

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE ASSEMBLY

FIFTY-FOURTH PARLIAMENT

FIRST SESSION

31 October 2001

(extract from Book 7)

Internet: www.parliament.vic.gov.au/downloadhansard

By authority of the Victorian Government Printer

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The Lieutenant-Governor

Lady SOUTHEY, AM

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

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

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Joint Services — Director, Corporate Services: Mr S. N. Aird
Director, Infrastructure Services: Mr G. C. Spurr

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FIFTY-FOURTH PARLIAMENT — FIRST SESSION

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

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The Hon. S. P. BRACKS

Deputy Leader of the Parliamentary Labor Party and Deputy Premier:

The Hon. J. W. THWAITES

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

The Hon. D. V. NAPHTHINE

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

The Hon. LOUISE ASHER

Leader of the Parliamentary National Party:

Mr P. J. RYAN

Deputy Leader of the Parliamentary National Party:

Mr B. E. H. STEGGALL

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Allen, Ms Denise Margret ⁴	Benalla	ALP	Lenders, Mr John Johannes Joseph	Dandenong North	ALP
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Ashley, Mr Gordon Wetzel	Bayswater	LP	Loney, Mr Peter James	Geelong North	ALP
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Cameron, Mr Robert Graham	Bendigo West	ALP	Maughan, Mr Noel John	Rodney	NP
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Carli, Mr Carlo	Coburg	ALP	Mildenhall, Mr Bruce Allan	Footscray	ALP
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Cooper, Mr Robert Fitzgerald	Mornington	LP	Napthine, Dr Denis Vincent	Portland	LP
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Delahunty, Ms Mary Elizabeth	Northcote	ALP	Paterson, Mr Alister Irvine	South Barwon	LP
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Helper, Mr Jochen	Ripon	ALP	Seitz, Mr George	Keilor	ALP
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Honeywood, Mr Phillip Neville	Warrandyte	LP	Smith, Mr Ernest Ross	Glen Waverley	LP
Howard, Mr Geoffrey Kemp	Ballarat East	ALP	Spry, Mr Garry Howard	Bellarine	LP
Hulls, Mr Rob Justin	Niddrie	ALP	Steggall, Mr Barry Edward Hector	Swan Hill	NP
Ingram, Mr Craig	Gippsland East	Ind	Stensholt, Mr Robert Einar ²	Burwood	ALP
Jasper, Mr Kenneth Stephen	Murray Valley	NP	Thompson, Mr Murray Hamilton	Sandringham	LP
Kennett, Mr Jeffrey Gibb ¹	Burwood	LP	Thwaites, Mr Johnstone William	Albert Park	ALP
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Kosky, Ms Lynne Janice	Altona	ALP	Viney, Mr Matthew Shaw	Frankston East	ALP
Kotsiras, Mr Nicholas	Bulleen	LP	Vogels, Mr John Adrian	Warrnambool	LP
Langdon, Mr Craig Anthony Cuffe	Ivanhoe	ALP	Wells, Mr Kimberley Arthur	Wantima	LP
Languiller, Mr Telmo	Sunshine	ALP	Wilson, Mr Ronald Charles	Bennettswood	LP
Leigh, Mr Geoffrey Graeme	Mordialloc	LP	Wynne, Mr Richard William	Richmond	ALP

¹ Resigned 3 November 1999

² Elected 11 December 1999

³ Resigned 12 April 2000

⁴ Elected 13 May 2000

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Wednesday, 31 October 2001

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

PETITION

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

Libraries: funding

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

The humble petition of the undersigned citizens of the state of Victoria respectfully requests:

that the Victorian government immediately invest substantially more in public library services for the benefit of all Victorians;

that the Victorian government increase funding to public libraries for the purchase of books;

that the Victorian government increase funding for the purchase and maintenance of mobile library services to ensure the removal of the barrier to access by Victorians in rural and remote areas.

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

By Mr LUPTON (Knox) (938 signatures)

Laid on table.

PAPERS

Laid on table by Clerk:

Adult, Community and Further Education Board — Report for the year 2000–2001

Albury-Wodonga Development Corporation — Report for the year 2000–2001

Architects Registration Board of Victoria — Report for the year 2000–2001

Australian Grand Prix Corporation — Report for the year 2000–2001

Barwon Region Water Authority — Report for the year 2000–2001

Board of Studies — Report for the period ended 28 February 2001

Building Control Commission — Report for the year 2000–2001

Central Gippsland Region Water Authority — Report for the year 2000–2001

Central Highlands Region Water Authority — Report for the year 2000–2001

Cinemedia Corporation — Report for the year 2000–2001

Coliban Region Water Authority — Report for the year 2000–2001 (two papers)

Docklands Authority — Report for the year 2000–2001

East Gippsland Catchment Management Authority — Report for the year 2000–2001

Education, Employment and Training, Department of — Report for the year 2000–2001

Emerald Tourist Railway Board — Report for the year 2000–2001

Environment Conservation Council — Report for the year 2000–2001

Financial Management Act 1994:

Report from the Minister for Environment and Conservation that she had received the 2000–2001 annual report of the Alpine Resorts Coordinating Council

Report from the Minister for Finance that she had received the 2000–2001 annual report of VicFleet Pty Ltd

First Mildura Irrigation Trust — Report for the year 2000–2001

Gambling Research Panel — Report for the year 2000–2001

Gippsland and Southern Rural Water Authority — Report for the year 2000–2001

Glenelg Region Water Authority — Report for the year 2000–2001

Goulburn Broken Catchment Management Authority — Report for the year 2000–2001

Goulburn-Murray Rural Water Authority — Report for the year 2000–2001

Goulburn Valley Region Water Authority — Report for the year 2000–2001

Grampians Region Water Authority — Report for the year 2000–2001

Greyhound Racing Victoria — Report for the year 2000–2001

Harness Racing Board — Report for the year 2000–2001

Hastings Port (Holding) Corporation — Report for the year 2000–2001

Heritage Council Victoria — Report for the year 2000–2001

Human Services, Department of — Report for the year 2000–2001

Infrastructure, Department of — Report for the year 2000–2001

- Justice, Department of — Report for the year 2000–2001
- Legal Practitioners Liability Committee — Report for the year 2000–2001
- Library Board of Victoria — Report for the year 2000–2001
- Lower Murray Region Water Authority — Report for the year 2000–2001
- Marine Board of Victoria — Report for the year 2000–2001
- Melbourne 2006 Commonwealth Games Pty Ltd — Report for the year 2000–2001
- Melbourne and Olympic Parks Trust — Report for the year 2000–2001
- Melbourne City Link Authority — Report for the year 2000–2001
- Melbourne Convention and Exhibition Trust — Report for the year 2000–2001
- Melbourne Cricket Ground Trust — Report for the year 2000–2001
- Melbourne Port Corporation — Report for the year 2000–2001 (two papers)
- Melbourne Water Corporation — Report for the year 2000–2001
- Museum Board of Victoria — Report for the year 2000–2001
- Natural Resources and Environment, Department of — Report for the year 2000–2001
- North Central Catchment Management Authority — Report for the year 2000–2001
- North East Catchment Management Authority — Report for the year 2000–2001
- North East Region Water Authority — Report for the year 2000–2001
- Overseas Projects Corporation of Victoria Limited — Report for the year 2000–2001
- Parks Victoria — Report for the year 2000–2001
- Plumbing Industry Commission — Report for the year 2000–2001
- Portland Coast Region Water Authority — Report for the year 2000–2001
- Premier and Cabinet, Department of — Report for the year 2000–2001
- Public Advocate — Report of the Office for the year 2000–2001 — Ordered to be printed
- Public Employment Office — Report for the year 2000–2001
- Public Transport Corporation — Report for the year 2000–2001
- Regulator-General — Report of the Office for the year 2000–2001
- Residential Tenancies Bond Authority — Report for the year 2000–2001
- Roads Corporation (VicRoads) — Report for the year 2000–2001
- Royal Botanic Gardens Board — Report for the year 2000–2001
- Rural Finance Corporation — Report for the year 2000–2001
- South Gippsland Region Water Authority — Report for the year 2000–2001
- South West Water Authority — Report for the year 2000–2001
- Spencer Street Station Authority — Report for the year 2000–2001
- Stamps Act 1958 — Report of exemptions and partial exemptions approved and refunds made pursuant to s 137R for the year 2000–2001
- State and Regional Development, Department of — Report for the year 2000–2001
- State Sport Centres Trust — Report for the year 2000–2001
- State Trustees Limited — Report for the year 2000–2001 (together with Financial Statements of the Common Funds) (two papers)
- Sunraysia Rural Water Authority — Report for the year 2000–2001
- Tourism Victoria — Report for the year 2000–2001
- Treasury and Finance, Department of — Report for the year 2000–2001
- Treasury Corporation of Victoria — Report for the year 2000–2001
- Urban and Regional Land Corporation — Report for the year 2000–2001
- Victorian Catchment Management Council — Report for the year 2000–2001
- Victorian Channels Authority — Report for the year 2000–2001
- Victorian Curriculum and Assessment Authority — Report for the year 2000–2001
- Victorian Institute of Sport — Report for the year 2000–2001 (two papers)
- Victorian Learning and Employment Skills Commission — Report for the year 2000–2001
- Victorian Medical Consortium Pty Ltd — Report for the year 2000–2001
- Victorian Rail Track (VicTrack) — Report for the year 2000–2001
- Victorian Relief Committee — Report for the year 2000–2001

V/Line Passenger Corporation — Report for the period 1 January 2001

West Gippsland Catchment Management Authority — Report for the year 2000–2001 (two papers)

Western Region Water Authority — Report for the year 2000–2001 (two papers)

Westernport Region Water Authority — Report for the year 2000–2001

Wimmera Catchment Management Authority — Report for the year 2000–2001

Wimmera-Mallee Rural Water Authority — Report for the year 2000–2001

Wonthaggi and District Hospital — Report for the year 2000–2001 (two papers)

Yarram and District Health Service — Report for the year 2000–2001 (two papers)

Young Farmers' Finance Council — Report for the year 2000–2001

Zoological Parks and Gardens Board — Report for the year 2000–2001.

