute commitment.

The working party comprises senior officials from the Department of Infrastructure and the federal Department of Transport and Regional Services. It is looking at a number of issues. Back in January its report was expected to take a couple of weeks. We know the feds are good at procrastinating, but this is an extreme example. Nevertheless, I am sure the working party will come up with some sort of agreement so that the project can continue.

The working party is looking at issues such as the scoping of the works, the timing and funding profile, the possibility of private sector involvement and the public transport improvements needed in the corridor. It is reasonable for the government to say it is not

prepared to announce its contribution to the funding until it is understood who will do what.

I put on the record that the Victorian government does not support direct tolls on motorists. The federal government says it does not support tolls either, although given the track record of this federal government a cynical view can be taken of what it says.

Hon. B. C. Boardman — You are very cynical today, Bob.

Hon. R. F. SMITH — Absolutely.

Hon. B. C. Boardman — Then rule out the tolls.

Hon. R. F. SMITH — On the basis of full joint funding, the government hopes the construction of the entire freeway will be concluded in the next six to seven years. That was the intent, on the basis that there was full joint funding.

Hon. B. C. Boardman — You can't do that without money, Bob.

Hon. R. F. SMITH — Mr Boardman, show us the money! The federal government has given us a glimpse — a down payment of \$220 million. We want 50 per cent, as the Prime Minister promised on 13 May this year. He said the project would be funded dollar for dollar with the Victorian government up to 50 per cent once the freeway was declared a road of national importance. Legislation covers that, and we are not asking for anything other than what we would be entitled to under normal circumstances.

Mention has been made of the importance of the corridor and the impact it will have on Victoria and the nation, hence its description as a road of national importance. I am sure the Honourable Cameron Boardman will, if he is making a contribution, re-emphasise the importance of the corridor to the people of Chelsea Province.

Currently the Victorian government is exploring options to upgrade vitally needed public transport, particularly in the Frankston area. Last week \$2 million was allocated in the budget for a feasibility study. Earlier during Mr Atkinson's contribution I heard white elephants mentioned, and it was said that this or that may not work. Who knows, he may well be right. The government will spend a little bit of money to find out whether he is right or if it is possible to provide better public transport in this corridor. I do not think \$2 million is much to spend to make sure we get it right, unlike the previous government, which would ram a proposal through whenever it felt like it.

Hon. P. R. Hall — You said you were ready to go 12 months ago.

Hon. R. F. SMITH — The study will investigate a number of options, including flier express train services on the Ringwood, Frankston and Dandenong lines. That will be an outstanding outcome for public transport users in the area. Another option is the introduction of smart buses along Springvale and Blackburn roads, which would seem to me, and to any reasonable person, to be a huge improvement and of real benefit to the general public.

The feasibility of a rail route from Rowville to Huntingdale will be looked at, as will the feasibility of providing a rail reservation within the freeway median strip. I hope commonsense will prevail, because if there is an extremely wide strip of land on which a freeway is to be built it would be eminently sensible to utilise that land to put some form of fast rail service through the middle of it. It makes sense and I hope that will be the outcome.

A number of honourable members have referred to a press release put out on 8 August by the then Acting Minister for Transport. In it he declares the government's support for the project and refers to the money the government will need to contribute on the basis that the federal government comes good. It has not come good; instead it is playing political games.

For all the reasons I have outlined, I say once again that the government opposes the opposition motion. It is purely a cynical exercise in politics by opposition members to try to help out their federal colleagues in the forthcoming by-election in Aston — but it is too little, too late. On that basis I reject the motion.

Hon. B. C. BOARDMAN (Chelsea) — It appears that since 12 April last year the Honourable Bob Smith has researched the benefits of the Scoresby freeway. He has obviously familiarised himself with the facts. He has even taken the steps all good local members should. I acknowledge that the Honourable Bob Smith has been a good local member, in advocating the benefits such a project would bring to his electorate. For that reason I congratulate him, because it is in complete stark contrast to the contribution he made just over 12 months ago, when there was no advocating for his electorate and no acknowledgment of the importance of this project and the benefits it would bring to the electorate of Chelsea Province and the people and industries of the south-east, even though he suggested that the project had his support in principle.

I note the amendment moved by the Honourable Gavin Jennings to omit paragraph (b) and insert certain words in its place. Even if that is agreed to, would it not be advisable for the government to support paragraph (a), which notes that the prime minister has designated the Scoresby freeway as a road of national importance and has allocated the appropriate funding, and paragraph (c), which acknowledges the immediate availability of federal funds and therefore calls on the state government to announce a project timetable and commit the necessary state funds to commence the immediate construction? I suggest that would be a commonsense response to an important motion.

I can understand the government not supporting a motion that condemns it, even though in this instance condemnation is appropriate because of the significant historical aspects that have been outlined throughout the debate. I refer to a joint submission to the federal Department of Transport and Regional Development in July 1998, which came from all the councils that would be affected by or play some part in the construction and completion of the Scoresby transport corridor. The submission includes points made by the Western Port Development Corporation and Business East. I refer to the back page, which, under the heading 'Consequences', states that if construction of the eastern ring-road does not commence by 2001, vehicle trip lengths will increase by 6.6 per cent; trip times will increase by 19 per cent; vehicle speeds will fall by 8 per cent; vehicle operating costs will increase by 45 per cent; greenhouse gas emissions will increase by 46 per cent; user costs will increase by 45 per cent; and there will be a greater intrusion of through traffic onto local roads.

Three years on from the submission of the document to the federal government, we have still not seen the state government make an allocation or give a definite commitment to fund this important project.

There is a reference to cost on page 13 of the document, and I quote:

An annual investment of approximately \$90 million per year over the term of construction would need to be made by the commonwealth government to fund the construction of the eastern ring-road.

There is no dispute that the commonwealth has an exceptionally important role to play in allocating funds. But what Victorians want — and importantly, what people in the south-east want and what people in my electorate are demanding — is some vision, some defined strategy and some leadership from the state government in allocating public revenue to assist the people who live in the area. As I have outlined, the

benefits are dramatic and demonstrable — and they have been applauded by all sides of politics, industry and the community. The dispute about the feasibility and necessity of the project is no longer relevant. What is relevant is whose responsibility it is to fund it.

I also quote from the *Frankston Standard* of 8 November 1999:

Labor has ruled out building the Scoresby freeway, forcing Frankston East MP Matt Viney into a firing line of Liberal parliamentarians.

Mr Viney is a colleague of the Honourable Bob Smith. At the time he had been a member of Parliament for slightly more than a month after being elected at the Frankston East supplementary election. One of his first public announcements was that the new government of which he was a member would not be building the Scoresby freeway, irrespective of the Honourable Bob Smith's view that it was an important project and irrespective of the Labor Party's previously advocating its completion. Even prior to entering Parliament Mr Viney said that, if elected, a Labor government would not build the freeway. Why did he change? Once you become a member of Parliament and a member of the government you are faced with the responsibility of office.

You have to justify your public comments and statements, and if you do not have any means to justify them, you can be easily ridiculed, which seems to be the case in this instance. Mr Viney went on to say that:

... Labor would fund a range of other projects, such as Stud Road, the Dingley bypass and identification of a preferred train route to Rowville.

I do not think we have had identification of a preferred train route to Rowville; the Stud Road project, as we all know, was initiated and funded by the Kennett government; and the Dingley bypass — I will perhaps indulge the house with comments made recently by the honourable member for Carrum in the other place, Jennifer Lindell — is not going to happen either!

Leadership in the whole road infrastructure issue, which should as a matter of course come from the government, does not exist. If the motion is opposed today the result will be indescribable and inexcusable.

Comments made by government members on the motion moved by the opposition on 12 April 2000 are, as has been mentioned by honourable members previously, extraordinary. I quote from what Mr Jennings said:

On the government's ongoing support for the road, I am happy to say on the record that the government has sought and will continue to seek federal government funding for it.

That is what Mr Jennings said on 12 April last year. He was quite correct in that comment, and I congratulate him for making it. The partnership — the working party — was established and there was connectivity between the federal and state governments. However, repeated requests from the federal government for vital information on the state government's preferred options for the integrated transport corridor for Scoresby were refused. No information was forthcoming from the state government. Once again, the leadership was in question.

In addition, there was Mr Bob Smith's comment. I reiterate that I congratulate Mr Smith on his change of heart, because he has familiarised himself with the topic. However, he said at the time:

The motion is an example of hypocrisy. It is designed specifically to gain some political advantage in the eastern suburbs and to embarrass Labor politicians representing that area.

He went on to say:

... funding will be gained from both the state and federal governments, if the federal government agrees.

Hon. R. F. Smith — Exactly.

Hon. B. C. BOARDMAN — The federal government has not just agreed, it has put the money forward to the tune of \$220 million to commence construction of the Scoresby corridor.

Let us dispel any suggestions of cynicism or that the announcement is suspicious or a pork barrel and accept that it is just a coincidence that there may be an upcoming by-election in the federal seat of Aston. Let us dispel all those myths. As Mr Smith and all his Labor Party colleagues are completely aware, the Scoresby corridor was going to be funded in stages, and it is no secret that stage 1 was to be the stage that just happens to fall in the Aston electorate.

Isn't it surprising that, irrespective of the study that has been going on for years with wide support from industry, from successive governments at both state and federal levels and from local government in particular, and irrespective of the fact that it was always the intention to fund the project in stages — that might not be the total preference of the Australian Council for Infrastructure Development, and I will refer to its literature shortly — and Mr Smith saying by way of comment 12 months ago that the state would come to the party if there was federal funding, now that the

federal funding has been allocated we still have not seen any real commitment or leadership from the state government?

As a result of the motion moved in April there was associated local press coverage, and I was surprised that a number of allegations that I made in the local newspapers, particularly in Chelsea, went unchallenged by Mr Smith. I accused Mr Smith of not supporting the project. If he had wanted to support the project he could have used a public medium such as the local press to do so, but he did not. He neglected to take up that opportunity.

I will quote from an article in the *Chelsea Independent* of 22 May 2000 under the heading 'State offer to split cost of freeway', which states:

... Mr Batchelor said the state was willing to pay half towards the freeway and wanted it classified a road of national importance to make it eligible for federal money.

Once again, it has happened: it is a road of national importance. The Prime Minister's press release confirms it, and the money is there. Where is the other half? Where is the other \$220 million? This funding is for the stage 1 allocation only. The government knows there will be substantial future allocations for the Scoresby freeway on a needs basis. It is an ongoing project that will be completed in stages because that is the most appropriate way of doing it.

The Prime Minister's own press release of 13 May 2001 confirms that. He states:

With matching funding from the Victorian government and in partnership with the private sector, the \$220 million contribution from [the] commonwealth should also ensure there is no need for tolls to be levied on Scoresby freeway users.

That is an important part of this whole project: we do not want tolls. That is quite clear. We do not need to impose any additional taxation burden on motorists. Because the benefits of the freeway are so demonstrable and definite, there is no need to have additional state revenue, which could jeopardise the viability of the project, although partnership with the private industry should certainly be explored.

The Prime Minister goes on to say in his press release:

Our aim is for this major transport corridor to be toll free and we will be negotiating financing arrangements with the Victorian government and the private sector on that basis.

The federal government has done exactly what the state government should have done — it has shown it has a strategic vision, not just for the whole of Victoria and

not just for the south-east of metropolitan Melbourne but for the whole country, because it has declared the proposed freeway a road of national importance.

If the state government had one ounce of policy spine and was genuine in its commitment to Victorian industry we would have seen in the budget released last week sufficient allocation to contribute equally with the federal government to the project. Perhaps as a gesture of goodwill and in recognition of the strategic importance of the project and the benefits that may come to fruition the state government could have started stage two of its own volition. It could have shown the sort of leadership the Kennett government showed when the Geelong road needed funding allocations.

It was the Kennett government that came to the party in the first instance and allocated \$150 million, which the states finally matched.

Because of the magnitude and the benefits of this project it is important that any dismissal of private sector funding should be explored. The Australian Council for Infrastructure Development Ltd wrote to members of Parliament on 19 December 2000 under the signature of Raphael Arndt, the director of policy, bringing to their attention that it had a definite commitment to both the state and commonwealth governments and that the private sector was willing to invest. The letter states:

A one-stage project will bring benefits to the Victorian economy much faster and more decisively than one that is staged over many years.

Perhaps yet again the state government could have realised there was cooperation and the genuine commitment from the private sector, taken on board the federal government's commitment to stage 1 and perhaps negotiated with the private sector, particularly in the electorate of Mr Bob Smith and me down at Frankston in the south where it will join the Frankston Freeway, to get the project up and running. That would have been a great gesture of leadership and would have shown strategic vision. Unfortunately, because of a philosophical objection the government is passing the buck, being petty on financial agreements and attempting to put the responsibility and blame elsewhere. It smacks of even further hypocrisy.

The government would be aware of its own Pathways Victoria policy, a Labor policy that discusses public and private involvement in projects. I am surprised that neither Mr Bob Smith nor Mr Jennings mentioned it because Labor quite sensibly disposed of its ideological objection to investment from the private sector and

released a policy that discusses the virtues and benefits of entering into capital public infrastructure development with that sector. The document *Pathways Victoria* goes on to explain Labor's position and advocate on where such arrangements can be beneficial to the community.

Hon. T. C. Theophanous interjected.

Hon. B. C. BOARDMAN — By way of interjection, Mr Theophanous is admitting the benefit of having those partnerships. But why stop with the electricity industry? Why not use some vision and leadership by going one step further and negotiating with the private sector on the Scoresby freeway?

Hon. T. C. Theophanous — For one reason — we do not want tolls but you do!

Hon. B. C. BOARDMAN — Why is it that Mr Theophanous is happy to discuss an arrangement such as Loy Yang, which will have a commercial benefit both for the electricity industry and for Gippsland, but is not prepared to stick his neck out and discuss a similar financial arrangement with regard to a public road?

It is not necessary to have tolls when you have public roads, and I am happy to explain that statement further to the house. For example, Mr Bob Smith acknowledged in his contribution that it should be an integrated transport corridor — there should be appropriate public transport — and advocated a train service from Frankston to Ringwood. Therefore why not negotiate with one of the train companies to have public transport infrastructure provided on a leased basis to the state government? Why didn't Mr Smith advocate that in his submission?

Hon. T. C. Theophanous — What about the roads? We are talking about the roads!

Hon. B. C. BOARDMAN — You can also do that with roads. I am sure there would be significant — —

Hon. T. C. Theophanous — How do you do it without tolls? Come on, explain it!

Hon. B. C. BOARDMAN — There would be significant interest from industries in the south-east in looking at the viability of private infrastructure contributions because they know the advantages to their own industries.

Hon. T. C. Theophanous — And who will pay the road investor?

Hon. B. C. BOARDMAN — They might fork out the money themselves, or it might be done by some joint party funding arrangement with the state government. This is again all about strategy. It is about being genuine in your commitment. Mr Theophanous knows how the arrangement at Loy Yang worked, and it could be a similar arrangement.

Hon. T. C. Theophanous — You want tolls.

Hon. B. C. BOARDMAN — Clearly no-one wants tolls. City Link was a project that demanded tolls because of its size, but no person who has participated in this debate today has advocated tolls. I am advocating involvement from the private sector because the private sector is advocating it itself. I am imploring the government to show a bit of character, be genuine in its commitment, accept the offer from the private sector and start negotiating to see where it is feasible and appropriate. However, that will not be forthcoming because government members are too busy playing politics. They are just seeking some political objective to the disadvantage of the community they are supposed to be representing — they are supposed to be developing further contributions through investment.

My closing quote perfectly sums up the whole philosophy of the Labor Party on this topic. It comes from my very good friend, the invisible electorate officer to Bob Smith and sometime mayor of Frankston.

Hon. R. F. Smith — The next federal member for Dunkley!

Hon. B. C. BOARDMAN — No; he is very hopeful but he will not be. I am happy to go on the record about that because I am certain that the people of Dunkley would not want Mr Conroy as their member. It is great because the more he gets out there publicly and babbles on about topics on which he knows nothing and the more he associates himself with you, the smaller his chances become.

Mr Smith knows as well as I do that when the federal election takes place Bruce Billson, who is the very diligent and committed member for Dunkley, will remain as the member for Dunkley. The people of Dunkley will reject the cynicism and the opportunistic, populist policies of Labor's candidate and return someone who is beneficial to the electorate.

I am sure Mr Smith has seen the article in the Frankston *Independent* of 15 May. It is a great newspaper — the *Independent* would never get it wrong. The article states:

Dunkley Labor candidate and mayor of Frankston, Mark Conroy, said the \$220 million announcement was 'a disaster'.

They are Mr Conroy's own words. I wonder what he thinks the Bracks government's funding contribution is? If \$220 million is a disaster I don't know what \$2 million is. Can someone explain that to me? The article quotes Mr Conroy as saying:

'It funds only 20 per cent of the work and it should be 50 per cent, as a project of national importance.'

I say to Mr Conroy that it is a project of national importance. He needs to read the announcements and the funding arrangement more carefully. Obviously this is a press release into which Mr Smith would have had no input because he is committed to the project. I am sure he is genuine in the comments he makes, but Mr Conroy seems to think there will be some opportunity to get populist support from it! The report in the Frankston *Independent* goes on to state:

The only part they are funding is the northern sector that happens to be in the Aston electorate.

I have already said that was part of a strategy that was put in place many years ago. It is pure coincidence and unfortunate circumstances that have forced the by-election that will be held in the near future. For many years the input of the former member for Aston, the late Peter Nugent, was instrumental in ensuring funding was allocated for the project. It is a slur on his memory for the Labor Party to imply that this is a cynical and opportunistic announcement made in that electorate.

Hon. M. M. Gould — Why did the Prime Minister have the widow of the late Peter Nugent right beside him when he made the announcement? Give us a break!

Hon. M. T. Luckins — I hope that is recorded in *Hansard*.

Hon. M. M. Gould — Are you saying it wasn't? You are agreeing with those comments?

Hon. B. C. BOARDMAN — I would have thought the Leader of the Government would have been more sensitive about the reasons why the widow of the late member for Aston was involved. Obviously Mrs Nugent has been an integral part of the policy development over many years, as was her husband. To suggest she was used opportunistically in this example is appalling. It demonstrates why the Leader of the House is on thin ice. She made that interjection by herself. She was not supported by her colleagues. They know she is an impostor, and the Labor Party will soon

realise that. It will be a step in the right direction to have Mr Jennings take over the leadership in this place so that we can have more professional, appropriate and respectful debates in the chamber.

I again refer to the article in the Frankston *Independent* of 15 May which, quoting the comments of Mr Conroy, further states:

'Mr Howard is virtually saying that the balance of their contribution is to be funded from the private sector, which means a toll road or shadow tolls. They are being mean and tricky again'.

I reiterate what was said in the Prime Minister's press release of 13 May:

Our aim is for this major transport corridor to be toll free and we will be negotiating financing arrangements with the Victorian government and the private sector on that basis.

The suggestion of tolls is nonsense. The importance of the project is unquestioned, and the contribution and philosophy of the Victorian government is inexcusable.

Hon. M. T. LUCKINS (Waverley) — I have pleasure in supporting the motion and rejecting the amendment moved by the Honourable Gavin Jennings. The amendment states in part that it acknowledges the Victorian government's contribution of \$110 million for the purchase of land for the project. That is a misleading statement. Most of the land purchased for the Scoresby bypass project was bought 40 years ago by a Bolte Liberal government.

On 2 May the Minister for Transport made equally misleading statements on 3AW when he stated that the Bracks government had purchased the land. He decided to correct the record later, because in a press release of 16 May he stated that:

... more than \$110 million worth of land between Ringwood and Dandenong had been purchased for the proposed freeway by successive governments ...

Hon. K. M. Smith — But none by the Bracks government.

Hon. M. T. LUCKINS — Yes. I am dismayed by the deliberate attempt to mislead the people of Victoria about the contribution of the government to this important project.

So far the Bracks government has committed \$2 million in the budget to the project, not to proceed with it immediately but to study the development of more public transport in the Scoresby corridor. What it is proposing to introduce goes to the heart of traffic problems in my electorate. Springvale and Blackburn

roads and the former South Eastern arterial — now the Monash Freeway — are the major arterial roads through my electorate.

I challenge honourable members opposite to come to Waverley Province and try to cross Springvale or Blackburn roads and to get on to the Monash Freeway, not just at peak times, but at any time of the day or night. Residential streets are being used by trucks to avoid the congestion on Springvale and Blackburn roads.

What is the government proposing to do to alleviate that? It is proposing to introduce express trains on the Ringwood, Frankston and Dandenong lines. Why not consider the Glen Waverley line? It is the only line in that region that has not been considered. The government proposes to introduce smart bus services on Springvale and Blackburn roads. We already have smart bus services and they contribute more to the congestion because Blackburn Road is a dual carriageway with one lane being taken up by buses.

The government states it is undertaking a study of the feasibility of a rail link from Rowville to Huntingdale. The government is not clear on what route it believes the rail extension should take. That is a densely populated residential area. I am concerned that the needs and amenities of my constituents may be adversely affected by any proposal to extend a railway line from Huntingdale to Rowville. I acknowledge the needs of Rowville and that many of the areas around Knox, Lysterfield, Rowville and other suburbs are isolated because they do not have a railway station nearby, but I want the government to provide further information on where a proposed route go because no land is reserved for the purpose, and the cost of acquiring properties in the area would be prohibitive.

Hon. T. C. Theophanous — Do you oppose the study?

Hon. M. T. LUCKINS — Mr Theophanous refers to the study. I refer to another study. The paltry contribution by the government to its study is a disgrace. Successive government speakers have tried to suggest that the former government was not committed to the project. In 1994 the Kennett government commissioned Vicroads to a strategic planning investigation of the Scoresby transport corridor. In 1996 the Kennett government released a visionary document entitled *Transporting Melbourne — a Strategic Framework for an Integrated System in Melbourne*. Page 35 of the document to which I have just referred states:

The Scoresby transport corridor, from Ringwood to Frankston, is strategically located in one of the most significant regions in Australia's postwar, car-based suburban developments.

The study commissioned by the Kennett government found in part that:

The corridor has a population of nearly 1 million — a city the size of Adelaide — and contains more than 40 per cent of Melbourne's manufacturing and production, whose annual turnover is \$35 billion. About 357 000 jobs are located in the area — 28 per cent of Melbourne's work force.

The 1998 environment effects statement found that:

Victoria's gross state product would increase \$200 million annually by 2025 —

after the project proceeds —

National gross domestic product would increase \$400 million annually by 2025.

Travel times would reduce by 40 per cent, leading to operating-cost savings and more productive work.

There would be a cumulative benefit of \$660 million to Victoria's economic welfare indicator by 2025.