MEMBERS STATEMENTS

Pakenham bypass

Dr NAPHTHINE (Leader of the Opposition) — I wish to condemn the lack of real commitment by the Labor Party to fund and build the very important Pakenham bypass. The federal Liberal Party has committed \$100 million for this project, and the state Liberal Party will commit \$100 million when it is returned to office at the next election. The recalcitrant is the state Labor Party, which refuses to support this important project.

The Minister for Transport has been reported in the *Pakenham Gazette* as saying he is unable to say whether the government would commit \$100 million to this project. In today's paper he is reported as saying that any commitment to this project is merely an election stunt. That is what the Minister for Transport thinks of this vital project for Gippsland — and the people of South Gippsland, East Gippsland, Central Gippsland, Pakenham and the electorate of Narracan, who want this project.

Yesterday when asked whether he would guarantee that the state Labor government would commit to this project the Premier said that he would look into it in the next budget. We have a clear difference. The Liberal parties at the state and federal levels are committed to the project and will fund it. The Labor Party is

recalcitrant on the project and will not fund it. It does not care about the people of Pakenham and will not fund this vital Pakenham bypass.

The people in the area know that a vote for the Liberal Party is a vote for the Pakenham bypass and that a vote for Labor is a vote against the Pakenham bypass.

Victorian Young Farmers

Mr MAUGHAN (Rodney) — I raise my dismay and concern regarding the Bracks government's decision to axe funding to the Victorian Young Farmers movement. The VYF started some 50 years ago and is modelled on the very successful United States of America and United Kingdom models.

Over the years the VYF has provided wonderful opportunities for young people from country Victoria to develop their social, cultural and agricultural skills. At one time the VYF was a very important agricultural extension medium. Thousands of young people from country Victoria received their basic training in public speaking, debating and meeting procedure through the VYF and many now occupy important positions in federal, state and local government as well as a wide range of community organisations.

The Victorian Young Farmers movement has received considerable financial support over the years from the oil, banking and shipping industries, the Royal Agricultural Society and, since 1956, successive Victorian governments because of the contribution it has made to the lives of young people in country Victoria. Sadly that is now at an end as the city-centric Bracks government has shown how much it really cares for country Victoria by chopping funding to the VYF. Not only did the government chop the funding but it procrastinated for more than eight months before finally notifying the VYF that its funding would not be continued. This is a sad day for the VYF and a sad reflection on the government's lack of commitment to the young people of country Victoria.

Frank Capuana

Ms BEATTIE (Tullamarine) — I wish to pay tribute to a remarkable member of my electorate who passed away recently. Frank Capuana was born in May 1926 in a small town in Sicily called Vizzini. Vizzini is well known in Australia as thousands of people from this town have made this country their home. Initially Frank emigrated from Sicily to Argentina in the 1950s. He migrated with his family to Australia in 1966.

Frank established an elderly pensioners club, the Gladstone Park Italian senior citizens. This is a very

active group in the community and has been a central part of the cultural and social interests of Italian-Australians in my electorate. During the short time I knew Frank I was inspired by his energy, enthusiasm and love of his community. Frank Capuana was the president of his group until his death on 22 October. Frank was also active in the Victorian federation of Italian pensioners groups.

Frank leaves behind a wife, Margarita, daughter, Sandra, and son, Leonardo. Vale Frank Capuana.

ALP: Corangamite federal candidate

Mr MULDER (Polwarth) — I call on the federal Labor candidate for the seat of Corangamite, Michael Bjork-Billings, to either apologise for misleading the constituents of Corangamite or stand down as Labor's federal candidate. In what could only be described as the greatest deceit possible Mr Bjork-Billings has indicated that if elected he will put an end to logging in the Otway Ranges.

Most embarrassing for Mr Bjork-Billings is the fact that spokespeople for the state government and the federal Labor Party claimed in the *Age* yesterday that Mr Bjork-Billings had no authority to make such promises. A spokesman for the Victorian Premier said a review of logging was being undertaken but there were no plans for a transition from native forests to plantations.

The sitting Liberal member, Stewart McArthur, has provided continual and honest representation to the voters of Corangamite. His integrity has never been questioned during years of dedicated service. To have that reputation challenged by a candidate who at best is playing with the truth before election day begs the question of what people could expect from Bjork-Billings in the future.

The misleading by Mr Bjork-Billings of the constituents of Corangamite in such a manner just goes to prove that nothing has changed with Labor. Labor cons its way into government and spends its way out. You just cannot trust Labor or its candidate for Corangamite, Michael Bjork-Billings.

Pakenham bypass

Mr BATCHELOR (Minister for Transport) — The Liberal Party's claim of support for the Pakenham bypass is an absolute fraud. It is a disgrace and a gross act of deceit.

Honourable members interjecting.

The SPEAKER — Order! Stop the clock. I cannot allow that level of interjection to continue.

Mr BATCHELOR — Yesterday the federal Treasurer, Peter Costello, made a commitment to add an extra \$31 million to the Pakenham bypass, not during the next term of his government but in the 2005–06 financial year. The Liberal Party is promising to fund this bypass way off into the distance. John Howard and Peter Costello will have been forgotten and Denis Naphine will not be remembered by the time the Liberal Party gets around to putting in this extra money.

The Labor Party supports the Pakenham bypass. Labor led the fight and it will sit down with the incoming Labor federal government and work out the funding profile.

We support this program. The Liberal Party is a fraud on the Pakenham bypass. Peter Costello does not want to fund it until 2006 when the Liberal Party will put in an extra \$31 million. They are a fraud and are supported by their colleagues in this chamber today.

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

Wild dogs: control

Mr INGRAM (Gippsland East) — I would like to recognise an issue in my electorate that has a wild dog problem which has a major impact on sheep farmers in East Gippsland. I congratulate the Minister for Environment and Conservation on her press release last Monday which identified that the government would fast track wild dog management.

This is an issue that deeply concerns all those farmers who suffer from this problem. Anybody who watched the *Landline* program last weekend would recognise that there is a serious issue, and only three-eighths of the pest animal budget is spent on the ground. The Victorian Farmers Federation put a proposal that would recognise this problem and streamline the management of the wild dog budget, and put more money into trappers and wild dog control on the ground.

That is something we must do. I suggest that wild dog management does not only have an impact on sheep farmers but also on native animals, such as the brush-tailed rock wallaby which is under threat of extinction, and there are only 25 brush-tailed rock Wallabies left in the wild. If the wild dog problem is not managed across the state there will be a more serious impact on our native animals and our farmers.

Point Nepean: army land

Mr DIXON (Dromana) — This is the third occasion I have had to raise this matter in this place. In November 1999, in November 2000 and again this year I raised the former army land at Point Nepean on the Mornington Peninsula which the federal government wants to give to the people of Victoria as a centenary of Federation gift. I am still waiting for an announcement by the government regarding the future of this land. All the studies and community consultation was carried out in September 1999, so the information is available for the minister to make an announcement on the future of the land.

The federal government recently announced, and I commended the great work of the Liberal candidate, Greg Hunt, a \$4 million grant to upgrade the heritage buildings on that site. The federal government realised the great tourism, educational and environmental potential of the site. This is an incredible lack of action from the government. We have been waiting for three years for some announcement. It seems to be too hard to make. On this third anniversary I call on the minister to make an announcement regarding the future of the site. I do not want in a year's time to ask the minister on a fourth occasion for some announcement on the future of the site.

Seymour: student bicycle ride

Mr HARDMAN (Seymour) — I rise to congratulate the Tallarook, Avenel and Puckapunyal primary schools whose students recently set off on a five-day bike ride around the area. They went to places like Pyalong, Puckapunyal, Nagambie, Avenel, Seymour and back to Tallarook. It was great to see 60 students taking on the bike ride with a dozen or so teachers and parents in support vehicles and also riding their bicycles, with a police escort taking them on their way and keeping them safe.

It was obviously a major challenge for the students to go on the bike ride, for which I commend them. The children obviously did a great deal of training not only for fitness but also for bike-riding skills, road safety, road skills and bike maintenance. The efforts of the teachers and parents should be recognised. I congratulate the teachers of the schools, in particular those at Tallarook Primary School, for providing this challenge for the students. I know in this day and age there is the fear of vexatious litigation regarding such activities, so it was great that the teachers had the courage to provide this activity for the children.

I remember the activities that were challenging to me when I was in grade 6, and I am sure that the children's self-esteem, their abilities and their confidence in their own abilities will benefit from this experience.

ALP: Corio federal candidate

Mr PATERSON (South Barwon) — Union dominance of the Australian Labor Party has once again reared its ugly head in Geelong. We all know about the millions of dollars poured into the ALP coffers by various unions intent on misusing the union dues of ordinary members. The Liquor and Miscellaneous Workers Union last year handed over \$87 500; the Australian Manufacturing Workers Union, \$100 000; the Australian Workers Union, nearly \$60 000; the National Union of Workers, more than \$140 000; and the Shop Distributive and Allied Employees Association, well over \$200 000. Those are just a few examples.

There is no doubt who controls the Labor Party: it is the union bosses. And there is no more stark example than the current election campaign in the seat of Corio. Just who authorised the newspaper advertisements of the ALP member for Corio? Was it a hardworking, respected member of the local community? No, of course not. It was the president of the Geelong Trades Hall Council using the address of Trades Hall in Myers Street, Geelong.

We all know, if Australia is unlucky enough to get a Labor prime minister after 10 November, just where the paybacks will be. The union bosses will be back in town. They will be running Australia again, taking this great nation back to the bad old days of Hawke and Keating.

National Party: Bendigo federal candidate

Ms ALLAN (Bendigo East) — Many honourable members will know of the children's book *Where's Wally?* It is a book of challenges for young children to spot Wally in his red and white striped shirt in a crowded scene. In Bendigo we have our own version of *Where's Wally?* It is called 'Where's the National Party?'. Already the National Party has announced it will not contest the seats of Bendigo West and Bendigo East at the next state election, and now it appears National Party members have fled Bendigo altogether by not contesting the federal seat of Bendigo at the coming federal election.

And why would they? At the last federal election the National Party polled a miserable 3.2 per cent of the vote. They did so badly they lost their deposit at that

election. The recent *Bendigo Advertiser* poll revealed that the National Party vote was a miserable 1.5 per cent in the federal seat of Bendigo. The last National Party representative standing in Bendigo is one of the members for North Western Province, whose record is not one to be proud of. He drove the vote down from 24 per cent in 1987 to a paltry 1.5 per cent in 2001. The question around Bendigo is, 'Will he be contesting the next state election also?'

National Party members claim to represent country Victoria. They beat their chests and wander around country Victoria claiming to represent country people, but they have abandoned the people of central Victoria and the small communities in that area.

MATTER OF PUBLIC IMPORTANCE

Health: services

The SPEAKER — Order! I have accepted a statement from the honourable member for Malvern proposing the following matter for discussion today:

That this house condemns the Labor government for two years of deterioration across key health indicators, while overspending the 2000–01 Department of Human Services budget by half a billion dollars without delivering better services for Victorians.

Mr DOYLE (Malvern) — I will range across a number of health indicators today and the spending that underlies them in health in Victoria. First, two examples: one very small one about the way the Labor government works and one very large one, also about the Labor government.

Let us start with the small one. You would think you could at least get the small things right. Last Friday the Minister for Health in his usual blaze of publicity launched what he called the new child health record for all Victorian babies. It is, I suppose, the new mum's bible. Most who have had children in the last 10 years will remember the document, which is a record of important contacts, milestones and information for new babies' parents.

The minister launched the booklet with great fanfare last Friday afternoon. It is an important record. The booklet says that you should take it with you to appointments with professionals, such as the maternal and child health nurse, or anybody connected with the health system so the information can be recorded at the time of the visit. For example, at birth a number of items are recorded by the midwife or doctor, and at two weeks the results of a number of tests are recorded. So

perhaps it is not such a small thing that the minister launched last Friday.

What the minister did not tell Victorians, and what was astonishingly incompetent, was that the book had been out of print for two months; for August and September the book was out of print! So how do you turn necessity into a virtue? You spin it and you relaunch a new book. Imagine the incompetence needed to think that for two months there would be no children born in Victoria and child health records would not be needed! But if you are the Minister you do not worry about that; you are not embarrassed by the fact that councils, maternal and child health centres and hospitals have been photocopying the book page by page and giving loose leaves to new mothers. What do you do? You do a launch! It is typical of the small things this government cannot get right. We know the government is incompetent when dealing with the small things.

Let us now look at some of the big things. To look at something I consider to be the cornerstone of health, let us look at the Medicare agreement. That is a large issue. It is interesting to look at how much Victoria garners from the health care agreement negotiated by the previous government, and it is an enormous amount of money Victoria receives from the commonwealth. This year the total grant entitlement to Victoria will be \$1 530 814 000, an enormous sum of money. The interesting part is that that represents, just by the conditions of the Australian health care agreement, an increase of \$107 million over last year. The state does not have to do anything; it just increases by \$107 million this year. That is entirely appropriate given the importance of health. Next year, without the state doing anything, it will increase by \$94 million, so we are looking at a very, very large budget item.

What does the federal Labor leader promise for the Medicare agreement? This was his big cornerpiece of health. He promised an extra \$545 million over four years for Australia; that is his Medicare promise. Over four years that would equate to an increase of about \$120 million for Victoria. So what he is promising is an increase of approximately \$40 million a year in the Medicare agreement. This year the increase is \$107 million alone, and next year it is \$94 million under the present Medicare agreement. So is what the federal Labor leader is promising actually a reduction in the Australian health care agreement increments presently agreed?

Let us look at the present Labor state government. I was fascinated two days ago — I will refer to it often, I promise — to see the Department of Treasury and Finance 2000–01 financial report for the state of

Victoria. Buried at the bottom of page 13 it states that the Australian health care agreement grants to Victoria in 2000–01 exceeded the budget estimate by \$25 million, reflecting population growth. So even above and beyond that \$107 million additional last year that the health care agreement provided, there was an extra \$25 million in the budget for Victoria.

Why is that a large thing? I regret to tell honourable members that they will have to wait until I get to the health indicators, which is part of the matter of public importance, but the important part is that that is an enormous sum of money coming to Victoria every year to support health — quite properly — under that health care agreement. The real question is: what does the state do with the money? The state produces reports every quarter that will allow us to compare quarter on quarter, year on year, government on government exactly what services are delivered to the people in the state of Victoria for that money.

I will come back to the health care agreement in a moment, but suffice it to say that the increases provided to the state of Victoria by the present agreement alone are enormous, yet somehow Mr Beazley suggests that his \$545 million increase in Medicare over four years would in some ways be an improvement on what we have got.

The simple answer is those figures simply do not stack up. Let us look at what the MPI calls the key indicators of health. These are things which are measured quarter by quarter, irrespective of government or of what spin you might want to put on it, or how you might want to sell what is happening in the health system. Quarter by quarter the accurate and real figures are produced.

The important thing when you are looking at these figures is this: you must compare apples with apples, June with June or September with September, or spring with spring, because demand on the health system fluctuates throughout the year. But you should be able to compare, for instance, June on June on June figures, which is what I will do. I will compare what happened in the health system two years ago, under the previous government, on four key health indicators in the *Hospital Services Report*. Let us look at all of this extra money Labor is spending — and I shall come back to that and to the financial report on the state of Victoria. What has the Labor government done with the money provided for health in the last two years? Has the number of people in Victoria increased? Marginally, yes. Has the demand on health services increased? Yes, as it always does, year on year. If you want to look at real demand increase, which is a key indicator, look at what happened between 1992 and about 1997. That is

when the real demand went up: an extra 300 000 people treated in public hospitals.

Presently we are treating about 1 million people in our public hospitals each year, and that demand fluctuates from time to time. But that real demand bulge passed through in the first term of the coalition government between 1992 and 1996. Since then demand has been predictable, the number of people presenting to hospitals and emergency departments and needing elective surgery has been predictable and has not risen in any way that should not be catered for by a decent health system. What has the *Hospital Services Report* said, quarter on quarter, June on June on June, on these four key health indicators? First, people on waiting lists.

Mr Viney interjected.

Mr DOYLE — I will take up the point raised by the honourable member for Frankston East. Let us look at what he has done, not what he is talking about. Let us look at what the hospital services reports say. I am happy to quote what they say. In the June quarter of 1999, 12 249 people were on the waiting list for elective surgery. In the June quarter of 2001 how many people were on that waiting list in that comparable quarter? There were 14 832 — a rise, quarter on quarter, of 21 per cent. These are apples with apples. You can twist this any way you like, but they are official figures, quarter on quarter, and directly comparable. There was a rise of 21 per cent on that quarterly waiting list.

However, let us look at the quality indicator, which is more important than just the waiting list, because we know what is happening in hospitals now. People are not even being put on waiting lists. You do not figure in the figures because you do not even get a date for your operation. That is particularly true in orthopaedic and coronary surgery. Go and talk to rural and regional Victorian doctors, to the doctors at Monash Medical Centre or Dandenong or Footscray hospitals. They will tell you, ‘No, they do not show up on waiting lists because we do not even put them on the waiting lists’.

Let us look at the quality indicators now. How long do you wait for your operation? This is a much more important figure. In June 1999, 3623 people were waiting longer than the ideal time. It is bad enough to have one person waiting longer than the ideal time, but in June 1999 there were 3623. In June 2001, after two years of a Labor government, 6559 people were waiting longer than the ideal time — a rise of 81 per cent. The quality indicator — waiting longer than the ideal time — shows a rise of 81 per cent.

Let us look at the third indicator — and this is something that worries people. If you can get into hospital you want to be admitted. But what happens? Something the Minister for Health, then shadow minister, made as a strong media point was that the number of people waiting on trolleys was unacceptable. In June 1999, 2445 people stayed in a hospital emergency department on a trolley for longer than 12 hours.

In June 2001 the figure is 6802 — a rise of 203 per cent in two years. But let us look at the really interesting statistic. Can you actually get into the hospital, or is the ambulance driving past hospital after hospital because the emergency department is full? Is the hospital on ambulance bypass? In June 1999 there were 130 episodes of emergency departments going on bypass; in June 2001, 756 — a rise of 481 per cent in ambulance bypasses.

On those four key indicators over two years of Labor government there has been enormous deterioration in the quality of health care offered to people in this state.

I am sure we would agree that the hospital system is the responsibility of the state. Yes, it is partly funded by the Australian health care agreement, but hospitals are a state responsibility. That is why we have state ministers for health. That is why the acute budget is the biggest.

The interesting part is, imagine if you were to hear someone saying to you:

I'd like to talk to you about our health system. All Australians expect access to decent health care.

...

It's tough for those on long waiting lists. It's no comfort for those who wait hours in emergency departments.

...

Let's face it: the Australian people are worried about the state of our hospitals.

I would agree with that. The problem is that the speaker was the federal Labor leader talking about a state responsibility. Let us look at how he concluded his address on 28 October. He said:

We are committed to rebuilding our public health system, cutting waiting lists ... fixing our public hospitals.

By implication that means that our public health system is in a shambles, that waiting lists are out of control and our public hospitals system is broken. These are state responsibilities, and we have had a Labor government in this state for two years. And just in case we get the normal bleating about seven years of misrule, let us look at our neighbour to the north. How long has a

Labor government been in power in New South Wales, and exactly the same problems are there. So out of the mouths of babes — condemned by the federal Labor leader, who says that the hospital system and the public health system are in disarray, and they are a state responsibility.

I am delighted that the honourable member for Frankston East is here. Perhaps he will recognise this. When we are talking about the state of hospitals, perhaps he will remember this newspaper article. Under his careful stewardship, let us remember what has happened at the hospital for which he claims some responsibility.

Honourable members interjecting.

Mr DOYLE — Let us leave Medigate for a moment!

On four key health indicators, this state has never been in a worse condition. But let us look at what the government actually spent. Good old-fashioned Labor — tax big, spend big, do nothing! In 1988–89 the actual spending in the Department of Human Services was \$6.871 billion. That was the Liberal Party's last financial year in government. Year 1 of Labor, \$7.259 billion. But here is the interesting part, and the point of the matter of public importance today: with all of these indicators being as bad as they are, this government's budget figures for May 2000 show it as proposing to spend \$7.555 billion. What did it actually spend? It actually spent \$8.112 billion — in other words, it overspent the budget by half a billion dollars. On its own figures it has spent \$1.2 billion more than we spent in our last year in government. Yet what have we got on all four of those key health indicators? A worse system.