It also estimates that:

By 2025, 9000 extra jobs would be created nationally, with 4000 of these within Victoria —

based on the project alone. It has enormous ramifications not only for local residents and people who want to move around the outer suburbs of Melbourne but, as has been the case with the Western Ring Road, a successful project that was supported by the Kennett government, because so much new industry establishes in the area as businesses are closer to the arterial links and therefore transport costs are much lower.

It is crucial to get the larger trucks off residential streets and away from schools in the area. Currently trucks are using these roads because of the congestion on the major arterial roads, which will be addressed by this project proceeding.

I am also dismayed by the government's opposition to the motion, particularly after noting that on 12 April last year the Bracks government rejected a Liberal Party motion to support the construction of the Scoresby freeway as an urgent priority with funding to be provided in the 2000–01 budget. The Labor Party is on the record as voting against that motion. How hypocritical they are, with the Minister for Transport announcing on 2 May that the government is ready to go with the Scoresby freeway and that the Bracks

government sees the Scoresby corridor as crucial to Victoria's ongoing prosperity!

The Honourable Justin Madden is recorded in *Hansard* as voting no on a motion moved on 12 April 2000. When he was Acting Minister for Transport on 8 August 2000, only a couple of months after that vote was held, he issued a press release stating:

In the first stage, \$65 million is being sought from the commonwealth government to begin work on the section (stage 1) between Ringwood and the Burwood Highway in 2002–03. Matching funding would then be required from the Victorian government.

I make two points: how dare the government suggest that this is a cynical exercise and denigrate the great contribution made by the late Peter Nugent, the former honourable member for Aston, by suggesting that it is a cynical political act to have the first stage, between Ringwood and the Burwood Highway, approved for federal funding.

The Bracks government is also on the record as saying that stage 1, between Ringwood and the Burwood Highway, would be commenced around this time when both governments agreed on the funding. That is what is in the media release from the Minister for Sport and Recreation when he was Acting Minister for Transport on 8 August 2000. How dare the Honourable Bob Smith suggest that this is anything other than a commitment made good by the federal government.

I commend the late Peter Nugent for his contribution towards ensuring that the funding was made available, as I do the honourable member for Deakin, Phillip Barresi, and the honourable member for Dunkley, Bruce Billson, who, as my colleague the Honourable Cameron Boardman noted in his contribution, is being opposed by the current mayor of Frankston, who also happens to work for or is certainly paid by the Honourable Bob Smith. We do not know whether he actually works for Mr Smith or has ever been in the electorate office, but Mr Billson will be hard to beat. He is known as Mr Scoresby and is an active supporter of this project. That has been well noted not only in the local press but in the daily newspapers.

I turn now to the private sector investment that has been discussed. Labor Party members are uncomfortable with any talk about tolls or private sector investment. The media release issued by the Honourable Justin Madden when he was Acting Minister for Transport, on 8 August 2000 said:

... the Bracks government would also investigate opportunities for private sector investment in the project.

An *Age* article of 6 January entitled 'Scoresby freeway tolls not ruled out' states:

During a 3AW radio interview yesterday Mr Batchelor refused to rule out tolls despite Labor Party assurances during the election campaign that tolls would not pay for road projects.

The article continues:

Mr Batchelor said the working party would consider whether the community wanted the 40 kilometre project built as quickly as possible, which could lead to private sector involvement.

It further states:

Mr Batchelor's spokesman later said City Link-style tolls were not being considered.

The minister was even gazumped by a staffer, and the reality is that the staffers seem to have a great deal more credibility and control of the government than the ministers.

On the hypocrisy of the government it has been noted in the daily media that at the last election the government had a policy of opposing the project. An article by Kenneth Davidson in the *Age* of 10 August 2000 states:

Who would believe it? Construction of the Scoresby freeway will, each year after 2010, reduce travel costs by \$220 million, boost state GDP by \$150 million and provide business benefits of \$110 million a year, according to the Bracks government.

Does the Bracks government now believe the figures that the Kennett government trotted out at the last election?

As my colleague the Honourable Bruce Atkinson noted in his contribution this morning, the government has performed backflips and made U-turns. The minister has not ruled out tolls and talks about private sector investment. It has been suggested by a media spokesperson that tolls are not an option. The Honourable Bob Smith said he is opposed to tolls. The Honourable Gavin Jennings was flopping around like a dying fish trying to avoid the issue.

The government has been cynical and hypocritical. However, so long as it supports this crucial project I at least commend it for that vision. It may have come extremely late, but it is vision nonetheless.

Today honourable members have mentioned the commitment of the government to proceed with the project. The Bracks Labor government has been shadow-boxing on the issue since it came to government 18 months ago. There have been suggestions of, 'You show us yours, and we'll show

you ours', and quotes such as the one in the press release of 28 November 2000 entitled, 'Anderson urged to take part in Scoresby freeway talks' from the Victorian Minister for Transport. The media release states:

The Victorian government has put its financial commitment on the table. We want the commonwealth to do the same.

What has the commonwealth government done? As noted in the motion, it has nominated the Scoresby freeway as a road of national importance and has allocated \$220 million in federal funding to allow an early start to construction. What has the government put on the table? Some \$2 million. Is that money going towards the early construction of this crucial road of national importance? No, the government is looking at public transport options for the area.

The figures provided by the environment effects statement and the other studies done on the viability of the project — the time savings in travel, the savings in transport costs to businesses and the number of people residing and working in the area — suggest that having this road built in an area which is reliant on cars is the no. 1 priority, not looking long-term at transport options, which are only options through what are already high-density areas where no land has been allocated for rail lines to be established.

A media release of 4 August 2000 from John Anderson, the Deputy Prime Minister and federal transport minister, states:

The federal government today called on the Bracks Labor government to prove it has a bona fide commitment to the Scoresby freeway.

Deputy Prime Minister and federal Minister For Transport and Regional Services, John Anderson, said that despite the Victorian government's new-found interest in the Scoresby freeway — which it opposed at the last state election — Mr Bracks was still not prepared to give the project priority.

...

A proposal from the Bracks government to consider the Scoresby freeway as a road of national importance was only recently forwarded to the federal government.

That was in August last year. The media release continues:

The strategy was received late — in fact, seven months after other Australian states — and only after the May federal budget was handed down.

By then it was way too late for the federal government to make budgetary provisions for an allocation for this project in the last budget. As the motion states, the

federal government has committed \$220 million to the project so that it can start early.

The motion condemns the Bracks government for not putting its money on the table and not acting on the rhetoric to ensure that this vital project proceeds. The motion calls on the government to announce a project timetable and to commit the necessary state funds to commence immediate construction of the Scoresby freeway. I wholeheartedly commend the motion to the house. I am dismayed at the government's continued opposition to the motion and to the project. It is extremely hypocritical to support the project, yet continue to oppose valid motions raised in the house. In a similar manner, on the motion on diabetes a couple of weeks ago the government voted against a Liberal Party proposal to have needles and syringes provided free to diabetics. What did the government do a week or so later? It included it in the budget. How hypocritical is that? Opposition members cannot believe what government members say.

The opposition asks for a commitment from the government to articulate its plans so that we can let our constituents know and, more importantly, government members can hear from our constituents about their needs and concerns and we can get on with the project. The project was to be completed in 5 to 7 years; now it is estimated that it will take 15 years to complete. That situation is simply not good enough. I commend the motion to the house, and I reject the reasoned amendment.

Hon. B. N. ATKINSON (Koonung) — I have listened to most of the debate today, and it has been heartening to hear that the government appears to have some ongoing commitment to the Scoresby freeway. Yet, as I pointed out in my earlier speech and as subsequent opposition speakers have indicated, there is really no evidence of it in terms of a financial commitment the government might well have made, given its knowledge of the advanced stage of discussions with the federal government on the construction of the Scoresby freeway and the genuine commitment the federal government was showing towards the project.

It is appropriate to pass the motion in its original form. I note the amendment moved by the Honourable Gavin Jennings and believe in some ways I might have dared to support some aspects of it as a form of words, were it not for the fact that the government has not provided any funds in the budget delivered last week or, more importantly, in the forward estimates. As a house of review this house has every right to pass the motion in its original form and to express its concern — or

condemnation, as the motion suggests — that the state government has not provided any financial commitment towards the project.

The government has shown a duplicity all the way through. It argued for this project, it set some ground rules, and it talked about the Partnerships Victoria policy, through which it was seeking private investment in the road. Now that the federal government has delivered on what the state government pursued and has responded to the work of so many members of Parliament — in both the state and federal parliaments; Liberal Party and National Party members particularly have been pushing for this project at both the state and federal levels for some time, as has local government — it is incumbent on this government to deliver on its rhetoric by providing the funds in recognition that the project is vital for the eastern suburbs and must go ahead. Honourable members on both sides of the house would recognise that — in the context of recent events — the federal government having allocated money for the road and its having been designated a road of national importance, the state government should proceed immediately with the project.

As I said at the outset, this government has shown duplicity by constantly talking about the project but not putting the money up front to realise it. I urge the house to pass the motion in its original format.

House divided on omission (members in favour vote no):

Ayes, 25

Atkinson, Mr	Hallam, Mr
Baxter, Mr (<i>Teller</i>)	Katsambanis, Mr
Bishop, Mr	Lucas, Mr
Boardman, Mr	Luckins, Mrs (<i>Teller</i>)
Bowden, Mr	Olexander, Mr
Brideson, Mr	Powell, Mrs
Coote, Mrs	Rich-Phillips, Mr
Cover, Mr	Ross, Dr
Davis, Mr D. McL.	Smith, Mr K. M.
Davis, Mr P. R.	Smith, Ms
Forwood, Mr	Stoney, Mr
Furletti, Mr	Strong, Mr
Hall, Mr	

Noes, 12

Broad, Ms	Mikakos, Ms
Darveniza, Ms (<i>Teller</i>)	Nguyen, Mr
Hadden, Ms	Romanes, Ms
Jennings, Mr	Smith, Mr R. F. (<i>Teller</i>)
McQuilten, Mr	Theophanous, Mr
Madden, Mr	Thomson, Ms

Amendment negatived.

Motion agreed to.

Sitting suspended 1.04 p.m. until 2.12 p.m.

QUESTIONS WITHOUT NOTICE

Marine parks: Cape Howe

Hon. M. A. BIRRELL (East Yarra) — Does the Minister for Energy and Resources support recreational and commercial fishing at Cape Howe in East Gippsland?

Hon. C. C. BROAD (Minister for Energy and Resources) — The question from the Leader of the Opposition is clearly a reference to the government's response to the Environment Conservation Council report on marine parks, and without referring to it he is clearly seeking to link this question to the government's decision not to include the recommendation from the ECC in its proposed response.

The reason for the government's decision is that it has a view that the commercial fishery plays an important role in the protection of our fishery resources and is of great assistance in ensuring enforcement of the sustainable use of those resources. It is for that reason — —

Hon. N. B. Lucas — It's not a sweetheart deal, is it?

Hon. C. C. BROAD — It is for that reason that — —

Hon. B. C. Boardman — It must be.

Hon. C. C. BROAD — In response to the interjections, the honourable members opposite must be confusing the way this government makes decisions with the way the previous government made decisions. This government has made what it believes is the right and proper decision in the best interests not only of protecting the environment, but also taking account of the social and economic impacts on local communities. As I said, it must be a recollection of the way some ministers in the previous government did deals. Not only does the government support both recreational fishing and commercial fishing — —

Hon. M. A. Birrell — At Cape Howe?

Hon. C. C. BROAD — Particularly in relation to Cape Howe. The government believes the commercial industry plays an important role in ensuring that unrestricted illegal fishing in that area does not occur. The government's view is that the costs of enforcing that area, if the commercial fishing industry was totally removed, would be extreme. In addition, the economic

and social impacts on Mallacoota in particular, a community which does not have many other industries on which to rely, would be unacceptable. That is the reason for the government's response to the ECC recommendations. We believe it is the decent and responsible decision to be taken by the government.

Building Industry Consultative Council

Hon. D. G. HADDEN (Ballarat) — I ask the Minister for Industrial Relations if the Bracks government has established any mechanism to promote cooperative work relations and to encourage investment in the construction industry?

Hon. M. M. GOULD (Minister for Industrial Relations) — I am pleased to advise the house that the Bracks government has established a consultative body specifically for Victoria's construction industry. The Building Industry Consultative Council delivers yet another commitment made to the Victorian people in our election policy. We are delivering on our election commitment that we would establish an industrial relations consultative committee for the construction industry. That was to ensure that the government became an active partner in creating employment opportunities and investment for Victorian businesses and the community.

Accordingly, the object of the council, as set out in its charter, is to promote an environment that will stimulate building activity and jobs growth for Victorians — more than you lot opposite ever did! The council comprises representatives of employers, investment bodies, unions and government. It provides a forum for open discussion on economics as well as industrial relations. It also plays a key role in providing a forum that promotes and showcases projects that adopt best practice in the building industry.

The council also has the advantage of being chaired by Mr Bob Merriman, a former commissioner of the Australian Industrial Relations Commission. Mr Merriman has an excellent understanding of the construction industry. He is well respected by the stakeholders on the council. The council had its first meeting on 19 April, when the key issues facing the industry and a number of potential initiatives were openly discussed.

The government is committed to the council's growing the building industry. I look forward to working with it and seeing how it encourages investment in the state. It is the proper way to go in the building industry, not like the way you and the federal workplace relations minister, Mr Abbott, approached it last week.

Electricity: winter power bonus

Hon. PHILIP DAVIS (Gippsland) — My question is directed to the Minister for Energy and Resources. The benefits of electricity reform were shared by all Victorian households and small businesses through the \$60 winter power bonus in the three years leading up to the scheduled introduction of full retail competition on 1 January 2001.

As the government has deferred the benefits of full retail competition for at least another year, as it is affordable within the budget and as it is mean-spirited to scrap it after three years, will the government reinstate the \$60 winter power bonus?

Hon. C. C. BROAD (Minister for Energy and Resources) — I welcome the opportunity to remind the house yet again of the previous Kennett government's actions not only in privatising the state's electricity industry but also in providing the so-called winter power bonus from the proceeds of privatisation as a clearly identified one-off payment to try to bribe Victorians into supporting privatisation, which they clearly did not — which is the reason honourable members on that side are on the opposition benches!

The so-called winter power bonus was paid to all Victorians regardless of their circumstances and regardless of how many houses they owned — whether in Toorak or anywhere else. It clearly shows that the payment had nothing whatsoever to do with assisting Victorians with their power bills. It was not a concessional payment in any way, shape or form; it was a straight-out bribe to Victorians to accept privatisation — and it failed. The previous government made it perfectly clear in the last budget delivered by Treasurer Stockdale that — —

Honourable members interjecting.

The PRESIDENT — Order! I cannot hear the minister. She is not being helped by either side of the house. The minister, in conclusion.

Hon. C. C. BROAD — The final budget of the Kennett government, delivered by Treasurer Stockdale, made it clear that the payment was not to continue beyond last winter. The call for this government to continue to pay the bonus of the previous government, which it was not going to continue, is patently ridiculous.

Rail: port of Geelong link

Hon. E. C. CARBINES (Geelong) — Will the Minister for Ports advise the house of the outcome of

the government's actions to secure the upgrade of rail infrastructure in the port of Geelong?

Hon. C. C. BROAD (Minister for Ports) — I am pleased to advise the house that the result of the government's action is a \$3.76 million upgrade of rail infrastructure into the port of Geelong that will provide standard gauge rail access to Graincorp's Geelong grain terminal, making it more competitive with other Victorian and interstate ports. Construction of the facility is to commence in August and be completed before February 2002.

The project involves a true partnership with industry. The Bracks government has provided \$1.86 million from the Regional Infrastructure Development Fund, Graincorp is contributing \$1.4 million and the Australian Rail Track Corporation is contributing \$500 000. That investment again demonstrates that the government is delivering now and for the future of rural and regional Victoria. I stress that the commitment is in addition to the investment by the government of \$96 million for the standardisation of regional railway gauges, as announced in last week's budget.

By contrast, yesterday's federal budget demonstrates that the Howard government has failed to follow the Victorian government's lead and has made no effort whatsoever to rebuild rural and regional infrastructure or to build vital links between country towns, cities and ports.

This government estimates that the combination of the standardisation of the rail gauge and the implementation of the open access regime will result in significant savings in grain freight costs. Importantly, in addition, the transfer of freight to rail will also reduce road maintenance costs, greenhouse gas emissions, particle emissions, noise impacts and accident costs. The government is continuing to develop business cases in partnership with industry for provision of standard gauge rail access to Corio quay and Lascelles wharf.

Unlike the Howard government, which is focusing on the short term with no vision for a better Australia, this infrastructure commitment shows that the Bracks government has a vision for the future and is delivering now for that future.

Industrial relations: building industry inquiry

Hon. W. R. BAXTER (North Eastern) — I was delighted to hear the reference by the Minister for Industrial Relations to best practice in the building industry in her answer to the question from the Honourable Dianne Hadden earlier. In view of those

comments, will the minister undertake to cooperate with the proposed federal inquiry into the building industry?

Hon. M. M. GOULD (Minister for Industrial Relations) — I refer Mr Baxter to my response to a question yesterday about this government's view of the Office of the Employment Advocate's report to the federal minister for workplace relations. I indicated that that office had been brought into question on two separate occasions, once before the Federal Court and once before the Australian Industrial Relations Commission.

In my answer yesterday, I indicated that the government in Victoria, supported by the governments of New South Wales, Queensland, Tasmania and Western Australia, believes that was nothing more than a political stunt and that the government ought to concentrate on addressing the issues of the collapse of HIH. I have made the government's position on this perfectly clear: it is a political stunt, and that is all it is. I have indicated in my answer to the question today that the proper way of dealing with the building industry — —

Hon. W. R. Baxter — On a point of order, Mr President, I noted the minister's answer yesterday and I have taken that into account. My question was: will she cooperate with any federal inquiry? I would like an answer to that — or is she telling me that the answer is no?

Hon. M. M. GOULD — I have answered the question quite clearly. As I indicated last week at the workplace relations ministers conference, if the Office of the Employment Advocate has any facts about any issues that it claims show corruption in the building industry, they ought to be forwarded to the police. That is an appropriate way to act.

Budget: Commonwealth Games

Hon. JENNY MIKAKOS (Jika Jika) — In light of the recent state budget, is the Minister for Sport and Recreation able to explain to the house what commitments have been made and how those commitments will assist in Victoria's preparation to host the 2006 Commonwealth Games?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — The budget allocation for the 2006 Commonwealth Games has already started coming through this financial year. I am happy to advise members of the house of the works that this government is undertaking for the Commonwealth Games. In this financial year the government has

allocated in the order of \$19 million, which will include the allocation to the operational expenses of the organising committee as well as the programming facility requirements for the games village, the Melbourne Sports and Aquatic Centre, Melbourne and Olympic parks, and a new training velodrome.

The Melbourne 2006 Commonwealth Games Organising Committee has been established to organise and conduct the games. In addition — I want to clarify this for members of the house because they will need to know it if they really want to have some input into the games — the state government is directly responsible for the provision of a range of services and facilities for the games.

The Commonwealth Games-related activities over the next 12 months that need to be developed and finalised include the finalisation of the budget; the development of the marketing program; the selection of the developer for the games village; the finalisation of the sports program; the finalisation of all the venues and other infrastructure requirements; the establishment of government services; the scoping of the arts and cultural festival; the contribution we will make in the closing ceremony to the Manchester 2002 Commonwealth Games; the establishment of an environmental program; the development of a number of the minor sporting venues; the recruitment of middle management; and some general operational planning.

We are working towards a tremendous occasion. One of the great things about it is that it will give sport in Victoria a great dynamic to work towards, and the infrastructure built for sport in this state will be a long-lasting community benefit.

One of the great elements will be the games village development that will be used to house more than 6000 athletes and officials.

Honourable Members — Where?

Hon. J. M. MADDEN — I will get to that, if you would like to listen, rather than conducting yourselves like hooligans on the terrace!

Following the games, that village will become a dynamic mini-suburb for approximately 1000 people. The development of the Commonwealth Games village provides a great opportunity to develop and showcase to the world innovative social and environmental design and building practices. Opposition members should be interested in this component, even if they are not interested in sport. I understand why the issue may not interest them — although they may have been involved in the initiation of the games bid, they may never have

the chance to be involved in its development! The state government has made a commitment to allocate more than 20 per cent — —

Hon. E. G. Stoney — On a point of order, Mr President, the daily program of the house calls for questions without notice to last for 20 minutes commencing at 2 o'clock. I submit that the minister has not been asked a question without notice but a question about which he has had considerable notice. The minister has a prepared answer. I ask that we move on to the next question.

An honourable member interjected.

The PRESIDENT — Order! That is not right. The orders allow for 20 minutes for questions and that time is extended at the discretion of the Chair. Normally, just about invariably, it is extended unless there are extraordinary circumstances which cause me to conclude question time, as happened the other day when I got a bit upset.

The honourable member raises a point about the use of an alternative form of the house — that is, ministerial statements where the honourable member can wax eloquent about issues such as this and in which the whole house is no doubt interested. That would then put it in a form to which the house can respond. I therefore offer that to the minister for consideration. No doubt the minister will now wind up his answer.

Hon. J. M. MADDEN — I am sorry if I am excited about the prospect of the 2006 Commonwealth Games when the opposition is not, but I can understand it. I will sum up because I appreciate that it might hurt the opposition to have to listen to this.

Hon. T. C. Theophanous — On a point of order, Mr President, I have noticed that discussions are taking place between Mr Hallam and a member of the press gallery on an ongoing basis. This is not the first time that has occurred. It is not allowed under the rules of the house and I ask you, Sir, to ask them to desist.

The PRESIDENT — Order! There is no specific rule against it. I have observed a number of ministers speaking to the press. It is an undesirable practice, particularly during question time. No doubt Mr Hallam has taken notice of that and other honourable members will also take notice of it.

Hon. J. M. MADDEN — As I say, I am very excited about the prospect of staging the Commonwealth Games in Melbourne. However, one of the key elements of the project as I mentioned on a number of occasions — it would be good for opposition

members to appreciate this — is that following the games, 20 per cent of the games village development will be used for social housing, primarily for the elderly and the disabled. Also, an interdepartmental committee has been set up to provide advice to the government about the games village, scoping the requirements for the village and also scoping a comprehensive tender and evaluation process of the preferred site at Parkville.

One of the most significant elements of the games is the opportunity to develop new infrastructure as part of the Melbourne Sports and Aquatic Centre, which members of the opposition have asked about. The games offers an opportunity to develop a new and additional competition pool for the facility as well as an additional water-leisure component, which will help ongoing funding for the centre. Overall, the 2006 Commonwealth Games will provide a significant opportunity not only to showcase the state and enhance its sporting infrastructure but also to provide a long-lasting community benefit.