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

Mr DELAHUNTY (Wimmera) — This government promised to revitalise the health system, particularly in country Victoria, yet in the nearly two years of its term the system is visibly deteriorating. True to its Labor tradition, it is a high-spending, poorly achieving government unable to manage a big portfolio. The Minister for Health is not even in here to hear the lead speakers of the two opposition parties. That is a disgrace. He should be trying to get a real feel of what is happening in his health portfolio, but he is going around dealing with planning issues. I believe he should be doing one job at a time and doing it properly or he should not be doing them at all.

Everyone knows that the Labor government cannot manage money. Its members continue to be poor leaders when managing public assets, staff and, importantly, community funds. Even the Auditor-General's report this year said that the public health system remained weak and vulnerable. The Auditor-General reported that 12 Victorian hospitals, nine of them in country Victoria, are operating under financial difficulties.

The Labor government has been throwing money around as if it were confetti, but it has not solved problems, particularly in country Victoria.

My colleague has just pinched a bit of my paperwork, but can I say that the National Party welcomes more support for patient care, particularly a fairer deal for our nurses. These people make a wonderful contribution to patient care and are the cornerstone of our health system. But some country hospitals are not happy with the nurse allocations. They are unsure about their true costs and are worried that the government will do as the last Labor government did — force them to use their financial reserves, some of which is money given by local donations.

An honourable member interjected.

Mr DELAHUNTY — The honourable member for Footscray is over there talking about 'bankruptcy'. He was there at that time.

Mr Doyle — Where were you in 1992?

Mr DELAHUNTY — That is right. The old joke: I went to Canberra one time and a bloke said to me, 'What's the capital of Victoria?', and I said, 'Melbourne, of course'. He said, 'No, it isn't. It's two bob. That's about all that's left there'. I am sure the honourable member for Footscray knows those jokes.

To highlight many country concerns I want to talk about Rural Northwest Health. In 1999 the Hopetoun community hospital agreed to merge with Beulah and Warracknabeal to form Rural Northwest Health. I was told by people who were in this chamber that services such as midwifery and other minor surgery would remain in Hopetoun. But as we know, Rural Northwest Health has developed another service plan. Many in the community believe that was driven by the Labor government and the Department of Human Services staff and not by the community. That service plan has gone down like a lead balloon, and I want to highlight that by referring to an article on the front page of the *Warracknabeal Herald*, which states:

Hopetoun vote to challenge RNH service loss

A near-capacity crowd attended a public meeting held at the Hopetoun Memorial Hall on Monday night to protest against cutbacks to theatre and obstetric services at the Hopetoun campus of Rural Northwest Health.

Over 350 people attended the meeting ...

That is more than the whole township of Hopetoun, so again this highlights a concern at this Labor government throwing money around but cutting back on services.

The meeting need not have happened if the Minister for Health had listened to the Leader of the National Party and to Mr Best, a member for North West Province in the other place, who earlier got a slugging in this Parliament from the honourable member for Bendigo East. Where was she when all these problems were going on? She was not standing up for rural communities. She is just toeing the line of the leader and not listening to the concerns of the people. In early September we asked the minister to intervene. I again say that the Leader of the National Party asked the minister to intervene. He should follow the precedent set by the former health minister, Rob Knowles, who requested the Maryborough district hospital service to reverse its decision to close the Dunolly health service years ago. The former minister showed a bit of leadership and turned around the decision, but this minister has refused to accede to the request.

I will come back to Rural Northwest Health in a little while because I have some statistics the shadow Minister for Health has also highlighted. I went through the *Health Services Report* comparing the June quarter of 2001 against the June quarter of 1999, so we are comparing apples with apples.

The *Health Services Report* for the June quarter of 2001 shows that the Labor government has failed country Victoria on many health performance indicators. Under the heading 'Access to elective surgery', how many people have gone onto the hospital waiting list for elective surgery? The totals are as follows: for the June quarter 1999, 34 008; for the June quarter 2001, 41 838 — an increase of 7830 or 23 per cent. For non-urgent surgery there was an increase of 6.7 per cent; for semi-urgent surgery the increase was 62.6 per cent; and for urgent surgery there was an increase of 213.5 per cent.

We in the National Party put the country first. We are proud to say that. I will compare the quarterly figures in the report for 1999 and 2001 for the seven country hospitals — Ballarat Health Services, Barwon Health, Bendigo Health Care Group, Goulburn Valley Health Services, the new Latrobe Regional Hospital,

Wangaratta District Base Hospital and the West Gippsland Healthcare Group. For those seven hospitals in the June quarter 1999 there were 5335 patients on the waiting lists for non-urgent surgery. That figure has now increased to 5753, an increase of 418 people or 7.8 per cent. For semi-urgent patients the figure has gone up by 596 or 48.3 per cent. The one I want to highlight is the urgent category for those seven rural and regional hospitals, which increased by 342.9 per cent. The total figure is 213.5 per cent, but when we compare the figure for rural and regional hospitals against that total we see that in the country the waiting list for urgent surgery has gone up by 342.9 per cent.

My colleagues inform me that Labor, as the opposition in the previous government, made a lot of noise in this chamber about ambulance bypasses. Where is Labor now, when we look at those figures? Comparing the June quarter of 1999 —

An honourable member interjected.

Mr DELAHUNTY — Fixing it? Where is the minister to hear these figures? I am not even sure he gets a briefing on this.

Let us compare the figures for the 1999 June quarter and the 2001 June quarter for ambulance bypasses. For the June quarter of 1999 there were 130 ambulance bypasses; for the June quarter of this year — so we are comparing apples with apples — the figure is 756, an increase of 626 or 481.5 per cent. Again you can see that there are major problems, and I do not think this government is achieving anything.

Rural Northwest Health is now in the situation where obstetric and major surgery will be lost from the Hopetoun campus. I believe a deputation met with the minister last night, and perhaps he has listened finally, after six months of procrastination. We are under threat. We have a female doctor from overseas, and thanks to federal government support we are able to recruit from overseas hospitals. But people are difficult to get, particularly a female doctor who is able to deliver babies. They are like hen's teeth. We now see that we are possibly going to lose a female doctor in that area.

This is not all that the people in Warracknabeal and Hopetoun are worried about. I will quickly refer to an editorial on the front page of the *Warracknabeal Herald* under the heading, 'Giving with one hand, taking with the other':

Unfortunately another pot is simmering on the Rural Northwest Health stove as the management and board of the health group continues to attempt to meet health department and government guidelines for service provision and budget.

The issue over the closure of six Landt Hostel beds in addition to the ongoing battle at Hopetoun ...

The article continues:

However, this constant shuffle of funding to service provision may not always be to the betterment or benefit of the community particularly when certain services are being reduced.

Again, this highlights the problem.

I will finish by referring briefly to a couple of other concerns. The first is the helicopter service to western Victoria. The government promised much and has delivered little. In January 2001 the minister announced a series of health projects. They are weighted towards the city. Again when there are problems in the country the government is not delivering. The offices of rural health have been downgraded. Instead of giving direct access to the minister, the government is cutting the offices back.

The Labor Government has conned its way into government and is now spending its way out of it. The government promised country Victoria a better deal, and people within —

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

Mr VINEY (Frankston East) — In raising this matter of public importance today the honourable member for Malvern is clearly part of a campaign to undermine the Leader of the Opposition and to take over his job. But I would have to say that listening to the honourable member for Malvern was a little like listening to a firebug calling 000. This is the man who as parliamentary secretary presided over a reduction in the health system, presided over the sacking of nurses, presided over the closing of beds, presided over the privatisation of hospitals, presided over the closure of public hospitals — which the honourable member for Wimmera conveniently wants to forget about — presided over a crisis in our ambulance service and presided over a crisis in confidence in our public hospital system, yet he has the audacity to come to this Parliament and put forward for debate a matter of public importance on health. He is like the firebug that calls 000.

This government is about restoring the health system and turning it around. This government is turning around the system it inherited, the system that was an absolute mess. I will go to the heart of some of the matters the honourable member for Malvern raised in his contribution, because he has been caught out in

three specific instances of either not presenting the full facts or not presenting the correct facts in this debate.

I will go first to the matter of hospital waiting lists. He is pulling out esoteric data from here and from there — 14 000 has gone up to 15 000 — pulling out bits and pieces. But let us look at waiting lists over the course of the past nine years. In October 1992 when the Kennett government assumed power in Victoria — and what a dark seven years emerged as a result of it — there were 33 335 patients on the waiting list. By September 1999 that had increased to 40 293. That is an increase of 7000 people on the waiting list in Victoria's hospital system. By 30 June 2000, which is an important date because it is the end of the last Kennett government budget and so is the final figure for the waiting list in our public hospital system he was responsible for, that number had increased to 42 121. So over the period for which the Kennett government was responsible the waiting list for our public hospitals increased by nearly 10 000, which on 33 000 is just on 30 per cent. There was a 30 per cent increase in the hospital waiting list over the period of the Kennett government.

In the first 12 months of the first Bracks government budget the waiting list declined for the first time in 10 years from 42 121 on 30 June 2000, the last period of Kennett budgets, to 41 832 on 30 June this year. So what we have seen in our hospital system is not the misrepresentation of the facts that the honourable member for Malvern wants to spray around this house. For the first time in 10 years there was an actual reduction in the waiting list in this state.

I will go to the other matter the honourable member raised concerning a supposed increase of half a billion dollars in total expenditure on human services. That is an interesting analysis, because he is comparing two separate reports that are looking at figures in two different ways. The report that shows the increase includes all expenses incurred by the Department of Human Services and portfolio agencies, mainly hospitals, both cash costs and accounting book entries. So in that period of 12 months from the budget coming down to the outcome it includes things like asset revaluation. Over that period one might expect some variation in asset revaluation. There would also be expenditures on hospital business activities such as car parking and so on. Those are things one might expect in these figures.

But let us look at the record of government practice. For example, let us pluck out the year 1998–99 and see what occurred towards the end of the Kennett government. In that period the increase in Department of Human Services expenditure over the budget

prediction was \$198 million, an increase from \$6.4 billion to \$6.6 billion. In the Department of Infrastructure there was a \$723 million increase from the budget statement to the actual expenditure.

It might be said that just because the Kennett government mucked up, it does not excuse this government. But let us look at the explanatory notes at the bottom of the Kennett government report. It includes salary increases flowing from Australian workplace agreements as an explanation for the increase. Of course, that is exactly what we faced in the same period. It is not appropriate to put into a budget the possible figures that might emerge as a result of industrial relations negotiations and particular wages outcomes. So the presentation from the honourable member for Malvern on the second instance is an absolute nonsense.

The third issue I would like to take the honourable member for Malvern up on is his attempt to smear the Frankston Hospital on the matter of some patients being placed in the paediatric unit. A few beds in the paediatric unit have been separated from the rest of the unit, and some adult patients are being placed there. The honourable member for Malvern ran this out last week; he was very proud of and held up in this house a photograph on a big *Herald Sun* poster showing the gate that separates the adult patients from the paediatric unit. Let us think about this. Why is that occurring? Because the government is spending \$21 million at Frankston Hospital on a 100-bed redevelopment. The hospital is under pressure because of the mess that he left and the number of nurses that were sacked. That is what we inherited.

This government is building not only what it promised and committed to in the election campaign — two new 30-bed units plus a new observation unit next to the emergency section — but more. We are building a new paediatric unit. If the honourable member for Malvern, when he was parliamentary secretary, had looked at the paediatric unit of the hospital he would have seen the shameful position he had left that unit in. It was a disgrace, and this government is the one that is replacing it.

The government is also building a midwifery unit. Why? Because the former parliamentary secretary also left that in a mess. Nurses have had to put pots and pans on the floor when it has rained because the roof of the unit leaks. That is the capital expenditure the previous government was ripping out of the hospital system. It is this government that is rebuilding the hospital system.

Let us look at a bit of the history. I refer to the *Frankston and District Flier* of 1 December 1998 which contains an article headed 'Will a baby die? Midwife speaks out on crisis at Frankston Hospital'. Now what was going on? It states:

New-born babies at Frankston Hospital were at risk of contracting life-threatening infectious diseases, according to a nursing staff member. In a startling and refreshingly frank admission, the person ... claimed Frankston Hospital's midwifery unit continually plays 'host' to high risk surgical patients and others from casualty due to a serious shortage of beds.

That was in 1998, when the honourable member for Malvern was parliamentary secretary. The article goes on to say:

Other damning allegations from the staff member include orthopaedic patients being 'shunted' into midwifery and surgical patients being placed in the paediatric unit.

This man runs the argument here of what a disgrace it is that under this government the hospital has separated off four beds to get over a crisis while it is building more beds, yet when he was parliamentary secretary in the previous government exactly this and more was going on.

The article further states:

'Midwifery has no lifting equipment for orthopaedics and the beds aren't suitable for back injury patients', the staff member claimed. 'And there has been an overflow from casualty 'spilling' into the children's ward.

They put up stretcher beds if they haven't got enough beds'.

So this was occurring while he was parliamentary secretary. And what was being done? The previous government was sacking nurses. It did not commit to building any more beds until the Frankston East supplementary election, when the whole state was focused on the crisis at Frankston Hospital. The government finally woke up and said that maybe it had better do something about it. So for the honourable member for Malvern to hold up in this place a big *Herald Sun* poster proudly showing some pathetic media stunt that he has run in Frankston is absolute hypocrisy. This is the fire bug having gone mad and calling 000 and saying 'There are fires everywhere'. It has happened not just once; there are fires over the whole state. And why are there fires over the whole state? Because of the mess he left us.

As I said, the Kennett government closed 12 hospitals and 1000 beds, made 2000 nurses redundant, and privatised hospitals. Hospitals were technically bankrupt after seven years of cuts, and the ambulance system was in absolute crisis.

Let us look at some of the things this government has done in the health system. It is commencing the largest hospital building program in Victoria's history, with works of \$720 million at 26 hospitals and aged care facilities. It has employed 2650 additional nurses and is opening 360 extra beds to treat more patients. Why is this government doing that? Because the previous government ignored the crisis in our hospital system for seven years. This government is catching up on the backlog that was left to it and is turning it around.

We are getting our hospitals back into the black after years of neglect. We have invested \$150 million in preventing unnecessary hospitalisation for the treatment of the frail and chronically ill. We are working closely with doctors and nurses to improve clinical practice. We are putting substantial investment into hospital cleanliness.

Let us look at what we have been doing in the ambulance service area, about which the honourable members for Wimmera and Malvern raised some issues. Victoria's press used to have headline after headline about the ambulance service. Now an improvement in the ambulance service can be seen because of the investment this government is putting in. We have put in 10 new ambulance stations — at Dromana, Deer Park, Rowville, Bright, Lorne, Kew, Langwarrin, Hoppers Crossing, Carnegie and Beaconsfield, with Romsey and Barwon South yet to come. We have upgraded ambulance stations at Clayton, Geelong, Bendigo, Latrobe, Coolaroo, Diamond Creek, Craigieburn, Warragul, Colac, Lakes Entrance, Bairnsdale, Cowes, Wonthaggi, Moe, Kilmore and Seymour. The performance of this government in ambulance policy has been outstanding. We have employed more paramedics and we have put more ambulances on the road.

Let us just look at hospital operating expenditures. This government is the one that is increasing hospital expenditures — by substantial amounts. Let us look, for example — not that I am particularly biased here — at Peninsula Health. There the total budget has increased by 18 per cent, and an additional 80 nurses have been employed. No wonder the people of Frankston and the peninsula will vote for Mark Conroy at the coming federal election, because they are proud of what Labor has done. No wonder the people out in the eastern suburbs will vote for Phil Staindl for La Trobe, and that people will vote for Anna Burke for Chisholm — because they know that Labor stands for better public hospitals in Victoria.

Let us look at Ballarat. The operating budget of the Ballarat Health Service has increased by 15.9 per cent

and an additional 61 nurses have been employed there. No wonder people will vote for Catherine King in Ballarat — because they know the Labor Party stands for better public health services.

Let us go a little further up the highway to the federal seat of Indi. Alpine Health has had a 12 per cent increase and an additional seven nurses, and Beechworth Hospital has had a 17 per cent increase and an additional four nurses. No wonder people in Indi will vote for Barbara Murdoch. I do not think the corporate lawyer for the Liberal Party knows where Indi is; she is too busy in Melbourne. This is why —

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

Ms McCALL (Frankston) — I thank the honourable member for Frankston East for his contribution. Let us see what else can emerge from this side to cover the mistakes the government is currently making. For seven years when we were in government we endured the slings and arrows of the shadow Minister for Health, hurling abuse and insults and digging up all sorts of strange stories about what we were doing in government.

It is therefore significant that he considered the issues so terribly important while he was the shadow health minister that when the Labor Party came to government he became the part-time Minister for Health. The consideration that the problems he seemed to criticise in the previous government now only warrant a part-time minister is an indication of how important the current government views health in Victoria.

It is a typical example of a Labor government throwing money after a problem in the vain hope that by some miracle the problem will be solved. I am sorry, but just throwing money at an issue never solves anything. The government when it was in opposition made some very dangerous promises. It probably never assumed that following the wing-and-a-prayer result of the supplementary election in Frankston East and the collusion of the Independents it would find itself in government. But all of a sudden it did, and the Victorian public expected the government to keep the promises it made during the election campaign.

I particularly recall a press release from the now honourable member for Frankston East dated 6 September 1999 about the Frankston Hospital emergency crisis. One paragraph states:

The figures reveal that in July 328 patients waited more than 12 hours on a trolley in the hospital's emergency department.

That is not a figure to be proud of, but it is interesting that between July 1999 when the then opposition said, 'Don't worry, we will fix it', and July 2001 the number of patients who waited more than 12 hours on a trolley in Frankston Hospital's emergency department ballooned to 714. So the government has fixed the problem in two years. It has done a terrific job because it has just about doubled everything!

I also refer to some of the issues that have come across my desk relating to Frankston Hospital. There have always been difficult stories involving people who for one reason or another because of the timing of the emergency — which is never their fault or the result of issues related to the hospital — have been unable to be seen or dealt with as quickly as they would have liked. I will cite a couple of examples.

A gentleman who lives in Mount Martha rang up with an urgent need for an ambulance. He was called and told that the ambulance was on its way. He was picked up and taken to Frankston Hospital, where he was told that the hospital was on bypass and he would have to go to Dandenong. The ambulance drove him to Dandenong Hospital, where he was told that it too was on bypass. The ambulance did not know where to take him. The man said he was a private patient and perhaps he could be taken to one of the private hospitals. Staff at Dandenong Hospital said, 'No, we will leave you on a trolley, but we cannot guarantee you a bed and we cannot guarantee that you will be seen'. In the end he was placed on two cots in the children's ward at Dandenong Hospital — but that is fine because the government has fixed the problem.

Another incident relates to a constituent who had to go into hospital for a blood test. He had an appointment at Frankston Hospital, but when he arrived he was told that the appointment had been mucked up and they would send him to Dandenong for his blood test. He went off in a taxi, but when he got to Dandenong Hospital he was put on a drip and all sorts of other things to do with his blood test — and good heavens, they forgot about him! If a nurse had not wandered into the room where this gentleman was and slipped on the blood that was pouring from him in the bed, he would not be here to tell the tale — but that is okay because the government has fixed the health system.

In the Frankston gynaecological elective surgery area patients are being booked in for surgery when in fact staff at the hospital know that those elective surgery patients will never be seen because at the moment there are no facilities to see them. The patients make arrangements for babysitters and so on to make sure their families are looked after, but when they front up at

the hospital they are told that the hospital is sorry but they cannot be seen and they should go away.

This is from a government who thinks that the issue is so important that it has a part-time health minister who thinks the problem has been fixed. Honourable members heard the rhetoric of the honourable member for Frankston East in the last election campaign. They have seen the charts showing what has happened at my hospital, in my electorate, where I live, where coincidentally the honourable member for Frankston East does not. The figures are horrendous: they have doubled and trebled in some cases. For the first time on record the people of Frankston are beginning to recognise that the government has misled the Parliament and the part-time health minister has deceived the Victorian public by saying he could fix the problem when he knew he could not.