Answer ordered to be considered next day on motion of Hon. I. J. COVER (Geelong).

Tobacco: under-age sales

Hon. M. T. LUCKINS (Waverley) — I refer the Minister for Small Business to the on-the-spot fine of \$200 issued to Ken Stringer, the proprietor of Sunbury Cellars, on 9 May in a fizgig sting for selling cigarettes to a minor. The young person was wearing trousers, a shirt and tie. He was sent in, unaccompanied, by municipal council officers, despite prominent signs prohibiting entry by anyone under 18 years. Does the minister condone the use of older-looking students not wearing school uniform to entrap the small business and liquor store operators she purports to represent?

Hon. M. R. THOMSON (Minister for Small Business) — Recently this house debated the use of tobacco in the community and the importance of discouraging young people from smoking. The only way to ensure that smoking does not become a lifelong practice is for people to learn early that they should not take up smoking. A component of doing that involves the question of under-age people having access to cigarettes.

All honourable members abhor the notion that our children and their friends may have access to cigarettes. It is important that all business operators make themselves aware of to whom they are selling cigarettes and that they seek to verify identity and age when providing cigarettes to possible minors to ensure that they do not fall into that trap.

It is important they make themselves aware of the things they need to look out for in relation to selling cigarettes to under-age potential smokers and do everything in their capacity to ensure they are not selling cigarettes illegally.

Small business: bankruptcies

Hon. R. F. SMITH (Chelsea) — I ask the Minister for Small Business to inform the house of any recent data she is aware of concerning small business bankruptcies in Victoria.

Hon. M. R. THOMSON (Minister for Small Business) — This is a very serious issue. No honourable member would like to see an increase in the number of small business bankruptcies. Bankruptcy data is very relevant to small business because it reflects on businesses with a turnover of \$1 million or less; larger enterprises tend to be dealt with by a liquidator or put into receivership.

Dun and Bradstreet recently undertook a survey on bankruptcies and the way that small business has fared in recent times. Referring to the figures for the first quarter of 2001 compared with those for the first quarter of 2000 the organisation described the recent 32.9 per cent jump in bankruptcies across Australia as ‘reflecting the first casualties of the new taxation system’. The survey also shows a 22.2 per cent rise in bankruptcies for the first quarter of 2001 compared with the previous three months, which represents the small business victims of the new tax system.

Honourable members interjecting.

Hon. M. R. THOMSON — No, but at least in Victoria — —

The PRESIDENT — Order! The house needs to hear the minister’s answer. I ask honourable members to settle down to enable her to complete it.

Hon. M. R. THOMSON — At least in Victoria, due to the Bracks government’s policies, we have seen the smallest rise in bankruptcies compared with any other state. The Victorian figure for bankruptcy increases from the last quarter of 2000 to the end of the first quarter of 2001 was 17 per cent. That is 17 per cent the government would prefer not to see. No wonder Dun and Bradstreet has criticised the federal government! I will quote that organisation again. It states:

The simplified BAS doesn’t cut it at all ... it has got to be reviewed to take into account the cash-flow issues businesses are now facing ... and [the federal government should

review] the penalties for not paying their tax on time, to give them some relief.

This tax, which members opposite supported, is sending small businesses to the wall.

Hon. K. M. Smith — On a point of order, Mr President, since the minister rose she has spoken about the faults of the federal government. Question time is for questions to be asked regarding state government administration. The question she is answering was out of order and the answer she is giving is also out of order. I ask that the next question be put.

The PRESIDENT — Order! The question was basically about bankruptcies, and bankruptcies have many causes. The minister is putting one proposal to the house, and although I am sure there are many others that could be put, I cannot rule it out as being irrelevant to the role of the Minister for Small Business in this state.

Hon. M. R. THOMSON — The Victorian government has taken into account the concerns of small business in the decisions it makes. The budget it brought down will encourage small businesses to grow, and the Better Business Taxes package has been welcomed for small business by business organisations.

By contrast the federal government has offered nothing to small businesses in its budget — absolutely nothing! It is time the Howard government followed the example of the Victorian government and actually delivered to small business.

Petrol: substitution

Hon. BILL FORWOOD (Templestowe) — I refer the Minister for Consumer Affairs to M and C Petroleum at Hoppers Crossing, which was fined \$6000 in the Melbourne Magistrates Court on 19 April for selling over 5000 litres of unleaded petrol from a leaded-petrol bowser over, on the minister's own prosecutor's statement, a six-week period. The minister's department tested fuel at those premises on 30 January, and further tests took place on 8 and 21 February, but for over six weeks it allowed M and C Petroleum to continue to sell dodgy fuel. My question is specific: is the minister satisfied with the performance of her department on this matter?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — There have been a number of problems and issues associated with M and C Petroleum, some relate to petroleum products being put into wrong tanks. Four tanks were tested by Consumer and Business Affairs Victoria over a period. The state government is doing

all it can to ensure it takes random samples of fuel around Victoria. Previously in this place we have talked about excise avoidance and the federal government's responsibility in relation to that.

In relation to M and C Petroleum, undertakings were given by the proprietor to rectify the problems he had with his tanks. Tests were resubmitted and done in relation to that. There were a number of problems with the tanks. We have discussed the problems with diesel fuel, and the diesel bowsers are still locked because the clean-out has not been appropriate.

In relation to the leaded and unleaded fuel, we needed to ensure that the tests we did were accurate. Samples are sent outside to laboratories to be tested, and we await those responses. Preliminary tests are done and subsequently a second sample is taken and analysed. Action was taken to ensure that we could win a case in court, and prosecution success was vitally important.

Industrial relations: commonwealth act amendments

Hon. S. M. NGUYEN (Melbourne West) — I ask the Minister for Industrial Relations to explain how the additional industrial relations information and advice services proposed by the Bracks government compare with the federal government's budget announcements in this important area.

Hon. M. M. GOULD (Minister for Industrial Relations) — I thank Mr Nguyen for his question because I know he is committed to ensuring that workers in this state are protected and receive appropriate information.

As I advised the house last week, the Bracks government has announced the provision of new information and advice services in relation to industrial relations matters to be introduced over the next year. This is despite the fact that the previous Kennett government washed its hands of industrial relations by referring the powers to the federal government back in 1996. Since then information services provided by the federal government have been substandard.

Honourable members on that side of the house, especially those from the National Party, know that their constituents are concerned about the lack of information available to assist them in running their businesses appropriately. The Fair Employment Bill would have provided a fair and comprehensive solution to that problem. But even without the bill we have committed to providing assistance to fill the information black hole created by what the federal

government and the opposition did in not allowing the federal government to inspect in areas covered by schedule 1A of the federal Workplace Relations Act.

The federal Minister for Employment, Workplace Relations and Small Business, Tony Abbott, announced back on 14 March, two months ago, that he would be legislating to improve compliance and enforcement arrangements for Victorian workers and for outworkers. He said he would increase compliance in the underfunded Wageline area covered by the federal ministry. But what was in the federal budget handed down last night? Nothing! Two months ago the minister announced that he would improve compliance and improve enforcement mechanisms, which are already underfunded and the officers are so overworked that they cannot respond to requests by employers, but what do they get in the federal budget? Absolutely nothing. There is no increase except for a CPI increase, so they are increasing the workload and will not increase the funding.

This shows yet again how mean and stingy the opposition and its federal colleagues are and that they will not ensure the protection of workers in this state. By contrast this government is committed to improving services and restoring fairness in the state, despite the unhelpful efforts of the Liberal and National parties.

QUESTIONS ON NOTICE

Answer

Hon. BILL FORWOOD (Templestowe) — I raise an issue with the Minister for Energy and Resources in relation to question on notice no. 1451 asked in this place on 20 March. I wrote to the minister about the matter on 18 May, and I wonder if the minister could explain to the house why this question has not been answered.

Hon. C. C. BROAD (Minister for Energy and Resources) — The question was asked of me on behalf of the Minister for State and Regional Development. I have made inquiries of the minister as to why this question has not been answered, and I am assured by the minister that he will have an answer available for the member tomorrow.

Hon. Bill Forwood — Thank you very much.

STATE OWNED ENTERPRISES (AMENDMENT) BILL

Second reading

Debate resumed from 15 May; motion of Hon. C. C. BROAD (Minister for Energy and Resources).

Hon. D. McL. DAVIS (East Yarra) — The opposition does not oppose the State Owned Enterprises (Amendment) Bill, which flows from a series of changes made over the past decade to make the Victorian and Australian economies more effective and competitive in a number of ways. The bill aims to ensure that state-owned enterprises operate in the public interest in a competitive but neutral environment where appropriate competitive pressures are equal so far as is achievable between the private and public organisations competing within a particular marketplace.

The Victorian government has had a similar regime in place, but the bill introduces a national regime where a national tax equivalent regime (NTER) is introduced to ensure similar arrangements operate so far as is possible in every state of Australia.

The bill maintains a number of powers that enable the Treasurer, hence the state government, to act in the public interest where it is deemed to be appropriate, but in general ensures that a regime administered by the Australian Taxation Office is in place to ensure tax rulings and decisions relating to taxation, including audits and examinations of arrangements by state-owned enterprises listed in the schedule — I will refer to them later — operate on the same basis throughout the country.

Victoria has had a system that allows those examinations to occur, but it is believed to be more suitable, equitable and even across the national economy to ensure that the one body — in this case the Australian Taxation Office — undertakes the examinations and arrangements as a delegated power from the state government. I emphasise that it is a delegated power. The proposed system will achieve a more even and fair arrangement.

The bill should be seen in the context of the broader reforms flowing from the Hilmer recommendations and other changes during the past decade that put in place a number of arrangements to ensure that a range of state-owned and government business enterprises operate in an environment that is as close as practicable to the equivalent private organisation. I note the proposed list of entities includes the Melbourne Water Corporation, City West Water, South East Water, Yarra Valley Water, the Transport Accident Commission, the

Urban Land Corporation, the Rural Finance Corporation, State Trustees Ltd, STL Financial Services Ltd, the Melbourne Port Corporation, the Victorian Channels Authority, the Victorian Workcover Authority, the Victorian Funds Management Corporation, Victorian Rail Track and the Overseas Projects Corporation of Victoria. Other entities may be added to the list in the future.

It is important that the Victorian economy is competitive, so far as is practical, while maintaining a focus on the public interest, and it is also important to realise that competition policy and other pro-competitive reforms need to be balanced against the public interest.

Budget paper 2 refers to competitive neutrality and the revised policy introduced on 23 October last year. I refer to the budget papers because they refer to the shared and largely bipartisan aims and objectives of ensuring the Victorian economy is competitive within the scope of ensuring that the public interest is always to the fore. Page 83 of budget paper 2 under the heading 'Competitive neutrality' states:

The new policy emphasises that if there is a potential conflict between policy objectives, then a public interest test process should be undertaken, involving public consultation, to consider the options to best meet all policies. Ultimately this may involve a partial implementation of a competitive neutrality measure, identification of subsidies or even an exemption from introducing the measure. However, the onus is on public sector agencies to apply competitive neutrality policy and to adequately document their compliance including any decision not to implement a competitive neutrality measure for any reason. This process should also result in a clarification of community service obligations or public good expenditures/subsidies associated with business activities. The policy requires that these community service obligations be transparently accounted for and justified by the public sector agency.

That policy is no different from the policies applied throughout the country and those followed by the former government. When we reviewed legislation in a range of areas and reviewed the behaviour in the marketplace of a range of government business enterprises and others, we were concerned to ensure that the public interest was to the fore. The aim was to begin with a regime that was competitively neutral as a starting place for examination, but it was important that where abhorrent outcomes and unfair consequences of any kind were likely to result the public interest could justifiably override competition policy, including the competitive neutrality aspect of competition policy, and the desire to have a neutral, pro-competitive environment in the state and national economies.

I do not see any difference. The section goes on to say:

The competitive neutrality policy also applies to local government, is consistent with the government's Best Value Victoria policy and will assist local government in developing best-value service standards for their significant business activities.

That applies across the national economy. We must ensure that the regimes that are introduced truly achieve competitive outcomes. I remain to be convinced about a number of policies the government is introducing, so I will watch them with interest. At the same time we must make sure that public interest matters are always examined fairly and even-handedly. The word that sums up the way it should be done is 'transparency'.

Where a competitively neutral situation does not exist or is not adopted by the examining authority or the review mechanism — be it an act, a marketplace arrangement or a narrow policy for a particular enterprise — we must ensure that the reasons are well justified and transparency is maintained. I make that point strongly, not only about the bill but also more generally. We must ensure that clear and powerful arguments are put to justify why on some occasions decisions are made in the public interest to override competitively neutral arrangements. The arguments will have to be open to refutation, and people will have to be given the chance to put variant viewpoints. It is important that that principle be maintained. I again emphasise that there are many occasions when the public interest will be found to override what might at first glance seem to be the best economic outcome.

The bill establishes a national tax equivalent regime, which falls directly within the Intergovernmental Agreement on the Reform of Commonwealth–State Financial Relations. A number of recent bills have fallen squarely under that intergovernmental agreement, and each state and the commonwealth has made the appropriate legislative and regulatory changes to fit in with it.

Victoria has been at the forefront in this area. The national tax equivalent regime will replace the current system, which has generally been seen to be fair and to have achieved good outcomes. Replacing our regime with one that is based on commonwealth tax arrangements will ensure there is consistency across the states, which will result in justifiable outcomes. Competition policy principles must be standard across the states. Because it is important that we make the arrangements, the coalition does not oppose the bill.

The future direction of competition policy in this and other, broader areas must be watched closely. While we always need to safeguard the public interest, we must understand that the public interest can also be

advantaged by having a competitive business environment that delivers good economic outcomes. Strong economic performance can deliver diffuse benefits, and often the results of changes made in line with competition policy and competitively neutral regimes can fall on small, narrow groups. Those groups should have every right to put their own justifiable views and to test to the maximum the process of assessing competition policy. They should have the right to question whether the broad economic benefits that have been gained outweigh any difficulties that result for individual groups or, in some cases, individual entities.

In that context, we must always understand that in many areas the benefits are diffuse. Although in many cases they can overwhelm the negatives of competition policy reform, because the costs fall on small narrow groups, there may be legitimate and justifiable arguments for compensation, restructuring and other arrangements that are socially responsible. We must be certain that there is always adequate competition.

I reiterate that this is part of a longer process. The bill, which will replace the current system and in so doing bring about consistency, will be administered by the Australian Taxation Office. Adequate checks and safeguards will continue to be needed to make sure that in certain cases the Treasurer can exercise discretion — but the end result will be that this process will continue.

The opposition understands the process, and was part of it. In that respect opposition members do not oppose the bill.

Hon. R. M. HALLAM (Western) — I begin by commending the Honourable David Davis on his insight on the bill. I also commend him, but a bit tongue in cheek, on his slip of the tongue when he described the bill as not being opposed by the coalition. That makes my contribution somewhat superfluous or hypothetical. I assure the chamber that National Party members also support the bill, and we do so on the grounds that were capably outlined by the Honourable David Davis.

Three reasons justify National Party support for the bill. The first is that the bill is a direct product of the reform of commonwealth–state relations. I should go just one step further than the Honourable David Davis and remind the chamber of the formality of the intergovernmental agreement (IGA) that was attached formally to the National Taxation Reform (Consequential Provisions) Bill, which was debated some time ago. It was signed by the Prime Minister and the premiers or chief ministers of all states and

territories, without exception, including the Honourable Peter Douglas Beattie. I use that example simply to illustrate that the agreement was unanimous across partisan political lines.

The agreement recognised the need to upgrade the formal relationship between the states and territories on the one hand and the commonwealth on the other. It is appropriate to remind the chamber of the fundamental tenets of the IGA, and I quote:

... the commonwealth, states and territories are in agreement that the current financial relationship between levels of government must be reformed —

and here is the important bit, and certainly the bit that the National Party supports —

to facilitate a stronger and more productive federal system for the new millennium ...

We all say amen to that. It further states:

... this revised agreement was made necessary by the changes to the commonwealth government's A New Tax System (ANTS) package announced by the Prime Minister on 28 May 1999 ...

It is also relevant to recall the objectives of this agreement, because much has been made of the Bracks government's stance in respect of it. When one strips away the political veneer I do not think anybody could argue with the objectives, which include:

... the achievement of a new national tax system, including the elimination of a number of inefficient taxes which are impeding economic activity ...

How could anyone argue with that? Indeed, to its credit the Bracks government commissioned the Harvey report to address that issue in its own backyard. I am on the record as saying that I am somewhat saddened at the extent to which the Bracks government was prepared to accept the recommendations of the Harvey committee, but I leave that issue to one side.

The objectives of the reforms set down to the agreement also include:

... the provision to state and territory governments of revenue from a more robust tax base that can be expected to grow over time ...

For good or ill, I have been here long enough to hear that argument many times over. I recall successive Treasurers complaining about the annual round-up — the requirement that representatives of the states and territories should head off to Canberra once a year with their begging bowls in a most unedifying process that is hardly elegant in anyone's terms. More particularly, it was absolutely impractical because it meant that the

states and territories found it almost impossible to implement anything that remotely resembled a decent plan of budgetary intention simply because they were effectively captured by what fell off the fat man's table in Canberra. That has nothing to do with partisan politics; it is a genuine complaint about a process states and territories were subjected to.

I also note that the objectives include:

An improvement in the financial position of all state and territory governments, once the transitional changes have been completed, relative to that which would have existed had the current arrangements continued.

Not only was it a deliberate intention that the states and territories would be granted access to a robust tax base that was expected to grow over time, but they were to be compensated for any shift in their budgetary position in the short term.

Honourable members have heard representatives of the government, including the Premier and the Treasurer, complain bitterly about the extent to which they have been shortsheeted with regard to the GST. It is appropriate to go back to the agreement under which the distribution arrangement is managed and reinforce that it puts those arguments in its commencement clause. It takes those arguments out of the ring because it is clear to anybody who puts a practical view on the terminology that all of the states and territories have been given absolute and total protection against a shift in their budgets as a direct result of the change in the taxing system.

The point is also made, again very early in the agreement, that all jurisdictions signed the agreement and all parties to it acknowledged the need to pursue ongoing reform of commonwealth–state financial relations. National Party members believe the bill is certainly worthy of support given that it heralds the end of the unedifying process that was a feature of the previous system, where representatives from jurisdictions used to head off to Canberra once a year to play the charade that that process became.

The second reason the National Party is happy to support this bill is that it fulfils a direct commitment under the same agreement — and again I go to the document that has become something of a bible in terms of the future direction of the government's structure. Under clause 24 of the schedule to the Intergovernmental Agreement on the Reform of Commonwealth–State Financial Relations there is a quite specific intention. Clause 24, which appears in the section headed 'Reciprocal taxation', states:

It is the intention of the parties to this agreement that a national tax equivalent regime (NTER) for income tax will be operational for State and Territory government business enterprises from 1 July 2000. It is also intended that the reciprocal application of other Commonwealth, State and Territory taxes will be subsequently implemented as soon as practicable.

Here is a very clear commitment as to the intention of the parties who signed that historic agreement. It was intended that a national tax equivalent regime be introduced; it was intended that that be operational from 1 July 2000 — and I want to come back to this; I have a question for the Minister for Energy and Resources — and it is very clear that the reciprocal application that underpinned the agreement to that point would be applied to other spheres of taxes as soon as practicable.

It is a very clear commitment that we would not only do something about the annual round-up that we complained about but that we would do something lasting about the relationship between the jurisdictions that make up our great commonwealth. On that basis, if on none other, National Party members were prepared not just to support the bill but to applaud its passage, because we have seen the extent to which this state in particular has been treated as a poor relation.

The third basis for our support of the bill was that it delivers — in part at least — on the concept of reciprocal taxation. That is to us a very important component of the taxing arrangements across the jurisdictions and levels of government. We agree wholeheartedly that our taxing structures need to be predictable, consistent and — I echo the sentiments expressed by the Honourable David Davis — transparent.

There is another component which, perhaps more than anything else, goes to the reason for our support — that is, we need to have a really good basis for comparison across state borders. If we are to get the best advantage available from this new adherence to the concept of contestability, we need to demonstrate that we are comparing apples with apples. If we are to get the best opportunities that come from our recognition of each jurisdiction as a separate unit, we need to know that they are all playing in the same ball game and with the same rules.

There is a very important basis for our support on that point. We have seen many examples where the comparison of tax rates and tax treatments across state borders provides enormous opportunities to get real discipline into the process. In addition, if there was one other compelling reason, it would go to a similar application in respect of the arrangements applying between the public and private sectors.

There would be an interesting debate in this chamber if I raised the question of privatisation. I would expect that members of this chamber to my left would register their criticism. But at the end of the day what we are really talking about — I think — is the application of contestability. I, like the Honourable David Davis, noted with some relish that the issue of contestability is overtly supported by the Bracks government. We hear again and again about the advantages that have been achieved through the privatisation — there is that terrible word again — process in the power industry. The Labor government is prepared to acknowledge that a whole range of good things have been derived from this new level of contestability. In fact, when I read the budget papers I see — as did the Honourable David Davis — several paragraphs relating to the concept of competitive neutrality and the extent to which the Bracks government is supportive of that concept.

Let us all start from the premise that whatever we might call it — whether it be privatisation or some form of partnership, or just some process by which the private sector is enticed to become involved in a project that hitherto was seen to be the domain of the public sector — and irrespective of what entices investment from the private sector, it is the contestability that brings the advantage. There is no doubt that the Victorian community has gained enormous rewards from a move away from the concept that the public sector had a mortgage on wisdom when it came to the provision of public services and infrastructure investment. No-one in this chamber subscribes to that theory any longer.

What we are really talking about is the point at which the pendulum is currently pointing. At one extreme is the notion that public sector infrastructure investment must of its very nature come from the public sector; at the other extreme is the notion that we should throw the door open to all and sundry and expect that the rules that apply in the private sector would give us all the protection we need. Obviously between those two extremes we might have a debate, but it is at the margin because we all acknowledge that it is important to introduce the issue of contestability and to grab the discipline that comes with it to the advantage of our community.

Again, what we are really talking about here is making the ground rules fair to all concerned in the new game. If we are to bring private contractors into the public sector arena and in larger numbers than had been there before, they need to understand how the rules apply, and we need to demonstrate to them before we should expect them to enter that they will not be disadvantaged.

Until now many of them would take some convincing because the public sector operators had a walk-up start in terms of tax treatment. They were exempt from a whole range of taxing measures. The traditional one that springs to mind is exemption from sales tax. It is not that long ago that municipalities in particular were exempt from sales tax and traded on that exemption. If we are to invite private sector operators to come into this arena we must ensure not only that we have the taxing rules fair to all comers, but that the private sector contractors that we are trying to win over are convinced that they are fair. So the concept of a national tax equivalent regime becomes incredibly important. It is the mechanism by which we get the best prospect of capturing the advantage of contestability. On that basis the National Party is fiercely supportive of the general concept conveyed in this bill.