The people of Frankston have been well served by the Peninsula Health Care Network. It has been one of the most efficient, the Duckett report perceiving it to be the one by which all others should be judged. For the first few years the network ran in profit — not a substantial profit, but it ran ahead of the rest. It has now lost six of the most senior members of the administrative staff at Frankston Hospital. That is a tragic loss for the hospital and for the community. It is now running in the red, and the hospital is in trouble. It is bleeding from every artery, and it is not being well served by the fact that this government places so much importance on health services and health that it has a part-time health minister.

Victoria has a community services minister who has deprived the Frankston community of one of its best programs, which is run through Anglicare. It has a Minister for Aged Care who is so busy criticising the federal government she has lost sight of doing the job for which the Victorian people pay her.

Suddenly the government is recognising the nonsense it threw around in opposition, the promises made through campaigns and through fighting to get into the box seat. Suddenly it is in the box seat. This is not a part-time job. It is not the sort of job you can do when you are busy worrying about something else. The people of Victoria deserve far better attention from the Department of Human Services. They deserve a department that can control its budget and can deliver on promises, and when it cannot deliver on promises it should not make them in the first place because they deceive the community and mislead us all.

Mr MILDENHALL (Footscray) — The former Kennett government stands condemned by the

Victorian community for its extraordinary legacy of neglect of health in this state. The current opposition shares that condemnation and shame for those dark years of neglect, dark years of reducing the capacity of the Victorian community to deal with its health issues. The community knows which side of this house and which side of Australian politics believes in health systems, and that is why this side of the house is occupied by the Labor Party. It is also indicated by the fate of a nice guy: Rob Knowles was a nice guy. Most people will say that, but the fate he suffered of an extraordinary 12 per cent swing against him is a judgment of his record by the community of Victoria.

This is an extraordinary motion for the opposition to bring forward. After two years of recovering from the shame, of hiding in the cave, members of the opposition have finally come out to say, 'We think there is something wrong here'. They ought to hide a bit longer because the legacy was so bad. The shadow health minister gets up in here and says the bulge of increased demand came in the early years of the Kennett government — precisely the years when the then government ripped \$600 million out of the system. So while the demand was going up the resources were coming out. That is when the 2000 nurses were removed from the system, the 1000 beds were cut, and the 12 hospitals were closed: while there was a bulge of increased demand and increased need for health services in this state. The Kennett government deserves the ignominy and the shame of its legacy. Its reputation in the eyes and the memories of the Victorian community has a real stain — the stain of the health system.

Each of the members who gets up here says, 'Look at the very effective criticisms made by the current Minister for Health'. They remember the telling blows he landed on them from the opposition ranks. They were driving hospitals into bankruptcy — —

Honourable members interjecting.

The DEPUTY SPEAKER — Order! The honourable member for Footscray, without assistance.

Mr MILDENHALL — The shame of dirty hospitals! What was the response, the great reform introduced by the Kennett government? Another layer of bureaucracy — the massive health networks it introduced; another set of super salaried bureaucrats to look after the system — an extraordinary response!

Now the shadow Minister for Health comes in here and says that the bulk of the demand came through in the early years of the Kennett government, but any reading

of the figures will show that in the past 12 months we have had the biggest increase in demand for emergency clinics in casualty waiting areas — 7 per cent, which is the biggest recorded increase until now. What we should look at is the outcomes. We can all talk about the inputs, and the community knows which side of politics has the commitment to provide resources and the commitment to do something about our systems.

The honourable member for Frankston East talked in some detail about the data that shows that waiting lists and ambulance response times have improved since the Bracks government came to office. They are the equivalent of the key indicator in the education system of class sizes. They are what the community looks for, and we have started to turn them around. The cumulative figures over nine years demonstrate that we have finally started to turn them around.

Look at the outcomes. Look at where the cuts were in my area after seven years of the Kennett government. What did we end up with in my community? The lowest life expectancy in the state and the highest levels of drug dependency, mental illness, alcoholism and gambling problems. The previous government threw chicken feed at those issues. The indicators show that in the years of the Kennett government mental health beds were reduced. We had timid drug policies. We had public rallies. In the past 12 months the complaints to my electorate office about the hospital and the hospital system have totally dried up. They were a weekly occurrence in the years of the Kennett government.

This concern is reflected in the current federal debate. The community knows who is committed to public health. That can be seen with the Howard government's reduction in Medicare activity and its crazy commitment to the private health system that is still not guaranteeing people beds. That extraordinary \$3 billion subsidy has failed miserably; it has got people signed up to private health but they still cannot get hospital beds.

The facts speak for themselves in terms of the outcomes of the Thwaites administration of the public health system. The waiting lists have come down and resources have been put back in. The government is putting fuel back into the tank and the system is starting to move. The government is taking hospitals off the bankruptcy list. It is opening beds, not closing them. The government has put 2650 additional nurses into the system after 2000 were pulled out. Which system is more capable of delivering health services to this state — one with 2000 fewer nurses or one with 2650 additional nurses and 360 additional beds? Victoria needs a change in federal government to ease

the pressure being placed on the public health system by the aged care crisis. The aged care crisis is crippling our public health system's capacity to reduce waiting lists even further.

However, in my local area we are already getting the benefits of additional investment and effort in the public health system. We have seen a 25 per cent increase in funding to Western Health and the additional capacity can be seen on the streets. There has been a massive reduction in waiting times in the vital drugs area. We have seen the appearance of additional drug workers on the streets and a dramatic reduction in overdoses and deaths through overdose. The government has made a massive investment in additional resources for mental health and youth mental health with the MH Sky program coming out. These great investments are increasing the capacity of the local community to deal with the crisis it has faced in community health.

It is with great pride that I stand and defend the record of two years of the Thwaites administration of the health system after the dark years of the Kennett government where resources were reduced so far we feared we would never recover.

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

Dr NAPHTHINE (Leader of the Opposition) — Once again we hear plenty of rhetoric from the Labor Party but no substance. What we have heard from the Labor Party is typical of its comments about health — it is all about inputs and not about outputs. It is not about measures of what outcome the people of Victoria get in terms of health; it is about measuring inputs not outputs. It is about a Labor Party which is about spending more and delivering less and it spends more and delivers less in health.

When the Labor Party came to office it promised the people of Victoria that it would be held accountable for its pledge to, in its words, make the Victorian health system better. However, all the statistics from the Department of Human Services — the government's own department — show that the situation has gotten worse. It is not only the department's statistics which say the health system is not going well under the Labor government but also the federal Labor leader. Kim Beazley says the health system is in crisis, but what he does not say is that the health system is the responsibility of Labor governments in New South Wales, Queensland, Western Australia, the Northern Territory, Tasmania and, of course, Victoria for the last

two years. In an address to the nation on 28 October Kim Beazley said:

It's tough for those on long waiting lists. It's no comfort for those who wait hours in emergency departments.

In his plan for public hospitals he said:

Australians know their public hospitals are being relentlessly squeezed and that the time it takes to get treatment at an emergency department or to get elective surgery continues to grow.

What is ironic is in that same document Kim Beazley said:

We want to stop governments blaming each other and concentrate on the serious business of providing services and caring for patients.

He further said we must put an end to the cost-shifting games.

Kim Beazley is saying the health system in Victoria is in crisis and we must have governments which do not seek to blame each other. He is saying that the Labor government in Victoria has completely failed the people of Victoria in delivering a better health service. He is saying that the Minister for Health in Victoria has failed the people of Victoria, not only by failing to deliver a better health system but by continuing and expanding the game playing and blame shifting. That is the Victorian Minister for Health's only answer to his complete failure to deliver outcomes.

The opposition and Mr Beazley know who delivers health services in Victoria and who is responsible for hospitals in the state.

Mr Nardella — Labor!

Dr NAPHTHINE — Yes! As the honourable member for Melton says, the Labor government is responsible for it and it is about time it delivered. It is about time the Labor government did something. The Labor Party has been in government in this state for more than two years and the health system is worse than when it came to government. The government's own statistics show that. I suggest the honourable member for Melton and his colleagues in the Labor government read the *Hospital Services Report* produced by the Department of Human Services because it measures the performance of our health system.

The honourable member for Footscray espoused rhetoric and his gut feeling about the health system but let us get some real statistics into this debate. The statistics in the *Hospital Services Report* show that in

the two years the Labor government has been responsible for health services in this state ambulance bypasses have increased by an extraordinary 480 per cent. The number of people waiting on hospital trolleys for longer than 12 hours has blown out by more than 200 per cent.

Kim Beazley is concerned about the appalling delivery of health services across Australia and particularly in Victoria. It is an indictment of the Minister for Health and the Labor government in Victoria that its own federal leader is so critical of the mismanagement of health services in Victoria. The number of people waiting longer than the ideal for semi-urgent surgery has jumped by 81 per cent. Let us put a lie to the argument put by the Labor government about waiting lists. The simple statistic is clear — waiting lists for elective surgery in Victoria were higher in June 2001 than in June 1999. They are higher now than when this government came to office. Waiting lists have increased under this government.

I want to look at the background of what has happened over the past two years because one cannot look at the funding that goes into health services in isolation. The key statistics show that in the time the federal coalition government has been in power commonwealth funding for hospitals across Australia has increased from \$4.5 billion in 1996 to \$6.7 billion in 2001.

For Victoria, compare the current year with 1998–99, when Victoria got \$1.4 billion from the commonwealth to assist in public hospital services in Victoria. This year the state received \$1.6 billion — a 20 per cent increase over the time the Labor Party has been in office. The commonwealth government has given the state 20 per cent more money to fund its hospitals, and still this government has delivered worse outcomes.

In addition, private health insurance has had an impact. Because of the very innovative and effective commonwealth government assistance package that is designed to encourage people into private health insurance, the proportion of the Victorian population taking up private cover has risen from 30 per cent to 45 per cent. That is nearly a million more Victorians who no longer depend on the public health system. There has been an increase in commonwealth funding, an increase in the number of people with private health insurance and a reducing demand on the public hospitals; yet with all that, the Labor government simply cannot deliver a public hospital system that works. What Labor has delivered is a system that is worse than it was when it came to office two years ago. And on top of that, recent figures show a \$500 million

blow-out in the budget of the Department of Human Services under the mismanagement of the minister.