We note that the bill applies at this stage to income tax only. What that does more than anything else is underscore how much more work needs to be done. I am seen to be something of a heretic in this field because I want to throw the door open to all the tax equivalents, and I have had the temerity to suggest that one of the things we should do is apply local government rates to public land. If we are to be fair dinkum about the notion of tax equivalents, we should be prepared to acknowledge that local government has been treated as a poor relation and been required on many occasions to deny its funding base simply because the land in particular circumstances is controlled by either the state or commonwealth government.

Municipalities in my province have the majority of their land held under public administration and the land is therefore remote from their rating formula. My point is that you cannot win this argument halfway. If we are to talk about tax equivalents, we should be prepared to bite the bullet. That is the first issue. We believe the question of capturing the concept of income tax is but the first step. I use the issue of local government rateability as a simple example of where we should be looking in the future.

The second point I make in that context is that this bill has absolutely no effect on the operation of Victorian government business enterprises. We are assured on that point simply because those government business enterprises are subject to a tax equivalent regime today. It just so happens that that scheme comes under the State Owned Enterprises Act 1992. I remember when that act was passed. I remember being involved in its structure. My point is that Victorian government business enterprises, insofar as the income tax law

applies, are already complying, which means that this bill, at least to some point, is somewhat hypothetical.

I will refer briefly to how this new regime will work. Firstly, each of the individual jurisdictions will determine which of their government business enterprises will be subject to the national tax equivalent regime (NTER), but it is expected by all those who are involved first hand in the debate to this point that all major contestable industries shall be included in that classification. So we would expect that the essential service industries such as gas, electricity, rail, ports and water would all be included as a matter of course. That is of fundamental importance if we are to capture the broad consistency of tax law application that I mentioned a moment ago.

Secondly, this new regime will be applied under the commonwealth income tax law, at least in theory — the only difference being that the tax incurred by individual government business enterprises will be payable to the owner government rather than to the Commissioner of Taxation. But beyond that, for all intents and purposes the income tax rules shall be the same and the payments shall be made to the government rather than to the commissioner.

We also note that the scheme is to be administered by the Australian Taxation Office. We consider that is quite appropriate. We note it is to be administered on a cost recovery basis. I will not make a thing of it, but I am a bit scared about this notion of cost recovery. I have learnt to raise a questionable eye about the concept of cost recovery in the past. I have seen some definition of cost with which I did not agree. By way of explanation, let me also say that in a previous profession I was a cost accountant. I suggest to any honourable member that if they would like to commission me on such an issue I could get them a whole raft of cost definitions that would suit their purpose. We have to be very careful about what constitutes cost in this recovery process, but nonetheless I believe it is important that we formalise the process to the point where the federal Commissioner of Taxation is involved. I am prepared to do no more than make a comment of caution in respect of the cost recovery.

I also note that the process is to apply from 1 July this year. That leads me to pose a couple of questions to the Minister for Energy and Resources, because when I refer to the document that is the genesis of the bill, I note that the parties to the agreement expected it to apply from 1 July 2000 — 12 months earlier. I would be pleased if in her response the minister commented on the delay that was involved. I also ask the minister to

turn her mind to the extent to which we should rely on all jurisdictions automatically including their government business enterprises. On my reading of the bill it is not clear how that can be relied on. I will not make an issue of it, and I would be satisfied if it is left simply to the good judgment of the jurisdictions. However, I would like to know whether there is any other form of discipline that will ensure that all are playing in the same game.

The other issue is the application of this regime to local government. I have two pointers which are significant and on which I ask the minister to report to the chamber. I refer in the first instance to page 83 of budget paper 2, which was presented to the Parliament last week and which states:

The competitive neutrality policy also applies to local government, is consistent with the government's Best Value Victoria policy and will assist local government in developing best-value service standards for their significant business activities.

That is a clear commitment that it will apply to local government. However, I note that paragraph 25 of the intergovernmental agreement states:

Local government organisations will be consulted with a view to making the NTER for income tax operational for wholly owned local government business enterprises from 1 July 2000 and including local government in the reciprocal tax agreement at a later date.

It is important to understand exactly how local government will be involved in national tax equivalents beyond income tax. I invite the minister to clarify the application to local government of both the concept of competitive neutrality and the formal agreement on the national tax equivalent regime. Beyond that, I report that the National Party is happy to support the bill.

Hon. T. C. THEOPHANOUS (Jika Jika) — I support the bill and acknowledge the support of the Liberal and National parties. The purpose of the bill is to amend the State Owned Enterprises Act as a consequence of the introduction of a national tax equivalent regime (NTER). All Australian jurisdictions have undertaken to establish this national tax equivalent regime under the Intergovernmental Agreement on the Reform of Commonwealth–State Financial Relations.

I refer to some of Mr Hallam's comments on the bill. I support what the minister said in her second-reading speech, that while the Bracks government is opposed to the commonwealth government's GST the Victorian government is committed to honouring its obligations under the intergovernmental agreement, which was agreed to by the previous government.

The bill is consistent with the national competition principles which were introduced by the previous federal Labor government and which were designed to ensure that where competition occurs it should be fair and based on well-understood principles such as competitive neutrality. That means there is a role for government to play in ensuring that competitive neutrality exists, particularly when it involves a private sector business competing with a government business enterprise (GBE).

As I said, it was deemed important at that time, and it is now accepted by both sides of politics, that where competition occurs across the private and public domain it ought to be based on principles of competitive neutrality. Therefore, the bill attempts to meet the obligations of the NTER to allow for that competitive neutrality to occur.

Where a government business enterprise would normally pay a tax were it a private sector agency, what is called a tax equivalent will apply to GBEs. It is hoped that that tax equivalent payment will benefit GBEs by bringing them under commercial tax disciplines and making them subject to principles of competitive neutrality.

It is important for the house to understand that the bill introduces a more uniform tax framework for GBEs in the first instance. That more uniform tax framework is important in ensuring that states do not forever go around introducing different legislative and taxation requirements for their GBEs to try to gain some sort of advantage over other states. That is the fundamental thinking underlying the bill.

Hon. D. McL. Davis — Or even for reasons of quirkiness.

Hon. T. C. THEOPHANOUS — Whatever the reasons, Mr Davis, the principle of competitive neutrality dictates that GBEs, where they are like businesses, should be subjected to the same level of taxation and the same taxation rules that apply around the country. It is an important part of what we now call federalism to try to bring them into some kind of federal framework. That is essentially what the legislation tries to achieve.

The major principles that will apply for NTER include the following: firstly, there will be broad consistency across major contestable industries such as electricity, water, urban transport, ports and rail; secondly, GBEs involved in NTER will remain exempt from commonwealth income tax but will pay a tax equivalent to what that tax would have been; thirdly,

the Australian Taxation Office will administer NTER on a cost-recovery basis; fourthly, all tax equivalent revenues of entities that are participating in NTER will continue to be paid to their own governments — in this case, the state government; and fifthly, NTER is scheduled to commence operations from 1 July 2001.

Those major principles were agreed to, and that is the purpose of the bill. Therefore, the bill repeals references to sales tax in the State Owned Enterprises Act from 1 July 2000, in that it no longer applies under commonwealth law. The bill also provides the Treasurer with the power to direct state-owned enterprises to comply with and withdraw from NTER as is decided by various state governments — in this case, Victoria.

The Honourable Roger Hallam has said that that will result in a more robust and predictable tax base. I agree with that notion. It means the appropriate level of tax equivalent payment can be calculated. It provides a degree of predictability in revenues to the states.

However, I make an important point about privatisation and how it has affected and will affect state revenues for a considerable time into the future. Privatisation was opposed by the Labor Party at the time of its introduction by the Kennett government. The Labor Party had many reasons for its opposition. One of the least understood reasons concerned the ongoing revenue forgone by the state government. Although I am happy to acknowledge that privatisation has resulted in a reduction in debt, it has come at a cost — that is, a significant loss of revenue. The notion commonly understood by the electorate is that the state government lost the dividends then being paid by the electricity and gas industries, and so on. That is the commonly understood version of the loss of revenue suffered by the state as a result of the privatisation of our GBEs.

The bill clearly highlights that another important form of revenue has been forgone, and that is illustrated in the notion of tax equivalent payments. This means the net beneficiary of the sale of Victoria's GBEs is the federal government. If the Victorian GBEs were still publicly owned, those tax equivalent payments would come to the state. The fact that they are now privately owned businesses means that they pay company income tax to the federal government and do not make tax equivalent payments to the state.

The millions and millions — if not hundreds of millions — of dollars in company income tax paid every year by all those privately owned businesses — TXU, Citipower and Powercor — is money forgone by

the Victorian taxpayer. The bill highlights that more than anything else. It shows that if the privatised businesses were still owned by the Victorian government it would be entitled to charge them a tax equivalent income tax payment, which, as Mr Lucas would understand, would be hundreds of millions of dollars — the amount of money being paid to the federal government.

When opposition members herald the great things they did as a result of privatisation one of the issues they never talk about is the shift in the income stream of tax from the state government to the federal government. It is a huge amount of money. Unfortunately I have not had the opportunity to go through all the company tax payments made by the various privatised electricity and gas companies in this state, but I am sure it is a significant amount of money. More importantly, honourable members can rest assured that under this measure every one of those dollars would have come to the state and would not have gone to the federal government.

The Honourable David Davis did not address that issue in his contribution. He is not interested in the loss of revenue to the state or concerned about the facts I have just outlined. Not only did the previous government sell a whole lot of industries, and as I said, as a result of selling them —

Hon. D. McL. Davis — I actually did deal with the matter!

Hon. T. C. THEOPHANOUS — If Mr Davis will listen, he will learn. As a result of the sale of the industries, those privatised companies are now making income tax payments every year to the federal government of what amounts to hundreds of millions of dollars. The bill highlights that those hundreds of millions of dollars going to the federal government would have been coming to the state as tax equivalent payments. There is at least one identifiable winner out of the privatisation of Victorian state-owned business enterprises — that is, the federal government, which is seeing its coffers filled as a result of the privatisation of government-owned enterprises.

It is a pity that the previous government not only allowed that to occur but did not succeed in getting tax compensation from the federal government. That makes its ability to manage with its federal counterparts one rank lower than was possible under even the previous Labor government. When the State Bank was sold by that government, compensation for additional income tax payable by the bank to the federal government was negotiated and paid by the federal government.

Hon. D. McL. Davis interjected.

Hon. T. C. THEOPHANOUS — If Mr Davis listens, he will learn. The same occurred with the sale by the previous Labor government of the State Insurance Office: tax compensation was paid.

The previous Kennett government sold Victoria's assets and did not negotiate a single dollar in tax compensation from the federal government to pay for that. The bill introduced by the government identifies the extent of the ongoing losses that are being suffered as a result of privatisation by the previous government.

Other points about the bill go to the impact on entities moving to the NTER. The bill provides that the transition for entities moving from a state tax equivalent regime to the NTER will be seamless. For example, the closing tax positions of entities under the state tax equivalent regime will be the opening tax positions under the NTER, and there will also be consistent tax treatment of transactions to expand the two regimes.

As I mentioned, the NTER is designed to promote competitive neutrality through the application of uniform tax laws between government-owned enterprises and their privately held counterparts. Accordingly, on a go-forward basis the tax laws applying in the NTER will in essence be the same.

A number of treatments will allow that to occur in a seamless way. It should be noted, now that Victoria's electricity and gas industries are privatised, that it is beneficial to those entities that their government-owned competitors in other jurisdictions face consistent tax laws. It is therefore to the benefit of Victoria's electricity industry and government business enterprises that there be consistent laws across the nation for the treatment of tax.

Under this legislation any advantages government enterprises might have had will not occur in the future. Those advantages include the treatment of customer contributions. Under NTER, customer contributions will be fully assessable in the year in which the income is earned and the assets mostly funded by customer contributions will be depreciable in accordance with the relevant tax law, so any advantages vis-a-vis private sector companies is removed by that mechanism.

It is also true that the tax-equivalent payments which will go to the state may affect the calculation of dividends and may even affect the amount of those dividends, in which case the dividend level would be adjusted on the basis of calculation of after-tax profit by each of the government business enterprises, or GBES.

That is consistent with the treatment of private sector companies.

The governments of each state will need to decide upon the level of those dividends, but the calculation of tax-equivalent payments will be a matter for NTER and so the adjustment will come later. It is expected that this will not significantly affect the revenue that comes to the government, merely the timing of that revenue and whether it comes in the form of a tax-equivalent payment or an adjusted dividend later on.

I am happy to support the legislation because it is consistent with what the Labor Party has attempted to do for many years — to try to bring about a national system of rules in both tax and other ways so that state governments do not vie with and attempt to undercut each other in ways that ultimately do nothing to help our federal system of government. It means that we can reasonably compare the performance, for instance, of government business enterprises in Victoria with that of government business enterprises in other states because they will be subject to the same taxation treatment and the same taxation rule.

I conclude by saying that the way we will be treating tax-equivalent payments as a result of the legislation highlights the potential level of payments that the state may well have received from now-privatised bodies. The simple way of determining that is to look at the level of company income tax payments to the federal government and to remember that every one of those payments would not have occurred — would be revenue for the state — had it not been for the privatisation of those enterprises by the previous government.

Be that as it may, it has occurred. The challenge for this government is to establish the rules and the right framework — a competitive framework but also one that is consistent across the states — to allow competition between both government business enterprises in various states and those government business enterprises and the private sector, competition which is based on the same ground rules and on the same agreement of taxation. From that point of view the house should applaud the legislation, as I am happy to support it on behalf of the government.

Hon. N. B. LUCAS (Eumemmerring) — I am pleased to speak on the bill, which, as stated by my colleague the Honourable David Davis, the opposition does not oppose. The bill arises because all Australian jurisdictions have come to an agreement to establish a national tax equivalent regime (NTER), and that of course is under the intergovernmental agreement on the

reform of commonwealth–state financial relations. Mr Theophanous — sadly, I think — has tried to turn this into a debate on the pros and cons of privatisation.

Hon. T. C. Theophanous — I have been trying to educate you!

Hon. N. B. LUCAS — In response to Mr Theophanous's attempt to educate the house, it is important for me to point out why the former government had to take some pretty tough decisions. It was as a result of the enormous debt run up by the Cain and Kirner governments during their terms of office. During those dark days the Cain and Kirner governments ran up a debt of \$33 billion. At the time of the change of government, the current account deficit for Victoria was in the order of \$2 billion in the red. In other words, we were broke. When something like that happens, tough decisions have to be taken.

I applaud the former Kennett government for all the work it did to turn the state's enormous black hole of debt around in such a relatively short time to get the state back onto the rails, to get it back to a AAA rating and to get its debt down over a period of seven years from \$33 billion to in the order of \$6 billion.

It was in that context that the State Owned Enterprise Act was first established. Indeed, when Alan Stockdale, who was to become Treasurer, was considering what action would need to be taken if the coalition won the election in 1992, he saw that a number of state-owned enterprises in Victoria had entrenched in their operations some long-term inefficient and outdated practices. Those organisations for which the then government was responsible needed to be turned around, because if they had been more efficient they would have been in a position to provide a better service to the state. However, Victoria was so far in debt ultimately they had to be sold off. That decision resulted in the privatisation debate the house had before it on many occasions during the term of the previous government.

When Treasurer Stockdale first raised the concept of state-owned enterprises legislation in 1992 it was about reducing state debt, making the enterprises more efficient and imposing a competitive element into what they were doing. The first part of the process was the corporatisation of those entities, and in many cases their privatisation and sale. That process proceeded over a period of years, and it is part of the state's history that as a result of the good work of Treasurer Stockdale the enormous debt of the state was significantly reduced.

It is important to have a competitive environment for entities that are producing, selling or moving around energy such as gas or electricity. The fact that competition was introduced in Victoria through the processes of corporatisation and privatisation allowed the state to get out of the black hole it was in. In turn that process needed to ensure that entities did not have an unfair competitive advantage in relation to similar entities, not only in this state but also in other states. Victoria has had a state equivalent tax regime administered by the state government since the 1992 bill became an act. Things have moved on since then, and following agreement by all other states there is now a commonwealth-wide agreement to ensure that a national tax equivalent regime operates and that all entities coming under it deal with each other on a similar basis in terms of their taxation responsibilities.

The Treasurer's second-reading speech points out the details of the bill and it would be illogical for me to go through them again. However, it is relevant to point out that each of the jurisdictions will be responsible for determining which of the entities within their particular areas are to be included under the NTER. Honourable members are already aware of a number of entities that have been nominated to come under that regime within Victoria.

It is important to note that the NTER applies commonwealth income tax laws to the operations of the entities to provide an equivalent tax regime. The Australian Taxation Office, which is the logical organisation to provide an unbiased overview, will be responsible for the administration of the NTER in this state.

The bill itself amends only one section of the original act, section 88, albeit in a number of places. I will not go through the detail of those amendments and simply state that it is important that Victoria now has a national tax equivalent regime because of the need for its state-owned enterprises to compete and compare on an equal footing with similar organisations in other places, each having prepared its figures and statements on a similar basis.

Those Australians particularly interested in the issue will be aware of the operation of these organisations and how they compare with similar organisations elsewhere.

The opposition does not oppose the measure, which builds on what has been in place for more than eight years. It is a logical step, and with the passage of this bill we will see the further development of the national regime across Victoria's entities.

Hon. S. M. NGUYEN (Melbourne West) — I support the bill, which is important when viewed in the context of the recent state budget. The aim of the bill is to enable the state to implement its commitment to establish a national tax equivalent regime under the Intergovernmental Agreement on the Reform of Commonwealth–State Financial Relations and to omit references to sales tax in the State Owned Enterprises Act.

Clause 3 is a major clause. It is important that a relationship is built between the state and federal governments so that the two work together for the benefit of the state and the nation. For that reason many honourable members are keen to see the bill adopted.

Page 117 of chapter 7 of budget paper 2 covers revenue and intergovernmental financial issues. The first point in the box at the beginning of that chapter says that as a result of the government's Better Business Taxes: Lower, Fewer, Simpler tax package, the government is delivering on its commitment to make the Victorian community more competitive.

The second point is that the government's capacity to ensure a competitive tax system is handicapped by the commonwealth's current approach to state finances, under which the Commonwealth Grants Commission has deemed that in 2001–02 Victoria will pay the highest per capita fiscal subsidy of any state. In Victoria that figure is \$968 million in aggregate, or \$200 for each Victorian.

The third point is that Victoria's revenue position in 2001–02 will be influenced significantly by the Intergovernmental Agreement on the Reform of Commonwealth–State Financial Relations. The third dot point also says that Victoria is not set to benefit from the GST in revenue terms until 2007–08. This is something the Victorian government wants to highlight on the intergovernmental financial issue.

Page 123 talks about the impact of national tax changes on Victoria. The intergovernmental agreement was signed by all jurisdictions in mid-1999 and has resulted in a substantial change in commonwealth–state relations since 1 July 2000. The states have been receiving GST revenue since the introduction of the tax on that date, but they have had to compensate the commonwealth in a lot of areas, such as helping to pay for the first home owners scheme.

It is also important to note that the state ministers meet with the federal Treasurer and the Prime Minister every March, and they have highlighted their concerns about the new tax system since its introduction.

The bill will assist in creating a better tax system. The grants received by the Victorian government from the commonwealth are a concern. I refer to the Ministerial Council for Commonwealth–State Financial Relations which at its second annual meeting on 30 March this year covered issues such as the estimates of guaranteed minimum amounts, the GST and budget balancing assistance payments to the states, and the concerns of Victoria, New South Wales and Western Australia about the February 2001 recommendations of the Commonwealth Grants Commission for the distribution of GST revenue and budget balancing assistance payments.

The ministerial council also discussed the new commonwealth scheme providing grants to first-home buyers and an interim performance agreement which has been developed with respect to the Australian Taxation Office administration of the GST, the cost of which is met by states and territories. The state is carrying all the costs of GST administration, which is impacting on the budget. Unfortunately, the state does not receive the full benefits of the GST until 2007.

The bill will make the system fairer and more equitable. Previous speakers have given some examples to the house and I will not refer to them. I support the bill.

Motion agreed to.

Read second time.

Third reading

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

That this bill be now read a third time.

I thank all honourable members for their contribution to the second-reading debate. The Honourable Roger Hallam raised several matters for clarification which I will address as succinctly as possible. Regarding the change to the commencement of the national tax equivalent regime (NTER) from 1 July 2000 to 1 July 2001, I advise that the Ministerial Council for Commonwealth–State Financial Relations, comprising the federal and state treasurers, decided unanimously in March 2000 to move the commencement date of NTER to 2001 for all jurisdictions. I understand it was to do with the pressure of other business at the time.

Regarding the discipline of what NTER excludes or includes in the regime, I am advised the NTER policy framework agreed by all jurisdictions provides that the treasurers have ultimate authority to decide what entities are included or withdrawn from the NTER.

However, the policy framework of the NTER also states there will be broad consistency in covering major industries such as electricity, gas, rail, ports and so on and all major government business enterprises.

All jurisdictions have put forward their list of entities that will enter the NTER from 1 July 2001 and they will include all major industries and government business enterprises across all jurisdictions.

Hon. R. M. Hallam — So they have all been nominated?

Hon. C. C. BROAD — Yes. Regarding local government competitive neutrality, I indicate that in line with the approach of Victoria, which operates a local government equivalent rate regime under the State Owned Enterprises Act, the Urban Land Corporation and Melbourne Water Corporation have paid local government rate equivalents in the past and that is the situation with the application of competitive neutrality. Regarding the application of the NTER to local government companies, Victoria is conducting a review of wholly owned local government business enterprises for possible inclusion in the NTER.

The timing of including local government business enterprises in the NTER where relevant is dependent on the commonwealth legislating to provide certainty that local government business entities that become companies will be exempted from the commonwealth income tax arrangements so as to avoid double taxation.

Hon. R. M. Hallam — Thank you, Minister — a good response.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

BENEFIT ASSOCIATIONS (REPEAL) BILL

Second reading

Debate resumed from 16 May; motion of Hon. M. R. THOMSON (Minister for Small Business).

Hon. C. A. FURLETTI (Templestowe) — It is with pleasure that the Liberal Party supports the Benefit Associations (Repeal) Bill which is a brief bill with the sole purpose of repealing the Benefit Associations Act 1958. The bill comprises five clauses, the substantive provision being clause 3 which states:

The Benefit Associations Act 1958 is repealed.

That is the bill. There is no fanfare, no great detail and no padding. It is concise and clearly effective.