There are three factors — increased commonwealth funding, reduced demand through private health insurance and massive increases in the state funding — yet the output measures show that the hospital system is significantly worse. The chance of a person being taken to an emergency department and getting treated or of getting off a trolley and into a bed is less under this Labor government than it was under the previous government. That is typical of Labor governments: they spend more and deliver less. The government simply cannot keep its promise to the people of Victoria to improve the public hospital system. The federal Labor leader, Kim Beazley, absolutely admits it by telling the people of Victoria and Australia that the Labor Party has failed Victorians on health, so there is no reason why Victorians should trust the federal Labor Party on health, either.

The Victorian Labor Party when in opposition said it would make the health system better, but it has got worse. If a federal Labor government were elected its promises would be similarly hollow. The people of Victoria know that for all Kim Beazley's words the authorities that have to deliver on health services in Victoria are the state Labor government and its part-time minister. They have had two years in office, and what they have delivered are record levels of ambulance bypasses, increasing waiting lists, increasing waiting times and less access to emergency services — in all, a poorer health system.

I conclude with the comment that this Labor government simply mismanages health. It spends more and delivers less, and the people of Victoria suffer accordingly.

Ms ALLAN (Bendigo East) — I am pleased to join the debate. It almost beggars belief that the honourable member for Malvern would want to debate health and the health budget. I need to speculate on the reason: surely it could not be because the federal Liberal party has asked its state colleagues to bring on this debate. The federal Liberal members would have seen the results of recent polling and of the 1999 state election, and they know that health was one of the key issues that led to the election of the Bracks government.

I can only speculate further: could it be, considering the seating arrangements while the Leader of the Opposition was speaking with the honourable members for Malvern and Bennettswood, that the opposition member is simply attempting to raise his stocks within his own ranks? Whatever the reason, I am pleased to

participate in this debate, because the Bracks government is working very hard and getting on with the job of rebuilding and reinvesting in Victoria's health system.

By bringing on this debate the honourable member for Malvern provided us with the opportunity to reflect — for quite some minutes! — on the appalling record of the previous Kennett Liberal and National Party government in the area of health and in its funding of the health system. For those of us on this side of the house it is almost like an early Christmas present to have the opportunity to debate the issue.

As I said, health was a key issue during the past state election. When I was out doorknocking as a candidate for my electorate of Bendigo East I visited about 10 000 homes. The key message, which was repeated time and again when I knocked on people's doors and asked them what their main issue was with the Kennett government, was that they were very worried about the health system — about getting a bed, the lack of nurses, the cleanliness of the hospitals, the stripping of funds from the health system by the former government, the privatisation agenda and their ability to get into a proper aged-care facility in their community. Time and again the message was that they were deeply worried and were changing their vote based on the way the Kennett government administered the health system.

Let us look at the achievements of the previous government in the area of health. It closed 12 country hospitals — and I did not hear the honourable member for Wimmera talking about the country hospitals that were closed. It tried to close the Dunolly hospital with the support — would you believe! — of its local member in the other place, a member for North Western Province, who chose to support closure rather than the community. But the community fought against the closure.

The former government closed about 1000 hospital beds and sacked or made redundant over 2000 nurses. It had an agenda of privatising the health system, about which people were very concerned. We saw glimpses of the coalition agenda in both Latrobe and Mildura, both spectacular failures for the former government, but not bad enough to stop it pursuing privatisation over the proper public funding of our health system. The coalition government attempted to privatise 60 aged-care beds at the Anne Caudle Centre in Bendigo. I say 'attempted' because thankfully the Bracks government has secured those 60 aged care beds and they will remain in our public health system.

The former government slashed funding for hospital capital works by 30 per cent, or about \$363 million.

Mr Wilson interjected.

Ms ALLAN — The honourable member for Bennettswood should well remember, as should the honourable member for Malvern, that during the 1996 state election campaign the Kennett government promised a \$600 million capital works program for Victoria's hospitals. Not one cent of that money came through; instead the former Premier slashed \$363 million from capital works funding for our hospitals. Furthermore, it can be seen that the former government cared not a jot about the community health sector.

I was a board member on the community health service in Bendigo, and time and again when we ran through the figures we were told how hard it was for that service, and how it was asked to do more with less. The former government constantly withdrew funds from the community health sector and left it struggling. The community health sector is one of the most important parts in the health system, and many people in the community feel strongly about it. The former government did not care about it and instead chose to slash funding.

In looking back at some of those things I ask: is this a record that the honourable member for Malvern is proud of? He was parliamentary secretary during that time. Is it a record that he is proud to stand on? Certainly the federal coalition government has an appalling record in the area of health, and we all know the sorry tale of the aged care system in Victoria and the absolute abrogation of responsibility by the federal government, and particularly its lack of commitment to the proper funding of the public health system. Instead it chose to go down the path of supporting and propping up private health insurers and luring people to join private health funds instead of investing in hospitals.

The federal government promised a radiotherapy service for Bendigo. I will briefly tell the story of radiotherapy in Bendigo. During the 1998 federal election campaign the former Premier of Victoria came to Bendigo a week before the election and on behalf of the Howard government and his government promised a radiotherapy centre for Bendigo. It was not delivered. In the 12 months the former Premier had the opportunity, it was not delivered for Bendigo. However, it did not stop him from promising it all over again during the 1999 state election campaign.

The Labor Party made a firm commitment to the radiotherapy unit, and the Bracks government has invested \$16 million in the unit in Bendigo. However, it would surprise no-one on this side of the house that the project was stalled. It was necessary to have approval and cooperation from the federal health minister, and we did not get it. Unfortunately for Bendigo the delivery of that service was stalled because of the petty game playing undertaken early last year by the federal minister. Thankfully construction is now under way and the unit will soon be up and running.

I compare that situation to the achievements of the Bracks government in the area of health, which is the subject of the debate today. An air ambulance helicopter service is now based in Bendigo, something that was not even thought about by the former government. As I said, \$16 million has been allocated for a radiotherapy facility in Bendigo. Some \$270 000 has been allocated to the Bendigo Health Care Group for infection control to address the issue of cleaning. More funds have been made available for a dialysis service. A new eating disorders program has been established at the Bendigo Health Care Group. Some \$1.2 million has been invested in a school dental clinic at the Bendigo Health Care Group. One can reflect on the appalling record of both the state and federal coalition governments in the area of funding for our public dental health schemes. The systems were slashed. Thankfully the Bracks government is reinvesting in this area.

More than \$600 000 has been allocated for new drug programs in Bendigo; \$83 000 has been allocated for mobile needle and syringe programs; extra funding has been made available to the community health services for improvement of services to the region. Extra nurses will be employed at the Bendigo Health Care Group; and finally, there has been a 16 per cent increase in the budget for the health care group.

There is a simple contrast between the two governments — one that stands proud on its record of investment and its record of rebuilding and reinvesting in the health system, and the other that has a seven year record of attempting to wreck and destroy Victoria's public health system. That is why we need a federal Labor government to join with the state government in investing in Victoria's health system. Certainly the federal member for Bendigo, Steve Gibbons, understands the importance of investing in Bendigo's health system. He was the former president of the Bendigo Hospital and was a strong fighter for an improvement in services in the health area for the people in the Bendigo region, and he continues to take up this fight to the federal government.

Most importantly, the voters understand the difference between the Liberal and Labor parties on the health issue. That was reflected in the way they voted in 1999. They turned away from the former government because of its appalling record on health and the way it attempted to destroy the health system. They voted overwhelmingly for the Bracks government, particularly in country Victoria where many of the cuts inflicted by the former government in the health area were felt the most deeply. The impact was most acutely felt in country Victoria.

I strongly believe when voters have the opportunity in a couple of weeks to vote in the federal election they will endorse the health policies of the federal Labor Party. They have seen the way the Bracks government has been delivering on its commitments in the area of health, not just in Bendigo but right around country Victoria and Victoria as a whole. They understand that a Kim Beazley government would do likewise in this area and they understand the importance of having cooperation between state and federal governments on this matter instead of petty game playing back and forth. The former government was voted out of office because of its record on health.

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

Mr WILSON (Bennettswood) — I am pleased to enter the debate this morning on the matter of public importance. I find it quite remarkable that we are debating the state of the Victorian public health system and the Minister for Health is not in the chamber and has not been in the chamber. With all due respect to the Minister for Police and Emergency Services, who we welcome to the table, it would have been more fitting to have the Minister for Health sitting at the table and listening to the views of the elected representatives of the Victorian people as to how the Victorian health system is operating, or indeed failing to operate.

So far we have had contributions from the honourable members for Frankston East, Footscray and Bendigo East. It is interesting that all three speakers from the government have concentrated on the past. They have talked about what happened between 1992 and 1999. I have heard little contribution from honourable members opposite about how the Bracks government is performing, or failing to perform, in the area of health in 2001.

I remember that when the honourable member for Malvern was parliamentary secretary he was responsible for the governance of community health centres. I note that the honourable member for Bendigo

East told the house that she was a board member of her local community health centre. That says to me again what an outstanding parliamentary secretary the honourable member for Malvern was in that, unlike this government, the Kennett government did not play petty politics when it came to governance of community health centres and other public health authorities.

In his contribution the Leader of the Opposition reflected upon the federal Leader of the Opposition's entry into the health debate in Australia. On many occasions during the federal election campaign we have heard Mr Beazley, or the federal health spokesperson, Ms Macklin, talk about the deterioration of health systems in Australia, and in particular Ms Macklin is always reflecting upon the deterioration of the Victorian health system.

The Leader of the Opposition made the point that Mr Beazley and Ms Macklin need to reflect upon the fact that in five of the six Australian states there are Labor governments — Queensland, New South Wales, Tasmania, Western Australia and Victoria — in addition to the Northern Territory and the Australian Capital Territory. That is a lot of Labor administration, and it is a lot of maladministration in the Australian health system. We hear many promises from Mr Beazley about how he is going to improve the Australian health system. The rhetoric is similar to the rhetoric we heard from Steve Bracks and John Thwaites while they were in opposition, and reflecting upon that I have to advise the house of an editorial that appeared in the *Age* of 18 June 2001.

After the Minister for Health was forced to release the March quarter *Hospital Services Report* a press conference took place. Some tough questions were asked of the Minister for Health. We all know that the Minister for Health is a part-time minister, he much prefers being the Minister for Planning or indeed the Deputy Premier.