Clauses 4 and 5 make consequential amendments to the Funerals (Pre-Paid Money) Act and the Financial Sector Reform (Victoria) Act by removing from those acts reference to the Benefit Associations Act.

The 1958 Benefit Associations Act consolidated legislation enacted from 1951 covering the operation of incorporated and unincorporated associations and entities that were carrying on business as benefit associations in areas such as sickness, hospital, medical and funeral benefits and some areas of insurance. These entities, which had been established over a period for the purpose of acting as actual or quasi-insurers, or in some sense cooperatives, were collecting funds from the public on a regular basis, sometimes over very many years, with the intention that those funds be available when future need arose to cover the cost of medical treatment, hospitalisation, funerals and the like.

It appears that in the late 1940s, and perhaps the early 1950s, a number of those associations went into liquidation and lost the money that had been collected from the many contributors. The perceived risk of more of those associations failing led to the enactment of state laws in the early 1950s to protect consumers, and in that sense that legislation was a forerunner to the consumer protection legislation that is so significant today.

The Benefit Associations Act required associations to either register under the provisions of the act or to seek exemption from registration. The act imposed obligations on the associations affected as to how they would collect, hold and identify trust moneys, and also provided for the supervision of the rules of the association. Exemptions were regularly granted.

In the meantime an overlay of commonwealth legislation was enacted, including legislation such as the 1953 National Health Act and the 1973 Insurance Act. In addition, federally controlled regulators of insurance companies and agents under the supervision and regulation of the Australian Securities and Investments Commission and the Australian Prudential Regulation Authority added a considerable amount of regulation and control for many of those entities. They managed to adequately supervise the benefits industry and no association was ever sought to be registered under the Benefit Associations Act, because such prospective organisations had either gained exemptions or registered under those other commonwealth or state regulatory bodies and there was no need to do so.

It was for the purposes of funeral benefit associations and because of the need to establish specific legislation that the Funerals (Pre-Paid Money) Act of 1993 was introduced by the previous Liberal government.

As I said, the Benefit Associations Act was never utilised for the purposes for which it was enacted. It has been rendered obsolete by the introduction of those other regulatory schemes and controls.

The opposition supports the bill on the basis of assurances received from the government that all funds, schemes, entities and vehicles that may have been affected by the Benefit Associations Act — I understand there is a total of two — have been wound up and liquidated. Accordingly there is no prospect of there being any difficulties with any of these funds or organisations falling through the cracks, as it were, as a result of the repeal of the bill.

The Liberal opposition urges the government to conduct a review of all legislation to seek to remove redundant laws and to consolidate acts that require it. The opposition is always pleased to support any effort to reduce the size of the statute book by the removal through repeal of obsolete and redundant legislation. I suspect the government's initiative to engage in a consolidation of legislation would be welcomed by the legal fraternity and by most other Victorians. It is now almost 50 years — not since 1958 — since a total consolidation was conducted.

The opposition urges the government to commit itself to that type of process. The bill is brief, and I am therefore pleased to have made a brief contribution. I wish the bill a speedy passage.

Hon. E. C. CARBINES (Geelong) — I am pleased to speak on the bill, which is brief. The Bracks government is committed to removing redundant legislation from the statute book. The bill seeks to repeal the Benefit Associations Act of 1958, which applies to associations that have carried on the business of providing sickness, hospital, medical or funeral benefits in Victoria. Some 43 years later, the bill acknowledges the fact that no associations have ever been registered under the act, so it is indeed obsolete.

For many years the businesses and activities that were intended to be regulated under the Benefit Associations Act have been regulated by commonwealth legislation. It is interesting to consider some of the reasons for the act and its predecessor, the Benefit Associations Act of 1951. When reading the second-reading speech I was interested to learn about the controversy associated with the funeral industry in the late 1940s and early 1950s,

and, in particular, the unscrupulous undertakers who abused the prepaid funeral benefits schemes. I am advised that it was common for the elderly to be unsuspectingly solicited to enter into those schemes, to which they contributed a significant proportion of their pensions supposedly to pay for their eventual funerals.

It is a sad fact that after many years of contributing many of those pensioners received no benefits from the schemes. The second-reading speech details cases of funerals that were substandard and therefore well below the value of the contributions made. People were forced to put in even more money to provide decent funerals for their deceased family members. That is an indictment of the prepaid funeral industry of the early 1950s. Today it is hard to imagine such callous exploitation of some of Victoria's most vulnerable people — its pensioners.

It is through regulation that the predatory practices of the prepaid funeral industry midway through last century have been wiped out. Today the funeral industry in Victoria is vastly different from the industry portrayed in the second-reading speech — and so it should be.

The Funerals (Pre-Paid Money) Act has ensured that the prepaid funeral industry has been tightly regulated. The act prescribes the need for contracts to be in writing, with conditions stipulating that prepaid moneys need to be invested. It is a more appropriate regime for ensuring that people who enter into prepaid funeral schemes are not ripped off.

It is interesting to examine the current state of the Victorian funeral industry. People who work in the industry are often the butt of bad-taste jokes, but following a recent funeral in Geelong I was impressed by the sensitive way those involved dealt with grieving relatives. I am also impressed by the way the funeral industry invests in local communities. The operators of funeral parlours in Geelong involve themselves heavily in the local community. Last weekend a funeral home in Geelong held a ceremonial planting of trees for life along the Bellarine railway. Last year the industry sponsored an art exhibition dedicated to celebrating the role of carers in the Geelong region. As I said, it is good to know the funeral industry has been cleaned up in the past 50 years.

It is essential that benefit schemes are regulated to protect the interests of contributors. The disastrous national collapse of HIH Insurance highlights the need for proper prudential supervision.

Because the associations that were to be covered by the Benefit Associations Act are covered by other legislation, the act is now redundant. The bill recognises that, and its passage will remove the act from the statute book. As I said, this is a brief bill, so my contribution has been brief. I commend the bill to the house.

Hon. R. M. HALLAM (Western) — The bill is brief, and I intend to match that brevity in my contribution. The National Party is happy to support the bill, given that the act to which it relates is clearly obsolete. In the view of National Party members, it makes good sense to clean up the statute book. Along with the Honourable Carlo Furretti, I urge the government to continue its trawling of the statute book. I also assure the government that it can rely on the support of the National Party in repealing any redundant legislation.

The bill will repeal the Benefit Associations Act. The house has been told again and again that the concept underpinning the act goes back to 1951, when Parliament agreed to pass legislation to protect participants in prepaid benefit schemes.

We learnt from the debate at that time that some of the schemes turned out to be bogus or ineffectual to the extent that management fees were consuming the instalments. In those days some shysters were offering long-term instalment schemes that were designed to provide their contributors with future benefits, some relating to hospital and medical services, but the most common relating to funeral services.

The debate in the chamber at that time highlighted the extent of the problems. Apparently there were some crooked promoters. In some instances both the promoter and the funds disappeared into the ether, and in other cases no funds were ultimately available, despite years of faithful contributions. We also learnt that some pretty shoddy services were provided at the end of the process. It seems that at that time there were some smart operators who were preying on vulnerable people who were relying on nothing more than the comfort of knowing they had put sufficient aside to enable them to go out in a bit of style, or at least not to be a burden on their families.

The bottom line is that the act which came into being at that time required that the schemes be registered and that the funds lodged with the schemes be held in trust and be subject to supervision. As has been noted by previous speakers, clearly the act has been overtaken by both federal legislation and legislation subsequently passed in this state.

In something of a quaint twist to this legislation it is now confirmed that there are no schemes currently registered under the act and that there have not been for many years. That does not necessarily mean that the act was not effective, because we have learnt that some schemes were granted exemption on the basis that they would become registered under other legislation — in other words, the act was used as a blunt instrument or as some sort of threat to achieve compliance with the administration of the schemes.

In any event, the act I am speaking of is now no longer required because it is obsolete and irrelevant. On that basis the National Party is happy to support its repeal.

Hon. S. M. NGUYEN (Melbourne West) — I would like to follow my colleagues from both sides of the house to speak in support of the Benefit Associations (Repeal) Bill. Although it is a straightforward and simple bill, it is important for people who need to use prepaid services.

The Benefit Associations Act, which was enacted a long time ago — in 1951 — was introduced to combat a perceived lack of regulation of prepaid benefit schemes. The legislation applies to benefit associations that are in the business of providing funeral, sickness, hospital and medical benefits, and so on.

Today in many places we can see advertisements for prepaid funerals for people wanting to organise their funeral services before they die, especially elderly people wanting to save their money so they can pay and get things organised in advance. In the past sometimes the services provided were not what was expected and families had to pay extra to meet the wishes of their parents or other family members.

It is important that the industry be tidied up and controlled. Now more and more people want to look after their own arrangements rather than leaving them for their children or other family members. Often when someone dies suddenly their family members do not have the money to organise their funeral service and the burden is carried over to the families. As I said, many people want to look after themselves while they are alive and can afford to make arrangements.

In many Asian communities funeral services are culturally important and people from those communities often go to funeral organisations asking to make prepaid funeral arrangements. People not only in the mainstream community but also in ethnic communities want to arrange their funerals in keeping with their culture, and to choose cemeteries that are close to their community groups and so on.

As I have said, this bill is very straightforward. It tidies up and regulates the legislation to meet the demands of the community, especially those people who organise and prepay their funeral services before they die. I support the bill.

Motion agreed to.

Read second time.

Third reading

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

That this bill be now read a third time.

I thank the Honourable Carlo Furletti, the Honourable Elaine Carbines, the Honourable Roger Hallam and the Honourable Sang Nguyen for their brief but valued contributions in support of the bill.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

HEALTH SERVICES (HEALTH PURCHASING VICTORIA) BILL

Second reading

Debate resumed from 15 May; motion of Hon. M. M. GOULD (Minister for Industrial Relations).

Hon. M. T. LUCKINS (Waverley) — The opposition does not oppose this bill despite having reservations about the implications of centralising all health purchasing in Victoria. I will be raising the concerns of the Liberal Party about propriety, the detrimental effect on small businesses and the disadvantages for rural and regional hospitals under the proposed regime.

The bill requires all public hospitals in Victoria to order goods and services centrally rather than offering them the opportunity to maintain autonomy by opting in should they assess this to be a desirable outcome for purchasing for their hospitals.

I will also raise concerns about the advertising of board positions, for which applications closed before the bill was even debated in Parliament, which is inappropriate and shows a disdain for the authority of Parliament.

The bill establishes Health Purchasing Victoria (HPV) to administer the purchase of goods and services for health and related services for all public hospitals in Victoria. The government tells us that it estimates that more than 30 000 items from 2500 suppliers are currently purchased by hospitals through contract and tender arrangements. The expenditure of the 12 metropolitan hospital networks and 74 rural services is estimated to be \$750 million per annum.

The bill follows recommendations made by the Ministerial Review of Health Care Networks chaired by Professor Stephen Duckett, who is a noted economic specialist in the health sector. The review made a number of recommendations. Recommendation 29 was that the government should mandate that from 1 July all hospitals will purchase a specified range of pharmaceuticals and general medical supplies according to approved contracts. The recommendation was that that should be predicated on the establishment of mechanisms to ensure that the purchasing contracts reflect the needs of the field and that the purchasing agency or agencies meet agreed performance standards on price and responsiveness.

Recommendation 30 was that the Department of Human Services should establish a task force with the industry to examine the best possible model for establishing centralised purchasing for the health sector and to make implementation recommendations to achieve the 1 July 2001 start-up date.

Recommendation 31 was that the Department of Human Services should review the opportunities available to build on existing structures and centres of proven performance in developing the Victorian centralised purchasing framework. Finally, recommendation 32 was that section 42 of the Health Services Act should be amended to authorise the making of statutory directions for centralised purchasing arrangements.

As the second-reading speech notes, in August 2000 the procurement reference group was established as a subcommittee after the ministerial review to investigate implementation options in line with the recommendations made in the Duckett report. I note that the 'Future procurement arrangements in Victoria' discussion paper, which was presented to the government in February, refers extensively to arrangements in New South Wales and to the New South Wales Peak Purchasing Council, on which this bill is modelled.

It appears that the Duckett report recommendations were based on the New South Wales model, and in turn

the reference group based its recommendations on the previous recommendations. As is sometimes the case with regulatory impact statements developed when departments consider new regulations, the review did not seriously consider other models that may in the Victorian context provide greater benefits, particularly for smaller rural hospitals.

Page 35 of the 'Future procurement arrangements in Victoria' paper outlines the proposed timetable for the implementation of the new arrangements. Again, the date recommended by the Duckett report for commencement, 1 July 2001, was accepted by the reference group notwithstanding the difficulties associated with implementing the new regime by this date.

I am a little suspicious of the government's haste in seeking implementation. It may be looking forward to presumed savings estimated at \$10 million out of the \$750 million spent by hospitals now, but the costs associated with the establishment of Health Purchasing Victoria, its staff and information technology, as well as the direct costs to hospitals, have not been disclosed. During the departmental briefing, which took place just days before the bill was due to be debated in the house, we were told that Health Purchasing Victoria would cost around \$1 million per annum. The minister's adviser censured the public servant who disclosed this figure and halted any further answers to questions posed by the opposition about the financial arrangements of the new body, which was totally inappropriate.

The bill is based on current New South Wales arrangements about which little information is available to honourable members. This system has been in operation in New South Wales for much of the last decade. Anecdotal evidence suggests that the centralised purchasing system in New South Wales is flawed, with chief executive officers in New South Wales playing the game of avoidance from mandated, inflexible directions on purchasing.

It should be noted that although the New South Wales health system is in perpetual crisis the Labor government in Victoria is doing its darnedest to ensure it follows the New South Wales model. The government should not benchmark our system against an inferior jurisdiction.

I refer to an article in the Sydney *Daily Telegraph* of 17 December 1999, in which the New South Wales health department was criticised by the state Auditor-General for a litany of management failures, including unauthorised loans, unpaid bills and salary

overpayments. The article quotes the report of the Auditor-General, Bob Sendt:

... services are struggling to pay off debts in time, with many small businesses such as greengrocers and drug suppliers waiting more than the required 45 days for money owed.

An article in the *Newcastle Herald* of 17 December 1999 states:

Hunter Area Health Service did not respond for comment yesterday, but a spokesperson for health minister, Craig Knowles, said New South Wales Health tried to pay its bills within a 'reasonable' time.

That does not bode well for small businesses that will be reliant on payments from the centralised Health Purchasing Victoria to remain viable.

The bill is based on the recommendations of the Duckett review, which was the basis of the New South Wales model, and endorsed by the reference group that was established by parliamentary counsel. There has not been much consideration of other options, or much time for consultation.

Some weeks ago I was surprised to read an advertisement in a weekend newspaper seeking expressions of interest for appointments to the health purchasing board that is to be established by the legislation. The bill had not been passed by either house of Parliament, let alone debated, when the advertisement was placed. Even more disturbing is the fact that applications for the board positions closed on 1 May, which was two days before the bill was debated in the Legislative Assembly.

At the time I gave the government the benefit of the doubt. That was until I read the reference group's time line. I refer to the document on future procurement arrangements in Victoria, which talks about finalising the budget in January 2001; introducing the bill in April; calling for nominations in April; appointing the chairperson in May or June; and appointing other board members in June.

Placing this advertisement before the bill was debated in the Parliament and before the opposition was briefed on it was not an oversight by an enthusiastic government. The reference group may not understand the need to pass a bill before enacting its provisions and following through on the establishment of new bodies, but the government certainly should. The government's action was arrogant, to say the least. It showed a blatant disregard and disrespect for the Parliament, and it was particularly presumptuous given the fact that three Independents hold the balance of power in the lower house and Liberal and National Party members are in

the majority in this place. Amendments could have been made to the bill that would have rendered the application notifications and advertisements in the newspapers a waste of money.

I note that a few minutes before the bill was to be debated in the Legislative Assembly the opposition was handed significant amendments without being given the opportunity to consult or the time to read them fully. One of the amendments relates to proposed section 133, which outlines the factors to which HPV must have regard in performing its functions and exercising its powers. Proposed section 133(e) refers to:

the effect of tendering and contracting processes on the viability of small and medium-sized businesses.

Before being amended proposed section 133(e) stated that HPV was to have regard to:

government policies in effect from time to time about regional and industry development.

The amendment in the Legislative Assembly not only replaced proposed section 133(e) but also added proposed section 133(f), which refers to:

local employment growth or retention.

Clearly the government made the amendment to pacify the small rural and regional hospitals, which have real and valid concerns about the bill and which it did not adequately consult. For the hospitals in Bendigo and Ballarat, which directly and indirectly employ more people than any other business in those cities, it was a real slap in the face. I have spoken to a number of chief executive officers of the smaller regional hospitals, who have made clear their concerns about the bill. In situations where there is a real interdependence between a hospital and the local business sector, each needs the other. In many cases local hospitals boost employment in rural areas by contracting out goods and services locally.

In turn, the local business operators provide financial support for the continued expansion of services at the hospital. Smaller hospitals, particularly the 35 in classes D and E, are already struggling to absorb the additional costs of the nurses agreement and enterprise bargaining agreements (EBAs). The representatives of every small hospital whom I have met or spoken to have said they are struggling to pay the additional wages costs and implement the new staffing ratios as required by the EBAs without the provision of a dollar of additional funding from the government.

Smaller hospitals have said they are happy to have the autonomy to choose where they source goods and

services from; and on the whole they source them locally. They fear that a new layer of bureaucracy run from Melbourne that will make it mandatory to purchase goods and services from only approved suppliers will result in lower standards. It may be cheaper in the short term, but what will happen to local rural communities?

The new arrangements may benefit some larger hospitals. The Southern Health Care Network, which is located in Clayton in my electorate, is the largest metropolitan health network and has massive volumes of purchasing compared with every other network. The Monash Medical Centre in Clayton has the added advantage of being located close to manufacturers and pharmaceutical companies.

At the moment there exists a Country Purchasing Alliance, which is similar to the Catholic Purchasing Authority covering Catholic hospitals. That provides benefits on a similar scale to the volume discounts enjoyed by the larger metropolitan networks. I am surprised that the procurement reference group did not consider an opt-in model for rural and regional hospitals so those hospitals could decide for themselves whether they would benefit from centralised purchasing and, if they decided they would benefit, could have the opportunity to join.

Price is not everything, and service and reliability cannot be overestimated. Unfortunately the bill removes the right of particularly the small hospitals to source their goods locally. It is not a matter of convenience in sourcing them locally as often the prices are quite competitive, but a lot of suppliers do additional work for hospitals on a contra basis or for free, particularly when they are delivering other goods and services.

Another aspect of the discussion paper on future procurement arrangements in Victoria relates to information technology. The paper estimates there are savings of 29 per cent through information technology changes implemented by HPV. Many smaller rural and regional hospitals do not yet have Internet connections, and although the cost of implementing an information technology strategy across all hospitals has not been detailed the opposition assumes that that cost would need to be borne by the hospitals concerned.

The future procurement document refers also to the tendering of the system and outlines that that will be sought in December next. Hospital networks will be required to contribute to the establishment of HPV, but they are yet to be given an indication of the amount of assistance that will be required.

Proposed section 132 deals with auditing requirements. It states:

- (1) HPV has all the powers necessary to perform its functions.
- (2) Without limiting sub-section (1), HPV may —
- ...
- (d) require the chief executive officer of a public hospital to audit compliance with purchasing policies and HPV directions and provide audit reports to HPV;

That provision places an onerous obligation on hospitals, and there is no disclosure of the costs that will be imposed on them.

Proposed section 134C deals with the disallowance of purchasing policies. Subsection (1) states:

The Minister may at any time, by notice in writing given to HPV and published in the Government Gazette, disallow a purchasing policy or part of a purchasing policy.

That is a wide ministerial power.

Proposed section 134L(1) deals with directions of the minister or the secretary, and HPV's functions and powers. It states:

The Minister may give directions in writing to HPV in relation to any of its functions or powers.

The minister can give directions about whom to purchase from. That is of concern, because future ministers could be unduly influenced by businesses and pharmaceutical companies and could be encouraged to override the recommendations of HPV. That would be regarded as a risk to the concept of centralised purchasing and proper tendering arrangements.

It is of concern to the opposition that through proposed section 131B, HPV can direct the sale or disposal of assets of hospitals.

Proposed section 132(1) gives HPV very wide powers. It states:

HPV has all the powers necessary to perform its functions.

Proposed section 134D relates to the membership of HPV and the terms of office. It states:

- (1) HPV consists of the following members appointed by the Governor in Council on the recommendation of the Minister —
- (a) a chairperson who, in the Minister's opinion, has expertise in the health care industry ...

It is rare to see that sort of broad ministerial power in legislation, because obviously the minister's opinion is subjective. Proposed section 134D provides that HPV will also consist of:

- (b) 3 people each of whom is employed by a metropolitan health service and one of whom is a chief executive officer of a metropolitan health service;
- (c) 2 people each of whom is employed by a hospital listed in Schedule 1 and one of whom is a chief executive officer of a hospital listed in Schedule 1 —

which is a rural hospital —

- (d) 1 person employed in the Department nominated by the Secretary;
- (e) 1 person employed in the Department of Treasury and Finance nominated by the Secretary to that Department;
- (f) 2 people (if any) who, in the Minister's opinion, have expertise relevant to the functions of HPV.

Proposed section 134I(5) deals with a conflict of interest based on board members' pecuniary interests. It states:

For the purposes of this section, a member is not to be regarded as having a pecuniary interest in a contract or arrangement only because that contract or arrangement may benefit —

- (a) a public hospital in which the member is employed; or
- (b) a company or other body in which the member has a beneficial interest that does not exceed 1 per cent of the total nominal value of beneficial interests in that company or body.

I suggest that all chief executive officers who are board members of HPV will always consider the best interests of their own hospitals or institutions and would not make decisions contrary to their own interests. I am concerned about the conflict-of-interest provisions of the bill.

In conclusion, the opposition does not oppose the bill but will monitor very closely the outcomes for individual hospitals, particularly those in regional and rural areas, and the impact on small and local businesses as well as having regard to the actual savings, if any, from the mandatory centralised purchasing policy.

Hon. E. J. POWELL (North Eastern) — I am pleased to advise that the National Party also will not be opposing the Health Services (Health Purchasing Victoria) Bill. I am speaking on behalf of and taking

over debate on the bill from the Honourable Ron Best, the National Party spokesman on health, who is unable to be here today. I put on record and acknowledge the large amount of work Mr Best has done over quite a number of weeks.

The purpose of the bill is to amend the Health Services Act in relation to the supply of goods and services to health or related services, including public hospitals, and to establish Health Purchasing Victoria (HPV). I will deal with a number of issues. Although it does not oppose the bill, the National Party has some real concerns about its possible impact on rural and regional country hospitals — perhaps more on rural hospitals, although the bill will have a strong impact on regional hospitals.

HPV will have far-reaching powers. All public hospitals will have to comply with the purchasing policies of that body. The National Party is concerned that, following the passage of the bill, rural and regional hospitals may be restricted from purchasing locally. I am pleased to note that amendments have been made to the bill that in some way address the issue. I will speak about that later.

The National Party and country hospitals are concerned about flexibility in the purchasing arrangements of rural and regional hospitals. Regional hospitals have a very strong link with their communities, perhaps more than metropolitan hospitals. For example, they have a strong link with suppliers in their local areas. Many people in the community are members of the relevant board, and most of the suppliers to the hospitals ensure that the services are provided when needed and in a cost-effective manner.

The state and federal governments provide funds to rural and regional hospitals, but members of the community also put their hands into their pockets, and sometimes they raise funds worth more than half the government grants. As the Honourable Maree Luckins said, sometimes in small communities the local hospital is the largest employer in the area. It is very important to ensure that the running of the hospital is paramount and that the purchasing of all sorts of products, goods and services is undertaken in the best interests of the hospital and the community it serves.

As I said, I am pleased that the bill has been amended. That reflects the concerns Mr Best raised during his briefing with departmental officers of the Minister for Health. He strongly advocated the retention of local contracts and explained the relationship between country hospitals and their communities. He also pointed out that as the community raises funds it should

have some input into deciding where those funds are expended, whether for purchasing goods or for building parts of the hospital, which is very much a community-owned institution. As I said, country hospitals have very strong relationships with their communities, and the communities like to have some input into the decisions made by their hospitals.

The local pharmaceutical supplier can usually supply straightaway, often requiring just a phone call. The hospital does not have to go through a centralised organisation. A smaller rural hospital can ring the local pharmaceutical supplier, who usually has the goods and services on hand, because the hospital and the pharmaceutical supplier have a relationship which means the supplier is aware beforehand of the quantities and quality the hospital buys.

The concern of a number of organisations and some hospitals is that if the supplier is centralised in Melbourne the hospitals will not get the supply when it is needed. One of the issues raised in letters to Mr Best is that some smaller hospitals may not have the staff to be on hand when the postal service delivers the goods a hospital has asked for. The goods may turn up at 8 o'clock in the morning or after hours because that is when the courier has dropped them off. Concern has been expressed that the staff designated to unpack, unload and record the goods and services delivered to the hospital may not be there when the hospital receives them. The second-reading speech states:

In August 2000 a procurement reference group was established to identify the optimal arrangements for supply of goods and services to all Victorian public hospitals —

including metropolitan and rural hospitals. It states further that:

The bill implements the recommendations of the reference group.

I point out that it does not implement all the recommendations of the reference group. I refer to the consultation paper prepared by the procurement reference group in November 2000 and entitled 'Future procurement arrangements in Victoria'. Recommendation 6 is that the health procurement council assume certain responsibilities. It identifies items or categories of items where it is appropriate to centrally tender and contract. The recommendation continues:

... that in undertaking this task ... council have regard to:

- i clinical needs of patients
- ii ability of the suppliers to supply the goods as required by the hospitals

- iii market competition issues including the effect of tenders/contracts on the viability of SMEs —

and more importantly for country hospitals —

- iv local hospital conditions and requirements
- v regional and industry development issues

The issue of local contracts being looked after was already in the recommendations of the reference group. I am not sure why that was not included in the original bill, as it had to come out in a recommendation.

As part of his research the Honourable Ron Best sent letters to about 40 rural hospitals, some large and some small, and nine of those letters were responded to. Various hospitals and health services raised a number of questions about the establishment of Hospital Purchasing Victoria and the impact on rural hospitals. On behalf of the Honourable Ron Best I thank the writers for responding and for giving members of the National Party an opportunity to understand how this legislation will affect those hospitals.

The first letter is from the Wimmera Health Care Group. Chief executive officer, Mr Krygger, states:

From my perspective, I see no real advantage for the government of Victoria to support the establishment of Health Purchasing Victoria, when there is already another body, Hospitals Supplies of Australia, which is the trading arm of the Victorian Health Care Association, which already provides centralised purchasing for all hospitals throughout Victoria. In addition, the service provided by Hospital Supplies of Australia has a number of benefits for rural hospitals, including the ability to source more competitive prices, the provision of a single delivery and related single-invoice system.

That letter raises some of the issues I talked about earlier, such as rural hospitals not having sufficient staff to work out of hours to process the articles that come from the centralised area. Mr Krygger was also concerned that rural hospitals may not have the same buying power as larger metropolitan hospitals and would be financially disadvantaged as a result of the establishment of Health Purchasing Victoria.

A letter from Central Gippsland Health Service managing director Iain Fraser states:

I believe that the establishment of Health Purchasing Victoria, at a start-up cost of somewhere near \$1 million, is a scandalous waste of taxpayer funds. I suggest that the arguments for establishing a new statutory body as opposed to engaging the existing experience and infrastructure of HSA, the trading division of the Victorian association (VHA) are specious.

VHA is owned and controlled by its members — the public hospitals and community health centres of Victoria. VHA has

operated a trading function for over 60 years, providing a tendering service for public health services covering pharmaceuticals, some medical and general products and perishables.

He goes on in fair detail about issues that others have raised, so I will not read all of them in their entirety.

Mick Ellis, chief executive officer of the Bairnsdale Regional Health Service, visited Parliament as part of the recent East Gippsland community visit organised by the Honourable Peter Hall. His letter states that the bill:

... makes sense in that the purchasing of high-cost pharmaceuticals and medical equipment clearly benefits from economies of scale.

...

Our concern is there needs to be explicit limits on how this process expands to minimise any impact on the local purchasing capacities of rural hospitals.

It is important to maintain rural agencies' capacity to support local traders where possible ...

The letter then refers to an issue that is important to small business in country Victoria:

... By way of example we purchase some 20 vehicles per year from local traders at government purchasing rates, which if taken from the local community would have a significant impact on their profits.

It is most important that hospitals in small communities be able to purchase vehicles locally so that the businesses will benefit and most probably put funds back into the hospitals. I would therefore not like to see those sorts of products being sourced from a centralised area. It is important to allow local communities to tender for larger items such as vehicles, and even items of technology.

Other items it is sensible to buy locally include cleaning products; garbage bags, of which hospitals need many; crockery and cutlery, including disposables, and medical records forms. Honourable members have heard about businesses closing in country towns, so there is a need not to put pressure on small businesses such as stationery suppliers in such towns that supply their hospitals. It is important that this new organisation does not operate to the detriment of rural towns and hospitals.

A letter from the West Gippsland Healthcare Group repeats much of what others have said — that it seems to be a duplication of a role already performed by Hospital Supplies of Australia and that having two supply organisations for public hospitals in Victoria would probably result in a less efficient and effective service to hospitals and a duplication of effort. The letter continues:

If the government mandates all public hospitals to purchase a specified range of pharmaceuticals and general medical supplies and this is done through existing infrastructure of HSA it would result in members increasing their support and use of HSA and as shareholders the public hospitals would benefit further.

I will read from the response given by the Maryborough District Health Service because its concerns are different. Of specific concern are the cost of establishing the procurement council and information technology costs. As the Honourable Maree Luckins said, having to update their technology just to keep in line with being centralised will be a huge cost for country councils. The cost of the implementation and ongoing maintenance of information technology is a big issue for country hospitals.

Another area of concern is the inflexibility of such a system. The Bendigo Health Care Group said its concerns about the proposed legislation include the fact that there will be only two representatives on the council from the rural sector, that it creates another layer of bureaucracy and that it needs to acknowledge that clinicians will need some autonomy in prescribing specific treatment.

I have a letter from the Western District Health Service that talks about the important issue that when putting out tenders the centralised organisation needs to take into account the cost of freight for rural health services. The added freight costs for country hospitals would have to be factored in. A number of anomalies still have to be addressed, and many of us who support the bill still have concerns about those anomalies.

A number of other honourable members want to speak, so I will talk only briefly about the first stage of purchases to be contracted out, which will be medical consumables and pharmaceuticals, and the process will then move on to medical equipment technology. Many hospitals in my electorate already have a buying consortium and buy in bulk at good prices.

The only other issue I will raise is that the National Party has some concerns about proposed part 6, which is inserted into the principal act by clause 8. The Honourable Maree Luckins has already raised some of those concerns, and due to the time constraints I will not go into them. They relate to the powers of the new body and the need to ensure that its membership includes a lot more than just two members of the rural community.

The National Party asks the minister to guarantee that there will be no interference with local arrangements or local suppliers, and that rural hospitals will retain their

flexibility to comply with HPV contracts while at the same time being able to purchase locally.

While the National Party is not opposing the bill, it has many concerns about rural and regional hospitals and their continued strong relationships with their local communities and the businesses within those communities. National Party members will be keeping in touch with their local hospitals to see how the process evolves over time. We will be making sure that we come back to the houses if we feel that local rural hospitals are being disadvantaged.

Hon. KAYE DARVENIZA (Melbourne West) — I am pleased to have the opportunity to speak in support of the bill, which will bring about a whole new approach to the management of our public hospitals and achieve improved hospital purchasing practices and long-term responsible financial management.

The policy initiatives in the bill come directly from the recommendations made by the Ministerial Review of Health Care Networks, chaired by Professor Duckett. Professor Duckett made a range of recommendations as well as a whole range of criticisms of the previous government, given the state the health care system was left in after seven years of nothing but cut after cut. To see what happened honourable members have only to look at the number of beds that were closed, services that were reduced, nurses who were given voluntary departure packages and health professional positions that were not filled. In fact, a considerable number of our health care networks were technically bankrupt.

It surprises me to hear members of the opposition going on about the health care system and criticising the approach the Labor government is taking when their approach was a very sad and sorry one for all Victorians. The approach taken by the former government meant a reduction in services, a reduction in the standard and quality of care people received in our public hospitals, including the standard of nursing care, and a reduction in the standard of facilities throughout our services, including things such as radiology, pathology and physiotherapy, to mention just a few, as well as the more fundamental and basic matters such as cleaning and food services.

Professor Duckett, as chair of the review, made a number of recommendations on hospital purchasing. They were, firstly, that the government should require all public hospitals to purchase a specific range of pharmaceuticals and general medical supplies — that is what we are talking about here, a specific range of pharmaceuticals and general medical supplies —

according to approved contracts that will come into being from 1 July 2001.

The second recommendation made by Professor Duckett's review was that a task force involving broad health sector representation be established to examine the best possible models for establishing a centralised public hospital purchasing body. The government accepted that recommendation and established the procurement reference group.

The government has also implemented a whole range of other recommendations from the Duckett review to improve the public hospital system in Victoria. Those initiatives are in addition to the considerable injection of funds the government has put into the hospital system, in particular into the recruitment of nursing staff, who have been lost to the system because of the seven years of the Kennett government and its regime of giving nurses voluntary departure packages, and to other states putting together attractive packages that nurses have taken up.

I mention Queensland as one of the states interested in doing that. The procurement reference group had a number of representatives from the health networks, rural hospitals and experts in supply and logistics as well as experts in pharmacy and clinical areas. It also had representatives from the Victorian Government Purchasing Board. This again flies in the face of some of the things the Honourable Maree Luckins mentioned in her speech about some hospitals not being consulted and some not understanding what was going on. In fact the procurement reference group had representatives from each of those areas — the networks, rural hospitals and a range of experts.

The reference group's role was clearly set out. It was to identify a range of options for the implementation of a centralised purchasing arrangement, where appropriate. Again I stress that it is about where it is seen to be appropriate. It was also to make recommendations to the government about the best approach on centralising this purchasing activity.

I will spend some time talking about consultation because this is another area about which the opposition knows nothing. In all their time in government opposition members did not understand it, and they still do not know the meaning of the word. The opposition simply knows about railroading things through.

Again I take issue with the Honourable Maree Luckins. Contrary to what she said in her speech, consultation did occur and a reference group undertook a wide-ranging consultative process. It held a series of

meetings and workshops with the interested parties, who considered the options that would be available to the government in implementing a centralised purchasing arrangement. This reference group produced and circulated a consultation paper for comment. Again, copies of this paper were distributed to all of the metropolitan health networks and to all of the executive officers in rural and regional hospitals. They all had an opportunity to comment and make submissions on the consultation paper.

It was also distributed to hospital suppliers — those people involved in supplying hospitals with goods — industrial associations, unions and any other interested parties, and this consultation paper was also available on the Department of Human Services web site for anybody who wanted to take a look at it. So clearly there was an extensive consultation process, contrary to what opposition members say.

This reference group also received advice from senior executive officers in the New South Wales health department as well as in Queensland. Again we thought it was important to seek their advice because central purchasing arrangements have been in place for some time in public hospitals and in their area of health services for many years now. Therefore we thought it advisable that we talk to them and ask them about what works well and what does not.

A very extensive consultative process took place, as one finds with all of the bills this government introduces into the house. We believe in consultation, in asking people to look at what it is we are considering doing; not only that, we take on board the suggestions they make and ensure that they are included in the bills we introduce.

The key features of the bill are that it implements the recommendations of the procurement reference group and creates a statutory authority known as Health Purchasing Victoria (HPV). The bill sets out the government's arrangements and the functions and powers of Health Purchasing Victoria.

I will refer the house to a number of provisions in the bill. Division 4 relates to membership and procedures, and proposed section 134D sets out the membership of Health Purchasing Victoria. It states that Health Purchasing Victoria will comprise a chairperson who, in the minister's opinion, has expertise in the health care industry; three people who are employed by metropolitan health services, one of whom is a chief executive officer of a metropolitan health service; and two people who are employed by rural hospitals, one of whom is a chief executive officer of a rural hospital.

The opposition has expressed concern about the impact of this bill on rural and regional hospitals, but clearly it ensures that rural and regional Victoria will be well represented on Health Purchasing Victoria.

Health Purchasing Victoria will also consist of an officer of the Department of Human Services and an officer of the Department of Treasury and Finance. The bill also enables up to two further appointments to be made of people with expertise relevant to the functions of Health Purchasing Victoria.

The provision will ensure Health Purchasing Victoria has access to a range of clinical and other expertise that may be needed in carrying out its responsibilities and management functions.

Proposed section 131 inserted by clause 8 sets out the functions of Health Purchasing Victoria. They include supplying or facilitating access to the supply of goods and services to public hospitals, and developing, implementing and reviewing policies and practices relating to the supply of goods and services, which is about promoting best value and probity.

The bill also sets out the function of monitoring compliance by public hospitals with purchasing policies and HPV directions and the reporting of any irregularities to the minister. It must establish and maintain a database of purchasing data of public hospitals and supply markets for access by public hospitals. All public hospitals will have access to the database. This will help foster the use of e-commerce in purchasing goods by public hospitals and other health services. E-commerce is the way of the future. If the experts are to be believed, considerable savings will flow from its introduction. When e-commerce is more acceptable and available, we hope that with the establishment of the centralised purchasing process greater savings will be made than are being made now.

The statutory functions reflect the government's view that Health Purchasing Victoria will work with metropolitan health services as well as public hospitals. The government wants to ensure that the needs of both the patients and the clients are met.

I have said on many occasions when speaking about health and community services-related legislation that the government is about providing high quality standards of care to patients and clients. We must work together with other health and welfare agencies as well as local government to minimise the unnecessary duplication that occurs in public health services while maximising the efficiencies that can be gained by centralised purchasing.

Proposed section 132 inserted by clause 8 sets out the powers of Health Purchasing Victoria. The provision is a key recommendation of the ministerial review of the health care network, and requires centralised purchasing where appropriate. This will achieve efficiencies in public hospital purchasing and stop the duplication that currently exists.

Proposed section 132(2)(c) provides that Health Purchasing Victoria has the power to give written directions to one or more public hospitals relating to the purchase and disposal of goods by public hospitals. It enables Health Purchasing Victoria to enter into contracts as an agent for the public hospital. It will ensure that probity is maintained in purchasing, tendering and contracting activities. Proposed section 132(2)(g) enables the establishment of advisory committees to assist Health Purchasing Victoria in the performance of its functions.

I refer briefly to proposed section 133, which deals with factors to which Health Purchasing Victoria must have regard in its decision making. In their contributions to debate on the bill opposition members have raised concerns about this provision, but they have not been on the mark. The provision requires Health Purchasing Victoria to have regard to specific matters when carrying out its functions and exercising its powers. They include things such as the clinical needs of patients; the ability of suppliers to supply goods and services; the price, quality and accessibility of goods and services supplied; the individual conditions and requirements of health or related services; and the effect of tendering and contracting processes on the viability of small and medium-sized businesses. In carrying out its duties Health Purchasing Victoria must consider also the effect tendering and contracting out will have on the viability of small business.

I take up the issue raised by opposition members relating particularly to suppliers in rural and regional Victoria losing their ability to supply public hospitals with goods and health services.

It is certainly not the intention of either the bill or the government to do this. That is why proposed section 133 was amended in the other place to explicitly require Health Purchasing Victoria to have regard to local employment growth or retention in carrying out its functions and exercising its powers, as well as to the impact on small and medium-sized businesses of tendering or contracting out any activities.

This will ensure that employment issues are factored into all Health Purchasing Victoria's deliberations, which include all its decisions in rural and regional

Victoria as well as those in the health care networks in metropolitan Melbourne.

The government clearly recognises the important relationships that exist between hospitals and their local communities, particularly in rural and regional Victoria. I know that many members of this house are aware of and understand that important relationship. Often one of the biggest employers in a rural community is the local hospital, which can be involved in purchasing a variety of supplies from local businesses. In turn, local businesses in rural and regional Victoria actively support their local hospitals and go in to bat for them time and again.

It is the government's intention that Health Purchasing Victoria must take those considerations into account when making any decisions about tendering out or contracts. It is not the intention of Health Purchasing Victoria to interfere with any of those local purchasing arrangements; rather its intention is to achieve the savings we are interested in achieving in purchasing medical consumables and pharmaceuticals.

The bill also enables Health Purchasing Victoria to develop and implement purchasing policies for the supply of goods and services to, and the management and disposal of goods by, public hospitals. The development of these policies will assist in ensuring that the conduct of government business is fair, open and above board. The bill also provides for exemptions to the process. Where an application for a particular purchasing policy is appropriate for clinical reasons or because of the locality of a hospital or for some other demonstrable reason, the hospital can be exempted from its application.

In conclusion, the bill is designed to achieve best-value purchasing in our public hospitals. It will bring about increased efficiencies and reduce the duplication in public hospital purchasing and tendering. The government wants to do everything it can to see our health system work efficiently and effectively so it can deliver the best standard and quality of care to all Victorians. The bill will help in achieving those ends. I commend the bill to the house.

Hon. J. W. G. ROSS (Higinbotham) — I am pleased to speak on the Health Services (Health Purchasing Victoria) Bill, and I indicate that the opposition will not oppose it.

However, before talking on the bill I will rebut some of the statements made by the Honourable Kaye Darveniza, including her scurrilous allegations about the suggested decline in health services during the

Kennett years. Not only did the Kennett government inherit a state in economic chaos and on the verge of bankruptcy, it also inherited a health system in a state of failure. No matter which objective criteria you use, be they emergency waiting lists, numbers of patients treated or year-on-year budgetary allocations, you can see a constant improvement in health care delivery during the Kennett government years.

Hon. Kaye Darveniza interjected.

The PRESIDENT — Order! The house heard the Honourable Kaye Darveniza in reasonable silence. She should therefore allow Dr Ross to have his say, so we can then move on to other speakers.

Hon. J. W. G. ROSS — I invite members of the opposition to consult the record and examine the objective criteria on health care delivery, because if they do they will see a year-on-year improvement under the Kennett government. If they are able to match it during their term in government they will be doing very well.

The bill represents this government's proclivity for command-style economic solutions to almost every aspect of public sector life and for the increasing bureaucratisation of public sector activities. The Honourable Maree Luckins commented on the government's appalling arrogance and irreverence in advertising for board members for this purchasing authority prior to the bill being passed by either house of Parliament. It might be said that the government has the numbers in the other place, but it does not have them in this place! I link that arrogance with the opportunity for the minister to direct Health Purchasing Victoria to succumb to his wishes in relation to almost every element of this bill.

If the minister intends to administer this bill in the same cavalier way in which it has been introduced into this place, it will be a sad day for Victoria.

The bill arose from a report of the hospital's procurement reference group (PRG) in February this year. That group suggested establishing a structure to coordinate and manage the procurement process with tenders and contract management being undertaken by third parties. The third parties described are hospitals, but I also draw the attention of the house to other agencies such as the New South Wales Peak Purchasing Council, consultants or other organisations such as the Victorian Healthcare Association. It is a matter of concern that the New South Wales Peak Purchasing Council could have a finger in the pie in purchasing policies in this state.

I turn to the issue of pharmaceuticals and therapeutic devices and suggest that the specific mention of pharmaceutical products implies that there will almost certainly be universal substitution of generic-brand pharmaceuticals. The point might well be made that generic-brand pharmaceuticals are equally efficacious and appropriate as branded products and are often much cheaper. However, the problem is that such practices in the long term may very well militate against the development of new drugs by leading pharmaceutical and therapeutic device manufacturers.

I worked for many years as a pharmacologist, and I am particularly aware of the time taken between the synthesis of a new molecule and the various steps that need to be taken to bring a new therapeutic agent or device on to the market. For example, there are screening tests for the treatment of particular diseases, toxicity testing, and carcinogenicity and teratogenicity testing, and those processes can take up to 15 years. After that stage comes the process of clinical trials, and with certain substances ultimately acceptance into the Australian Pharmaceutical Benefits Scheme. Obviously the contribution of researchers is a multimillion dollar process, and one of my concerns is that by paring costs back to the bone in the hospital industry and institutionalising minimum-cost options the government may unwittingly generate a climate where research and development of new drugs and therapeutic devices will suffer.

The point I make is that there is a great deal more involved in developing a fully integrated health care and medical research industry than ensuring that the lowest prices are achieved on all occasions. The public hospital system has all the momentum of a ship of state, and the sheer weight of its purchasing power could completely reshape the health supplies market. That may not necessarily be in the long-term interests of all Victorians.

So far as I have been able to ascertain the bill is modelled on an instrumentality in New South Wales known as the New South Wales Peak Purchasing Council. As I have mentioned, that body has the capacity to have a finger in the pie in determining health supply procurement policies in Victoria. It has been very difficult for opposition members to obtain any real information on the purchasing performance of health agencies in New South Wales, and I again wonder whether that is in the long-term interests of Victorians.

I have particular concerns that Labor governments, including the Carr government in New South Wales, could have any influence on purchasing policies in

Victoria. The spectre arises where a cartel of union-dominated or even union-owned and operated pharmaceutical supply houses or therapeutic device manufacturers and marketers could capture the market and distort the intent of the legislation. The fact that proposed section 130 means that Health Purchasing Victoria (HPV) represents the Crown and accordingly will not be subject to the Commonwealth Trade Practices Act compounds my anxiety.

The opposition does not oppose the bill but it puts the government on notice that it will be scrutinising the activities of HPV very carefully. In particular opposition members expect clear indications of where and how savings have been made and believes these data should be made publicly available. In particular we wish to be assured that there is no interference in clinical practice and that bureaucracy does not grow and cost more than the savings the purchasing authority proposes to make.

As my colleagues from the National Party said, we need convincing that regional, rural and smaller health agencies within the metropolitan area, such as community health centres, will not be disadvantaged and denied the ability to make small-scale purchases from local suppliers. The opposition does not oppose the bill.

Hon. B. W. BISHOP (North Western) — I am delighted to speak briefly on the bill. As indicated by the Deputy Leader of the National Party, the Honourable Jeanette Powell, National Party members are disappointed that the Honourable Ron Best is not available this evening to speak on the bill. Mr Best has done an enormous amount of work in the area as National Party spokesman on health, and it is a pity he cannot be here to put his view. I know he is disappointed. The Deputy Leader of the National Party did a great job, and I believe other speakers did as well.

The review process is clearly set out in the second-reading speech, and I will not go into that in detail. The National Party does not oppose the bill but has concerns that have been expressed by the Honourable Jeanette Powell. I will touch on them briefly as I go through my contribution.

I point out that there are huge differences between city and country hospitals in service delivery and administration. That might just come down to servicing requirements, which are always better done locally, if possible, because they are on the spot. But all in all, this seems a good idea. It gives an economy of scale of purchase, particularly with pharmaceutical and specialised medical equipment. Much of the

pharmaceutical and medical equipment is very expensive, so a better financial deal should be made to ensure a constant supply and to maintain the quality of those products as they come through the supply line.

That is okay, particularly in the specialised medical equipment and pharmaceutical areas. It is not likely that some of them would be supplied by local businesses, but if they are, they should be given a go. We must ensure that in this whole process local suppliers are not ignored.

I note that a number of hospitals already have buying groups: one that has already been mentioned tonight is the Country Purchasing Alliance. The second-reading speech sets out exemptions, and I am sure we will keep an eye on the administration of the program to ensure the exemptions are put into place clearly and practically.

The National Party has a concern that another bureaucracy may be created. I have heard that the annual running costs of Health Purchasing Victoria could be \$900 000 or \$1 million per year. Of course that would generate a potential saving much greater than that — I have heard mention of \$9 million to \$10 million. I am not sure of the total purchasing account in Victoria, but I have heard that around \$750 million worth of goods and services would be purchased, so there is plenty of scope for saving. However, the National Party wants the house to note that it does not want that to occur at the expense of local suppliers, particularly given the government byplay about looking after country and regional Victoria.

In summing up perhaps the minister can enlighten us on whether there will be performance indicators to provide some benchmarking to the process to ensure that the bottom line is better value for money and consistency in supply and product. Again, that will safeguard the local suppliers, which is crucial to not only the hospital operations but obviously also to the businesses in those areas.

There has been some discussion about the composition of the board, which is set out in the bill and in the second-reading speech. I note that only two rural representatives will be on the board. I ask the minister to enlighten us on exactly where the definition of 'rural' falls and whether 'rural' means Donald, Kerang or Bendigo. I ask the minister to comment on these issues to ensure that country areas get a fair go.

In talking about hospitals I cannot resist the opportunity to report the huge success of the new hospital in

Mildura, which I understand will be able to take part in the purchasing process. As the house would well know, the hospital was built and is run by Ramsay Health Care and is contracted to the government for public use. An extremely strong and noisy minority of people objected to the concept of there being a privately owned and operated hospital for public use; they made the going very tough to get the project running, as they undermined the confidence of the communities.

I am happy to report that the hospital is performing superbly under the leadership of the chief executive officer, Dane Huxley. It had a tremendously successful open day last year. The hospital has received few complaints and is providing good results for people of that community, who may have had to wait for over 10 years for a traditionally structured hospital. Further to that, the hospital has a government-appointed advisory board to assist in reflecting community views. That is chaired by Vernon Knight, who is well known to me. Mr Knight, who is expert in health and community service provision, is the chief executive officer of Mallee Family Care.

As I have said, the National Party does not oppose this bill. However, it does have concerns, which its members have raised, such as ensuring that local providers are not disadvantaged. There may be inadequate representation of rural hospitals on the Health Purchasing Victoria board. We would need to see the performance indicators, the benchmarking, to ensure that the bottom line is right. We call on the minister to ensure that these issues are addressed so there can be no interference in the arrangements made with local suppliers. We want to ensure that rural hospitals retain the flexibility that is required to comply with the contracts of Health Purchasing Victoria while having the capacity to purchase locally.

National Party members urge the minister to keep in mind the issues we have raised. We will closely monitor the real effect of the process to ensure that local suppliers are not disadvantaged as this bill comes into operation.

Hon. R. H. BOWDEN (South Eastern) — I wish to make a brief contribution to debate on the Health Services (Health Purchasing Victoria) Bill. It is a new approach, and while the opposition does not oppose the bill it is looking at the approach with some concerns.

The health purchasing arrangements will be statewide, which means there has been a one-size-fits-all attitude with many of the concepts that have been presented. The policies that have been expounded by the

government will influence the private sector because of the sheer size and number of public hospitals involved.

The health services industry is a large one with a mixture of services and technologies, and there is no question that the proposal and the practical implementation of the legislation will have a noticeable impact on the private sector. I am concerned that the efficiency of organisations to absorb and adjust to emerging technologies, techniques and services must be maintained so the quality of the end product delivered to patients will continue to advance.

From time to time there will be conflicts of priorities. There is no question that adding another level of bureaucracy to the present regional health officers, Health Purchasing Victoria, and local hospitals and other government agencies will require an even more complex arrangement. So while the opposition does not oppose the bill, it signals to the government that it will watch constantly to see that the benefits emerge and in what pattern they arise.

The potential for negative impact on the local suppliers — the small businesses — is substantial. In my province, which has several small regional and country hospitals, this is a significant issue of concern to me.

The advisory committees are another aspect with which I am not entirely comfortable. It is intended to put in place a board of mature and considerable talent. Of course the opposition supports that. One would expect that the advisory committees will be staffed by people who can provide an adequate level of expertise, but given the breadth and depth of the technologies and services required it is inevitable that the number of advisory committees will multiply and that in some cases there will be added levels of bureaucratic interference to the ordinary flow of requirements.

In conclusion, I believe advisory committees are unnecessary. They will not strengthen local activities and the delivery of local supplies. I am also concerned that the focus and ability of the Health Purchasing Victoria organisation may unnecessarily delay the adoption of new technologies. We will be watching for that.

I believe the ministerial overview and ability to order certain directions should be reviewed, and I am not entirely comfortable with it. Although the proposed legislation will pass, it is important that there be constant monitoring to ensure that the goals and efficiencies we already have in place are not compromised.

Motion agreed to.

Read second time.

Third reading

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

That this bill be now read a third time.

I thank all honourable members for their contributions to the debate.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

ADJOURNMENT

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

That the house do now adjourn.

Police: Olinda station

Hon. A. P. OLEXANDER (Silvan) — I raise with the Minister for Sport and Recreation, as the representative in this house of the Minister for Police and Emergency Services, the Olinda police station and commitments that the then Bracks opposition made regarding that police station in the context of the recent state budget.

The minister should be aware that in his policy document issued before the last state election he made very specific pledges about manning and hours at Olinda police station. The policy document states:

Labor's pledge for 800 extra police officers will mean that the Mount Evelyn and Olinda police stations will be able to be staffed for 16 hours and 12 hours a day, respectively.

Labor will encourage force command to staff the Mount Evelyn police station 16 hours a day and Olinda police station 12 hours a day.

The first two budgets of the Bracks government provided no resources and no allocation to increase the hours of operation of either station. Currently the Olinda police station is manned for only 3 hours a day. Three officers are responsible for patrolling the towns of Ferny Creek, Sassafras, Olinda, Mount Dandenong and Kallista for a total period of 3 hours per day.

Given that the government's clear commitment was for 12 hours a day at Olinda, I ask the minister when an allocation will be made to allow that promise to be fulfilled. It will obviously not be in this budget. The question is: will the minister make that allocation available in the next state budget?

Millewa Community Arts and Craft Association

Hon. B. W. BISHOP (North Western) — I raise a matter for the attention of the Minister for Small Business, who is the representative in this house of the Minister for Community Services. It may also be of concern to the Minister for Post Compulsory Education, Training and Employment. The request comes from the Millewa Community Arts and Craft Association for assistance in regaining a community centre for its group in the township of Werrimull in north-western Victoria. The association had a house which it used for all sorts of purposes. It offered photography, yoga, arts and craft, theatre and discussion groups. The house was also used by students for further studies on a particular subject.

The house has now been sold. Without a base, the group has some degree of urgency about obtaining other premises to continue its programs. The association looked at using the local hall, which is freezing in winter and very hot in summer. It is not really suitable because they need some things set up for the ongoing process of their projects. This is an isolated area 70 kilometres from Mildura, or 45 minutes by car. The groups come from a wide area into the township of Werrimull. There are approximately 20 people involved in the group. A community house like this provides a huge benefit for these isolated areas. In fact, it becomes the centre and the reference point for the community. The group is prepared to pay a nominal rent to ensure upkeep of the premises. It improved its last house by simply bringing it up to speed for the community's use.

This isolated community has some options available. Can the minister inform me if any assistance is available to provide a sustainable base for its community operations in the future?

Urquhart Bluff

Hon. E. C. CARBINES (Geelong) — I raise a matter with the Minister for Energy and Resources in her capacity as representative in this house of the Minister for Environment and Conservation. I am aware that the minister has instructed her department to conduct negotiations with the owner of a very special

piece of coastal heath land at Urquhart Bluff with a view to purchasing the land for the people of Victoria.

The land at Urquhart Bluff has high conservation values, with more than 100 indigenous plants having been identified. Of particular significance is that Urquhart Bluff is home to many rare Australian orchids, including two that are unique to the site. The government's purchase of the Urquhart Bluff land has received much support in my electorate. I have received many inquiries from individual constituents and conservation groups in the Geelong region about the progress of the department's negotiations. Accordingly, I ask the minister to advise the house of any progress in her attempt to secure the highly significant Urquhart Bluff land for the people of Victoria.

Stratford Highway Park

Hon. PHILIP DAVIS (Gippsland) — I refer the Minister for Energy and Resources, who represents the Minister for Environment and Conservation in the other place, to a matter concerning the Stratford Highway Park. On 21 February a constituent, Mr Kennedy, came to see me about the highway park, and as a result of our discussion I wrote to the Minister for Environment and Conservation. That letter was acknowledged by her chief of staff on 26 March, one month later, and I am yet to receive a response from the minister.

It appears that Parks Victoria is responsible for this highway park, which it is progressively closing by stealth. Over time Parks Victoria has modified access to and egress from the site, which is important to people travelling east on the Princes Highway. As many honourable members know, much concern is expressed about road safety, particularly for visitors to East Gippsland who travel long distances from Melbourne. The Stratford Highway Park is a well-used location for people taking a break and is regarded as a good tourist attraction. The park's interpretative signage, which encouraged visitors to stop and look at the park, has been removed and replaced by signs warning about the removal of firewood, and the access to the walk around the lake at the park has been fenced off.

Will the minister ensure that I receive a response to my letter of 21 February asking the Minister for Environment and Conservation to ensure that Parks Victoria maintains this important asset for East Gippsland?

Roads: farm entrances

Hon. E. J. POWELL (North Eastern) — I refer the Minister for Energy and Resources, who is the

representative of the Minister for Transport in another place, to a telephone call to my office last week from a constituent asking whether the government will reinstate a subsidy that was introduced in 1999 by the former coalition government as part of a program to upgrade driveway entrances to dairy farms. The program provided a 50 per cent subsidy, or up to \$2000, towards the cost of treating substandard driveway entrances.

I take this opportunity to congratulate the former Deputy Premier, the Honourable Pat McNamara, who identified the need for the program, and the former Minister for Transport, the Honourable Geoff Craigie, whose office funded it. Vicroads identified about 110 potentially dangerous dairy farm entrances. Tanker drivers going in and out of dairy farms were having difficulty negotiating entrances that were not made for the large tankers that are used today. As a result they were forced to swing onto the wrong side of the road, causing complications and giving rise to road safety concerns.

My constituent explained that when the subsidy was introduced in 1999 many dairy farmers were not in a financial position to take up the offer because of the dollar component and low milk prices. My constituent and other dairy farmers are now in a better position to apply for it. Milk and milk powder prices are higher, and the low Australian dollar contributes to more sales overseas. On behalf of other dairy farmers he requested me to ask the minister if the government would consider reinstating the funding program to allow dairy farmers to again apply for subsidies to fix up their driveway entrances in the interests of road and farm safety.

Melbourne Museum: bicycle parking

Hon. G. D. ROMANES (Melbourne) — I raise a matter for the attention of the Minister assisting the Minister for Planning. I recently attended a breakfast function at the Melbourne Museum that was organised by the Minister for Environment and Conservation in another place. I arrived at the museum on my normal mode of transport, which is a bicycle, to find that on that wet morning there was no room to park it. I was directed down two levels to the car park, where there was a wire cage — —

Honourable members interjecting.

Hon. G. D. ROMANES — As many people ride bicycles as catch trams! I was directed to a wire cage in the car park, two levels down, which was available to employees but which was locked. There was nowhere

for people visiting the museum to park their bicycles. The museum is not exactly bicycle friendly!

Subsequently I made inquiries about the requirements for bicycle parking at public buildings. I understand that in issuing permits for any major central city development the Minister for Planning has required bicycle parking to be provided to the satisfaction of the responsible authority — that is, the Melbourne City Council. I also had an opportunity to talk to James Dexter, the assistant director at the museum, who assures me that bicycle parking is about to be installed, which is a good outcome.

However, I am concerned that bicycle parking seems to be discretionary and at the whim of ministers or bureaucrats. I ask Minister Madden what action the government can take to make sure that parking spaces for the most environmentally friendly of vehicular transport are required as part of the permits issued for public buildings.

Scoresby freeway: funding

Hon. W. I. SMITH (Silvan) — I direct a matter to the Minister for Energy and Resources for the attention of the Minister for Transport in the other place. Why has the Scoresby freeway been ignored in the budget?

Foxes: control

Hon. W. R. BAXTER (North Eastern) — How I wish my workload was slight enough that I had time to ride a bicycle to work!

I direct a matter to the attention of the Minister for Energy and Resources for referral to the Minister for Environment and Conservation in the other place. As the house will be aware, for many years a bounty was paid on fox scalps to assist the control of that vermin. The bounty was abolished without too much concern sometime during the 1980s, I think, because foxes did not seem to be a problem at the time.

From my observations and representations I am receiving from constituents it is obvious that the fox population is exploding again in Victoria and that further action in addition to the baiting programs and the like that are now employed by farmers and departmental officers needs to be implemented. For example, as I drive around my electorate I note the increasing numbers of dead foxes on the roadside, their having been hit by cars, which is an indication of increased fox numbers.

This week I had a report from a constituent that he had placed a mob of ewes and lambs in a paddock with

101 per cent of the lambs present but that when he went to tail them some weeks later the number was down to 97 per cent, with no evidence of lamb carcasses. He can only assume foxes are to blame. I note that Mr McQuilten has had that type of experience.

Similarly, a neighbour who recently burnt a stubble paddock found five fox carcasses exposed, presumably as a result of a baiting program being conducted by a neighbour in a disused gravel pit. That is an indication of an increase in the fox population. The bounty program is a useful part of fox control, and I invite the minister to give consideration to its reintroduction.

Hampton Rehabilitation Hospital

Hon. J. W. G. ROSS (Higinbotham) — The matter I direct to the attention of the Leader of the Government as the representative of the Minister for Health in the other place concerns a recent staff briefing by the chief executive officer of the Bayside Health network during which staff were advised of the closure of the Hampton Rehabilitation Hospital in my electorate and the transfer of services to the Kingston Centre under the Southern Health network in Dandenong. I understand the transfer will occur later in the year.

However, my specific query concerns the use of the hydrotherapy pool on that site, which was funded from community contributions. A volunteer board member has advised me that the management of the Bayside Health network requested the continuance of hydrotherapy services using volunteer labour. It is completely inappropriate for volunteers to assume such a professional responsibility and I understand the volunteers have refused to be involved under such arrangements. However, the volunteers are concerned about the future of hydrotherapy patients and are certainly willing to continue their involvement, but only under appropriate professional supervision.

I therefore ask the minister: what are the intentions of the government on the future of hydrotherapy services that are presently being delivered from the Hampton hydrotherapy pool?

Melbourne Knights Soccer Club

Hon. KAYE DARVENIZA (Melbourne West) — I direct a matter to the attention of the Minister for Sport and Recreation concerning the Melbourne Knights Soccer Club. I am concerned that the recent crowd violence at the Melbourne Knights–Perth Glory soccer match is being used as ammunition by those who would like to see that proud western suburbs sporting

club expelled from the National Soccer League. Like everybody else, I do not support soccer violence.

Hon. M. A. Birrell interjected.

Hon. KAYE DARVENIZA — You would be surprised what I watch! Soccer violence is a disease from which until recently Australian soccer has been relatively free. But the actions of a small number of individuals cannot be allowed to undermine the important role the club plays in the western suburbs.

The Melbourne Knights Soccer Club is situated near the boundaries of Braybrook and Sunshine in one of Melbourne's poorest areas. It has been the home of many top international and Olympic soccer players, including Mark Viduka, who was recently rated as one of the world's top players, his contracts being valued at about \$60 million.

The club fields no fewer than 11 junior and youth teams, one of which will contest the weekend's grand final. It is an important source of sporting activity and entertainment for families in the west. However, today the club's future has never been more tenuous with the news that Soccer Australia has imposed on the club a fine of \$30 000, with a further \$50 000 fine suspended for 12 months.

Given the need to divert our kids into healthy and constructive pursuits such as sport as an alternative to drugs, gangs and crime, what action is being taken to identify and punish the small number of individuals responsible for the crowd violence? What can we do to ensure the future of that proud and important western suburbs institution?

Consumer affairs: vehicle repair industry

Hon. P. R. HALL (Gippsland) — I direct a matter to the attention of the Minister for Consumer Affairs. I am prompted by a recent letter I received from a constituent, Alan Williams, who operates Alan's Panels in Moe. I again raise with the minister the dire plight of the motor vehicle body repair businesses in country Victoria.

In his most recent letter Mr Williams writes about the:

... continuing and indeed escalating, unfair and discriminatory tactics, applied by many insurers in their dealings with body repairers in Victoria.

I know the minister is well aware of some of the issues, having late last year stood on the back of a truck at the foot of the steps of Parliament House and addressed motor vehicle body repairers who had travelled from all over Victoria.

In the letter Alan Williams talks of the issues about which the minister will be well aware. I will not read the letter to the house, but I will make a copy available to the minister. The one new issue since last year raised in the letter is the disastrous collapse of HIH Insurance, which it states:

... has left body repairers with millions of dollars owing to them ...

It has added further to the difficult circumstance in which the industry finds itself. I know the minister gave a commitment to assist the body repair business in every way she could, and I am sure her commitment was genuine. However, it appears that about six months later nothing much has changed and the situation faced by the repairers is still as desperate, if not more desperate, than it was at that time.

It is opportune to take the issue a step further. Although I am not in the habit of calling for a major inquiry, in this instance some consideration should be given to having a major inquiry into the monopoly of insurance businesses and the hold they have on small motor vehicle body repairers and perhaps there should even be a reference to the Australian Competition and Consumer Commission.

I call on the minister to again look seriously at the issue and discover whether there is something else that can be done to assist small business in country Victoria in particular before this industry is completely devastated.

Cerebral Palsy Education Centre

Hon. ANDREW BRIDESON (Waverley) — I raise with the Minister for Small Business for the attention of the Minister for Community Services in another place the ongoing important issues of auspicing, funding and relocating the Cerebral Palsy Education Centre (CPEC). The issues arose in December of last year and still have not been resolved by the minister.

In early March my office contacted the Department of Human Services, to be told that DHS would guarantee there would a smooth transition to an alternative auspice agency. The matter has been raised with the Premier, who responded in writing on 5 April in the following terms:

The Department of Human Services has commenced detailed discussions with CPEC to identify alternative arrangements for the future auspice of this program. The department will also support CPEC in their efforts to find alternative premises.

The Minister for Community Services responded on 27 March, stating:

Staff from the eastern metropolitan region of DHS are working closely with CPEC to identify options for future service in finding alternative premises.

To date nothing has been done. On 15 May a scheduled 45-minute meeting between representatives of CPEC and the minister proved totally unsatisfactory, with the minister arriving 15 minutes late and terminating the meeting early, with no resolution of the issues.

Last Monday, after the cabinet meeting at Knox, the minister refused to speak with parents and representatives of CPEC. I am advised that the Minister for Community Services entered by the back door after noticing a group from CPEC who had placards at the entrance to the cabinet meeting room. It is of some consolation that the Minister for Sport and Recreation stopped and took a bit of time to speak with the people who were there.

Will the Minister for Community Services give an immediate assurance of financial assistance to enable the Cerebral Palsy Education Centre to provide essential services to its students? If funding is not granted by 1 July, 29 children enrolled in the early intervention program will be without a location and funding for the continuation of their educational program and associated services.

Carrum Lifesaving Club

Hon. R. F. SMITH (Chelsea) — I raise a matter for the attention of the Minister for Sport and Recreation. The Carrum Lifesaving Club in my electorate is a fine club that over a long time has provided a wonderful service to the citizens of Carrum and others. The club is in desperate need of funds to assist in its refurbishment. The minister will be aware that the Carrum Lifesaving Club has applied for a government grant. Can the minister tell me, as a local member, that he is aware of the application and understands its importance?

Local government: levies

Hon. R. H. BOWDEN (South Eastern) — The matter I raise is for the attention of the Minister for Energy and Resources, representing the Minister for Local Government in another place. During recent years small businesses in South Eastern Province have drawn to my attention complaints about the practice of several councils in initiating promotional or economic development levies. From time to time those levies have become an issue in the shires of Bass Coast and

Cardinia, and that is now the case in the Shire of Mornington Peninsula.

I direct the attention of the minister to an article in the *Southern Peninsula Mail* of 15 May, headed 'Businesses face \$1 million in promotional levies'. I know there is substantial support among some small businesses in certain local government areas for the promotional levies — they are not entirely resisted — but the support is quite localised and not general. I understand also that the levies are now reaching the \$1 million level in one shire, so they are starting to become taxation.

I am particularly concerned about the newspaper article, which I seek your permission, Mr President, to incorporate in *Hansard*.

The PRESIDENT — Order! Mr Bowden can read the bits he wants to include.

Hon. R. H. BOWDEN — It would take about 3 minutes.

The PRESIDENT — Order! That is not appropriate.

Hon. R. H. BOWDEN — I will pick out two or three items:

In Rosebud the levies will increase from \$300 in the first year to ... \$330.75 ...

But some businesses will be levied \$700 a year. I repeat: given that the levies in one council area are reaching \$1 million, they are approaching taxation. I have my reservations as to whether that is proper. I inform the house that as a member for South Eastern Province I do not support the levies.

Will the Minister for Local Government urgently conduct an inquiry into the rising use of the levies by councils and, if necessary, apply financial capping or stringent guidelines to prevent hardship for many small businesses?

Police: racial tolerance

Hon. S. M. NGUYEN (Melbourne West) — I raise a matter with the Minister for Sport and Recreation as the representative in this place of the Minister for Police and Emergency Services. A recent article in the *Age* of 17 May detailed claims made by a former police officer of racism in the Victorian police force.

In my electorate there are many individuals of diverse ethnic backgrounds who would be interested in applying for positions with Victoria Police. I seek

assurance from the minister that the proper strategies are in place in the police force to ensure a fair and equitable workplace for police officers of all backgrounds regardless of race, religion or gender.

Berwick Primary School

Hon. N. B. LUCAS (Eumemmerring) — I raise with the Minister for Sport and Recreation as the representative in this house of the Minister for Education the Berwick Primary School. The school is very old; it is almost 140 years since it was set out on the parish plan. It has portable school buildings on its oval, it is overcrowded, it is on a very small site and it serves the entire community.

Prior to the last election there was an agreement to relocate the school to another site in Berwick, which we will call the Fairholme site. After the election Minister Delahunty announced that the government would not proceed with the Fairholme site and that she would have the school set up on a site adjacent to High Street. This commenced a sorry saga under the new minister and still the school has not been built. In fact, the site chosen by the minister will incur an additional cost of up to \$1.5 million because of the low-lying swampy nature of the land.

The debate on the viability of that site has continued for many months. The *Berwick Leader* of 1 March 2000 indicated that the state government spokesman for the education minister said as soon as possible they would have a meeting to bring this long-running debate to an end. Later that month, on 29 March, the school council president was reported as having said:

... prior to the election the Fairholme site on Chestnut Hill was promoted, but the new government had changed this to the eastern site at High Street.

The Casey City Council indicated through its chief executive, Mr Tyler, that the council did not think the High Street site was appropriate. The president of the local Labor Party branch indicated that safety issues involving the site and traffic movements at the adjacent intersection were a real problem. On 23 March last year an article in the *Berwick News* states:

The Bracks government is 100 per cent committed to building a new Berwick Primary School.

Education minister Mary Delahunty made this announcement in the wake of criticism by Berwick Primary School parents in last week's *Berwick News*.

Ms Delahunty said claims in the local press that the government was 'stalling' the relocation were ridiculous and irresponsible.

That was in March last year! It was then reported on 23 May this year that the Berwick Primary School council had moved a motion of no confidence in the minister!

Will the minister take action to put an end to this fiasco, given that 19 months has passed and that she indicated in March last year that the issue should be brought to an end?

Narre Warren–Cranbourne Road: duplication

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I refer a matter to the Minister for Energy and Resources as the representative in this house of the Minister for Transport concerning the government's black spot funding program about which it likes to pat itself on the back.

Hon. T. C. Theophanous — It is a good program!

Hon. G. K. RICH-PHILLIPS — Mr Theophanous says it is a good program. Unfortunately it has failed to deliver to my electorate and continues to do so. At the time of the last election an article appeared in the local newspaper, the *Examiner*, of 14 September 1999, headed 'Pork barrelling the growth corridor', and it shows a picture of the then opposition leader, Steve Bracks, and the honourable member for Dandenong, John Pandazopoulos. The article lists a range of infrastructure promises for the south-east. One of those promises, under the heading 'Roads and public transport', was:

\$10 million grade separation and duplication of the Narre Warren–Cranbourne Road from Princes Highway to Fleetwood Drive.

That promise is repeated in the document 'Living Suburbs — Labor's plan for the future of the south-east growth corridor', which states:

Labor will tackle Victoria's accident black spots to stop unnecessary death on our roads.

In the south-east this includes:

A \$10 million grade separation and duplication of the Narre Warren–Cranbourne Road from Princes Highway to Fleetwood Drive ...

It is always interesting to go back and look at these documents. I urge my colleagues to examine Labor's financial statement, or what we can now call Labor's broken promises. This statement failed to pick up the \$10 million grade separation, so the question now is just how committed was the government to that \$10 million project?

My point is that almost two years after the election, looking at the Vicroads web site today, there is absolutely no mention under the black spot funding of the \$10 million grade separation either as an approved or nominated project. Last year Cr Ben Clissold of the City of Casey raised this issue in the local press and was criticised by the honourable member for Dandenong for grandstanding.

The PRESIDENT — Order! Will the honourable member now put his request!

Hon. G. K. RICH-PHILLIPS — It is now 18 months since the election and still nothing has been done about the promise. I ask the Minister for Transport to deliver on the promise of the \$10 million grade separation.

Live music: promotion

Hon. P. A. KATSAMBANIS (Monash) — I raise with the Minister for Industrial Relations as the representative in this house of the Minister for the Arts a matter that relates specifically to the live music industry in Melbourne.

Recently the Continental Cafe — a well-known venue located in Prahran — closed down. The last gig at that place was held only a few days ago. It is one of many live venues in and around Melbourne that over the last few years have disappeared. Honourable members would be aware that Melbourne has been internationally renowned for producing quality rock bands and pop bands as a result of a very vibrant live music centre. But the reduction in the number of venues — —

Government members interjecting.

Hon. P. A. KATSAMBANIS — It is interesting that members opposite think it is a joke to be talking about popular music in this place. It is not a joke and it should not be treated as a joke. It is an industry that is important to many people, and it is clear that over the years governments of all persuasions have not supported the live popular music scene in the same way they have supported other forms of music that might be seen as culturally higher.

I seek from the minister information about what action she has taken to promote live music and to support live music venues in Melbourne.

State Library of Victoria: newspapers

Hon. ANDREA COOTE (Monash) — I refer a matter to the Minister for Industrial Relations

representing the Minister for the Arts in another place. A constituent of mine, Professor Kirksop, came into my office to discuss the newspaper collection at the State Library of Victoria. As a former director of the State Library Foundation I am very much aware of that newspaper collection, which is one of the best in the country. For those honourable members who do not know, I point out that the state library is under a legal obligation to keep a copy of every newspaper produced in this state every single day. I do not know what everyone else's newspapers look like by the end of the weekend, but if they are like mine, I can imagine how many have to be kept by the state library.

Scholars, academics and historians need to use those newspapers and to be able to feel the papers and to see how they are laid out, which they cannot do on disk or microfiche. Professor Kirksop is a State Library Users member and he is very concerned on behalf of scholars, historians and academics because they can no longer use the state library newspaper collection. They can use the microfiche version, but they cannot have access to the newspapers themselves. I ask the minister to confirm whether it is the case that they cannot use the actual newspapers.

Riviera Preschool Centre

Hon. B. C. BOARDMAN (Chelsea) — I seek the assistance of the Minister for Community Services in the other place through the Minister for Small Business. The issue concerns a situation that has arisen at the Riviera Preschool Centre at Newton Street, Seaford, where unfortunately one of the young boys who attend the kindergarten suffers from a chronic and debilitating disease that causes him to have a severe reaction to heat. As a result of that reaction he has to spend all day indoors, which is particularly difficult and stressful for him during the summer months when he cannot go out and play with the other children at the kinder.

The kindergarten has applied for a replacement of its airconditioning unit to help alleviate the child's discomfort. I sought some assistance and advice from the honourable member for Mooroolbark in the other place, who is the shadow Minister for Community Services, about the appropriate procedure for this request. Unfortunately the advice she received from the Minister for Community Services was that because this kindergarten comes under the jurisdiction of local government, the responsibility for funding matters lies with the Frankston City Council.

I accept those funding arrangements and acknowledge that that is a widely used protocol; however, I bring to the minister's attention an announcement she made on

3 May when she allocated a one-off capital grant to the relocation subcommittee for the Lake Bolac preschool, which included funding for an airconditioner.

Following further investigation of this matter I ascertained that the Minister for Community Services has discretionary funding available for matters considered to be necessary and serious. I submit that this situation is quite serious and sensitive, and I hope the government will show some compassion in the matter. This little boy and his parents are suffering considerably in relation to his disability.

I request the minister to give due consideration to this matter, and I bring to her attention the fact that I have also requested some advice from the Frankston City Council. Unfortunately I am not confident about the response of the council in relation to the matter, so perhaps there is an opportunity — —

Hon. Kaye Darveniza — Take it up with the mayor!

Hon. B. C. BOARDMAN — As a matter of fact, I have, and unfortunately the civic leadership in Frankston at the moment leaves a lot to be desired.

The PRESIDENT — Order! The honourable member has outlined his adjournment matter.

Gas: Barwon Heads supply

Hon. I. J. COVER (Geelong) — I raise with the Minister for Energy and Resources the matter of the efforts made to secure a natural gas supply for the township of Barwon Heads. This matter arises from last week's announcement by the Treasurer, the Honourable John Brumby, which honourable members heard about in the house, about the government contributing \$1.75 million from the Regional Infrastructure Development Fund to hook up gas to Portarlington, St Leonards and Indented Head.

When that announcement was made last Friday, the Bellarine *Echo* reporter approached the Treasurer on the issue of the Barwon Heads supply. An article on the front page of today's Bellarine *Echo* reports that:

... Mr Brumby refused to comment on the situation in Barwon Heads, saying it was not his portfolio and he had not been briefed on the issue.

I would have thought that, given that Mr Brumby is the Minister for State and Regional Development and the Treasurer who hands out the money, the matter would be fairly and squarely in his portfolio. What is more, he is aware of the issue because my colleague the honourable member for South Barwon in another place,

Alister Paterson, submitted a question on notice on 2 May to Mr Brumby asking whether he would support an application to the Regional Infrastructure Development Fund for a \$500 000 subsidy for the Barwon Heads connection. He has not yet received a reply.

Perhaps the Treasurer ignores opposition members; I do not know. Perhaps he ignores government members, too, because in the same article in the *Echo* today the other honourable member for Geelong Province is quoted as saying:

I will continue to make strong representation to both TXU and the government ... to see gas delivered to Barwon Heads.

She also said:

... her attention was now 'fully focused' on Barwon Heads ...

Clearly her strong representation and full focus has not made an impression on the Treasurer.

Therefore I ask the minister to brief Mr Brumby and urge him to support the provision of a subsidy for the Barwon Heads natural gas connection.

Natural Resources and Environment: annual report

Hon. D. McL. DAVIS (East Yarra) — The matter I raise for the attention of the Minister for Energy and Resources follows on from the matter I raised in the adjournment debate last night, which dealt with the 1999–2000 annual report of the Department of Natural Resources and Environment. It concerns the consultancies and contractors section of the annual report, which the secretary of the department and the chief financial officer have admitted contains errors.

Last night the minister said she would notify the house of these errors at the earliest opportunity. I ask the minister to reflect on her answer and admit that, given that she and the department knew of the consulting errors in January, she did not inform the house at the earliest opportunity, as she claimed she would, and correct the record.

Yarra Valley Hockey Club

Hon. C. A. FURLETTI (Templestowe) — I raise an issue for the attention of the Minister for Sport and Recreation. In answering a question without notice yesterday the minister made one of his ministerial statements about the commencement of the new training velodrome at John Cain Reserve in Northcote, which is on the fringe of my electorate. The minister

said the project was great news for Cycling Victoria. Unfortunately it is not such good news for the Yarra Valley Hockey Club, which uses the John Cain Reserve and which is awaiting completion of its substitute facilities at Cyril Cummins Reserve in Bell Street.

I have raised the hockey club's concerns previously. Despite the assurance the minister gave me in March last year that I would be kept informed of the extent to which the club would be affected, that has not happened. This is also despite his assurance in May last year that, and I quote from *Hansard*:

Negotiations with the cities of Darebin and Banyule will ensure that the timing of commencement works will coincide with the availability of the new hockey centre in West Heidelberg.

Under the headline 'Hockey stand-off', a report in the *Heidelberger* of 22 May — that is, yesterday — indicates that the matter I raised with the minister on numerous occasions last year is still far from settled and that the Yarra Valley Hockey Club may yet end up without a home.

Therefore I ask the minister to give the Yarra Valley Hockey Club a guarantee that he will honour his previous assurances, that its enjoyment of the facilities at John Cain Reserve will not be restricted and that it will not be evicted from that site until new facilities are complete on the alternative site.

Industrial relations: AEU dispute

Hon. E. G. STONEY (Central Highlands) — I raise a matter for the attention of the Minister for Industrial Relations. On the radio today the Australian Education Union president, Mary Bluett, said she will meet only the decision-makers to discuss the teachers dispute. I therefore ask the minister whether this explains why she told the house yesterday that her officers will meet with the union rather than her.

Industrial relations: ASU financial officer

Hon. M. T. LUCKINS (Waverley) — The matter I raise for attention of the Minister for Industrial Relations relates to mismanagement of the Australian Services Union (ASU), financial embezzlement and the union's failure to provide its members with summaries of accounts for the financial year 1999–2000.

In August 2000 union secretary Russell Atwood and assistant secretary Wendy McManus hired Juanita Keilty — alias Bugge, Calder, Bennett and Keenan — as a union financial officer. At the time she was employed, Ms Keilty was being sought by the police after failing to appear in Dandenong Magistrates Court

in April and June on 16 counts of theft and 2 of attempted theft from the Waverley RSL in my electorate, from which she allegedly stole \$196 310.75.

On 1 August the *Herald Sun* featured Ms Keilty in a list of Victoria's most wanted, together with a photograph, noting that a warrant had been issued for her arrest. Perhaps the union organisers mistook a Victoria Police 'Most wanted' advertisement for a 'Job wanted' ad, because in the same month Ms Keilty was hired by the ASU to look after union members' money. She looked after it all right — she stole \$77 815.59 of the members' money between August and December 2000.

I have spoken to the police officer at Glen Waverley CIB who handled the case. He has confirmed that Ms Keilty was convicted following a plea in the County Court on 27 April this year and sentenced to six years jail for the theft from the RSL and the union.

I ask the Minister for Industrial Relations to investigate the circumstances of Ms Keilty's employment by the ASU, including why the union did not carry out a police check when she was taken on as chief financial officer. I also ask her to investigate the failure of the union to provide financial records for union members — —

Hon. Jenny Mikakos — On a point of order, Mr President, it is clear from what the member has said that this matter has nothing to do with government administration and does not fall within the responsibilities of the Minister for Industrial Relations.

Hon. M. A. Birrell — On the point of order, Mr President, it is clear that any honourable member is able to raise a matter with the Minister for Industrial Relations in relation to the activities of people who come under industrial relations legislation — in particular, state legislation that covers trade unions. Given that we have a full-time Minister for Industrial Relations, there is no doubt at all that this type of issue can be raised in the house where that minister sits.

The PRESIDENT — Order! I do not uphold the point of order. The minister can answer the matter in any way she sees fit, but it clearly can be considered by the minister in the form in which it has been raised.

Hon. M. T. LUCKINS — I had not finished asking my question. I ask the Minister for Industrial Relations to investigate the circumstances surrounding the employment of Ms Keilty as the chief financial officer for the ASU, why the union did not carry out a police check and why it failed to provide financial records to union members for the financial year 1999–2000.

Responses

Hon. M. M. GOULD (Minister for Industrial Relations) — The Honourable John Ross raised for the attention of the Minister for Health an issue regarding the future of hydrotherapy. I will pass it on to the minister and ask him to respond in the usual manner.

The Honourable Peter Katsambanis raised for the attention of the Minister for the Arts a matter concerning the live music industry. I will ask the minister to respond in the usual manner.

The Honourable Andrea Coote raised for the attention of the Minister for the Arts the newspaper collection in the State Library of Victoria. I will refer the matter to the minister and ask her to respond in the usual manner.

The Honourable Graeme Stoney raised the matter of the government's position on proposed strike action by members of the Australian Education Union because of their dissatisfaction with the budget. I have previously clearly indicated the government's position on that matter.

The Honourable Maree Luckins referred to an issue regarding the Australian Services Union and its financial records. As I have said before, the lodging of financial records is done in the Australian Industrial Relations Commission under the Workplace Relations Act. If she has a problem with that, she should take it up with Tony Abbott.

Hon. M. T. Luckins — On a point of order, Mr President, I asked the minister specifically to investigate the employment of Ms Juanita Keilty by the Australian Services Union and why a police check was not carried out. Further, I noted that the union had not made financial records available to union members. I ask the minister to address the question.

The PRESIDENT — Order! On the point of order, the house knows the rules regarding adjournment debates. The minister's response has disposed of the matter. If she does not want to take the matter any further, that is up to her.

Hon. E. G. Stoney — On a point of order, Mr President, the minister did not respond to the issue I raised. The minister's garbled answer was hard to hear. I believe it was not responsive to my question, and I reserve my right to look at *Hansard* and may raise the issue again.

The PRESIDENT — Order! There is no point of order. The honourable member can do that if he wishes.

Hon. C. C. BROAD (Minister for Energy and Resources) — The Honourable Elaine Carbines raised for the attention of the Minister for Environment and Conservation the purchase of highly significant heath land at Urquhart Bluff. I will refer that matter to the minister.

The Honourable Philip Davis raised for the Minister for Environment and Conservation the response to his correspondence about the Stratford Highway Park. I will refer that matter to the minister.

The Honourable Jeanette Powell raised for the attention of the Minister for Transport driveway entrances to dairy farms. I will refer that matter to the minister.

The Honourable Wendy Smith raised for the attention of the Minister for Transport a matter regarding the Scoresby freeway and the budget, and I will refer that matter to the minister.

The Honourable Bill Baxter raised for the attention of the Minister for Environment and Conservation a matter concerning fox control. I will refer that matter to the minister.

The Honourable Ron Bowden raised for the attention of the Minister for Local Government a matter concerning the imposition of levies by local government. I will refer that matter to the minister.

The Honourable Gordon Rich-Phillips raised for the Minister for Transport in another place a matter concerning black spot funding, which I will refer to the minister.

The Honourable Ian Cover raised a matter regarding Barwon Heads gas connections. I remind honourable members that the former Kennett government was responsible for selling off the state gas supply system without any provision being made for extending the system. In spite of this, the Bracks government has delivered for towns on the Bellarine Peninsula. The procedures for the Regional Infrastructure Development Fund are clear and can be followed in an application concerning Barwon Heads.

The Honourable David Davis referred to the annual report of the Department of Natural Resources and Environment. I can inform the honourable member that when the Minister for Environment and Conservation was informed about the corrections that were necessary to the annual report, following consultation by the department with the clerks of the Legislative Assembly and Legislative Council, the minister wrote to the clerks advising them of the corrections. I understand that in accordance with the advice the department is now in the

process of printing an amended report that will be tabled in both houses as soon as it is available, which I understand will be very soon.

Hon. M. R. THOMSON (Minister for Small Business) — The Honourable Barry Bishop raised for the attention of the Minister for Community Services in another place a matter regarding the sale of the house used by the Millewa Community Arts and Crafts Association as a base from which to provide its programs. The association is currently without a place from which to operate and seeks any assistance that may be available to find a sustainable base. I will ask the minister to respond directly to the honourable member.

The Honourable Peter Hall raised an issue concerning Alan's Panels in Moe and the continuing escalating tactics being used by insurance companies. I am very interested in this issue, and I thank the honourable member for the way he has raised it. I have written to the Australian Competition and Consumer Commission seeking to have it investigate the case. I am happy to go back to the ACCC to talk further about an inquiry. We would like to continue to work on a voluntary code of conduct with the industry and the insurance companies so that they treat each other with respect in an open and honest way, which should be the way people deal with one another.

We will continue to try to achieve that outcome, and, as I have indicated previously, we will include section 51AC from the Trade Practices Act in the Victorian fair trading legislation after a review of the Fair Trading Act to provide a cheap dispute-settling mechanism for unconscionable conduct between traders. I hope some resolution of the issue confronting panel beaters will be found.

The Honourable Andrew Brideson raised for the attention of the Minister for Community Services a matter concerning the Cerebral Palsy Education Centre and the shortfall in funding it finds itself facing. I shall raise that with the minister for her response.

The Honourable Cameron Boardman also raised a matter for the attention of the Minister for Community Services. It concerns the Riviera Preschool Centre in Seaford and the requirement for a replacement airconditioner for a child who currently attends the kindergarten. I shall raise that for the minister's direct response.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — The Honourable Alex Olexander raised a matter about police staffing arrangements at certain

police stations in his electorate. I shall refer the matter to the Minister for Police and Emergency Services.

The Honourable Glenyys Romanes asked about bicycle parking in public buildings. I shall refer that matter to the Minister for Planning.

The Honourable Kaye Darveniza asked a matter regarding the Melbourne Knights Soccer Club. I understand the National Soccer League has taken action against the club by imposing a fine. I also understand some home games will potentially be played at alternative venues. I look forward to meeting with representatives of the National Soccer League to discuss solutions to the problem.

The Honourable Bob Smith asked about the Carrum Lifesaving Club. I recognise the importance of the application and the significant community service that the club provides. The Sport and Recreation Victoria grants program is currently being finalised, and I look forward to making the announcements over the next month.

The Honourable Sang Nguyen raised reports of racism in the Victoria police force and asked about strategies to ensure that that does not occur. I shall refer the matter to the Minister for Police and Emergency Services.

In relation to the question asked by the Honourable Neil Lucas about the relocation of Berwick Primary School, I shall refer it to the Minister for Education.

The Honourable Carlo Furletti raised a matter about the Yarra Valley Hockey Club and the City of Banyule. I have had a number of meetings with the stakeholders and appreciate that the City of Banyule must resolve a number of planning issues relating to the facility. We are continuing discussions with the City of Banyule, the City of Darebin and the Yarra Valley Hockey Club. I can advise the honourable member that the hockey club will not be without a facility in future seasons. I also look forward to announcing funding for numerous facilities throughout the state. I am conscious that the matter also relates to application funding. I repeat that I look forward to making those announcements in the near future.

Motion agreed to.

House adjourned 7.14 p.m.