The subheading of the subsequent editorial is 'State Labor must accept responsibility for problems with Victoria's hospitals'. The editorial reads:

When health minister John Thwaites was health spokesman for the opposition, he was often critical of the state of Victoria's public hospitals, particularly the length of their waiting lists.

...

Now that he is in government, however, Mr Thwaites is finding that hospital waiting lists remain stubbornly long despite increases in health funding over two state budgets.

The editorial goes on, and it refers to that press conference which I referred to earlier:

Questioned over the government's failure to make a dent on these important statistics, Mr Thwaites first suggested that the problems were 'deep-set' and caused by repeated cuts during the Kennett years. But Labor cannot continue to blame the previous government for problems it pledged to fix when in opposition.

...

Now Mr Thwaites is accusing the media of being overly critical. He challenged journalists to come up with a better health plan. 'You guys are all so smart about it ... seriously, come up with the ideas'.

And the *Age* newspaper makes the point:

But that is your job, Minister...

It is an extraordinary performance by a minister who is always willing to be there for the good times and always willing to launch the glossy publication or get that TV grab that you will see on the Channel 9, Channel 7 or Channel 10 news. He loves it — he loves the feature stories — but when it comes to the hard yakka he does not turn up. Let me advise the house that the many bureaucrats who speak to me and to the honourable member for Malvern tell us that he does not even appear at the Department of Human Services (DHS). There is a no-show from the minister, and that is extraordinary in anyone's language.

Health is the most important portfolio in any government, particularly in a state government, yet the minister does not front. Occasionally the parliamentary secretary turns up at the DHS, but that is about all they see of the government. If bureaucrats need to speak to the Minister for Health they have to get into their cars — which many of them do, believe it or not — or they have to hop onto a tram, travel down to this end of town and find the minister in his Deputy Premier's office, where he loves the lifestyle of being Deputy Premier — and even then they have limited time.

You are talking about the most important portfolio in our political system, one that impacts on the lives of Victorians far more than any other because it goes to the absolute quality of our society, yet we have a minister who does not turn up. He prefers to be seen and filmed around the Docklands or telling us that the Southern Cross Hotel is going to be rebuilt and rejuvenated. It is all about spin; there is very little about substance.

Let me now add some substance to my speech by talking about some statistics that are all-important — the government's own facts and figures. Let us not talk about what the opposition says or what the government spin doctors or the media say. Let us refer to the government's own statistics and compare the June quarter of 1999 with the June quarter of 2001. That is

the only fair thing to do, because it is comparing apples with apples.

The number of people waiting for elective surgery in June 1999 was 40 153. In June 2001, that figure had risen to 41 838. The number of people on the elective surgery waiting list in the semi-urgent category went from 12 249 in June 1999 under the Kennett administration to 14 832 by June 2001 under the Bracks administration.

Mr Viney interjected.

Mr WILSON — The honourable member for Frankston East should concentrate on these figures most of all — that is, the figures on ambulance bypass. For June 1999, under the Kennett administration, there were 130 ambulance bypasses. For June 2001, under the Bracks government, the number was 756.

The final statistic I will give to the house this morning concerns the number of patients staying on trolleys for longer than 12 hours. In June 1999 that figure was 2245, but by June 2001 it had reached a staggering 6802. All these very sad statistics are there despite the enormous amount of money that the Minister for Health and the Bracks government have thrown at the health system. They have thrown money at it for the spin; they have not thrown money and gained worthwhile solutions.

Ms GILLETT (Werribee) — It is my pleasure to make a contribution on what is definitely a matter of public importance — that is, the Victorian health system.

I am proud to be part of a government that has demonstrated the worth of its words and deeds in terms of its commitment to rebuilding and turning around the health system in Victoria. The changes this government has made are demonstrable. This government has commenced the largest hospital building program in Victoria's history, with works worth \$720 million at 26 hospitals and aged care facilities. That is an enormous benefit and demonstrates our commitment to rebuilding the devastated health system that we came to have responsibility for caring for and rebuilding just two short years ago.

I am pleased and proud to say that the seat of Werribee has been a direct beneficiary of the commitment of the Bracks Labor government to health. For the past eight or nine years Werribee has desperately needed an integrated primary health care centre. The former government acknowledged that, and the former minister would repeatedly say to me in writing, 'Yes, not a problem'. The highest priority for the western

region was an integrated primary health care centre in Werribee. Did the former government deliver in its first term? No. Did the former government deliver in its second term? Absolutely not. Did the Bracks government deliver in its first two years? Yes, it did.

Werribee is soon to be the proud beneficiary of an \$11 million integrated primary health care centre. On behalf of my community I place on the record my gratitude to the Minister for Health, his advisers and his department for delivering on what we were starting to think was just a pipedream. We will have in a couple of years a state-of-the-art primary health care centre to care for the 80 000 people in my community who have had no access to such a facility within a half an hour's drive.

All the work that was done by our fine local council in researching Wyndham and Werribee's health needs clearly indicated that primary intervention and primary health care were what we desperately need. This government, which I am proud to be a part of, has delivered that critical health infrastructure at the most fundamental level — at the primary health care level.

Not only has Werribee been the proud beneficiary of a new integrated primary health care centre, but we have also been fortunate to receive a new peak-period ambulance unit that is based at Hoppers Crossing. This is tangible evidence of the real and practical rebuilding that is taking place in our health system. It is unfortunate to have to say that the demonstrated commitment of the Bracks Labor government has not been matched in any way, shape or form — though it ought to have been — by the current caretaker federal government.

I am very concerned about the lack of aged care beds in my electorate. That lack is placing massive pressure on our public health system, not just in Werribee but far beyond it. Mr Acting Speaker, I am sure you have felt the impact in your own electorate, which adjoins mine. This pressure exists because the older people who need them are unable to leave hospital because of the chronic shortage of aged care places, putting an enormous strain not only on individuals and family members who have to care for them but on the system as a whole.

The poor treatment being received by the frail aged in my electorate — and, I am sure, in many others — is revealed in a document that was released by the Australian Medical Association earlier this month. The AMA information details the availability of aged care beds in each Victorian federal electorate, comparing that to the commonwealth's own benchmarks. The AMA sources for the figures were the commonwealth

Department of Health and Aged Care and the Australian Bureau of Statistics.

The AMA figures reveal that in the federal electorate of Lalor, of which Werribee is a part, there is a shortfall of 90 aged care beds compared to the federal government's own benchmarks. These are not the Bracks government's benchmarks; this information is based on the current caretaker federal government's own benchmarks. In my electorate we are 90 aged care beds short. This treatment of senior Victorians who have been strong contributors to the community and the nation for many, many years is totally unacceptable. These frail aged deserve to be treated with more dignity and respect by the current caretaker federal government.

The Howard government's under-resourcing of aged care has put enormous pressure on the health system here in Victoria. The Bracks government recently released figures that show there are more than 500 frail aged people in our public hospital system waiting for aged care beds. The funding, licensing and regulation of nursing homes and hostels in Australia is the exclusive responsibility of the commonwealth government. Victoria is worse off when it comes to federal aged care funding than any other state. Of the national aged care bed shortage of 12 000, Victoria carries almost half — 5000. The federal government's aged care bed shortage is forcing Victorian hospitals to become de facto nursing homes.

The Bracks government is playing its part in providing better services and help for older patients so they get the care they need in the face of the aged care bed shortage. The \$509 million worth of initiatives to help the health system in the last budget are a tangible demonstration of that sort of commitment.

However, the federal government's refusal to match the Bracks government's extra \$41 million over four years for home and community care (HACC) and related services means that fewer seniors in Victoria — and in my electorate of Werribee — can have access to home care services. The result of this refusal of the commonwealth to match the Bracks government's extra funding for HACC services means that the frail aged have less access to support services to enable them to remain living independently in their own homes. It means more demand for aged beds and more pressure on the public health system.

It is important to note too that the pressure works in two ways. Many people who have access to aged care beds but who are in need of hospital treatment are unable to access the system the other way around as well. So the

pressure points are twofold, and they are equally important in terms of both hospital beds and aged care for the frail. It means that the more demand there is for aged care beds, the more pressure there is on our public health system.

The Bracks government is meeting these challenges with extra funding and strategies, including providing aged care services and HACC programs that help to keep frail aged Victorians out of public hospitals.

It is absolutely time that the federal government stopped shirking its financial responsibilities to provide decent health and aged care services to all Victorians. I will take this opportunity to express my support for and my encouragement of the mayors of some 40 municipalities and shires who have come to Parliament House today to express their concern for and their commitment to ensuring, in conjunction with the Bracks Labor government, that pressures are placed on the appropriate tier of government — in this case the caretaker federal government — to do what it needs to do to care appropriately, respectfully, and with some measure of dignity for our frail and aged in the community who deserve the very best we can offer, not the very worst.

Mr DIXON (Dromana) — I wish to make a brief contribution to this matter of public importance and point out the effects of the government's mismanagement of the health system on my local hospital at Rosebud. I was amazed a couple of weeks ago when I started receiving phone calls from my constituents and from some of the staff at Rosebud Hospital to tell me that a number of the elective operating lists have been cancelled.

An honourable member interjected.

Mr DIXON — I will get to that. The endoscopy lists and the gynaecological lists have been cancelled as well. So I rang the hospital, because I thought this was a disturbing trend, to find out what was going on. The hospital staff said these lists had been cancelled for a few weeks. When I asked why, I was told that Frankston Hospital was unable to cope with the lists, and because Rosebud was part of the network they were clearing beds in Rosebud and those spill-over patients who could not be handled in Frankston were to be operated on in Rosebud.

I can understand the philosophy of the network, but trying to explain that to my constituents, especially to my elderly constituents who have been waiting for operations in their local hospitals and are not pleased about that, was difficult. They see Rosebud as their

hospital. They are the ones who have contributed to it in the form of fundraising over the years. They are the members of the various auxiliaries that raise money year in and year out, and they rightfully have a claim on that hospital and expect some return from their local hospital in which they have quite a stake.

The feedback I got from my constituents is that they feel they are second class, that the people in Frankston have a higher call than the people in Rosebud. This has been difficult for them because in many cases the cancellations were last-minute ones; people were prepared, psyched up and ready and all of a sudden their operations were cancelled. On many occasions women who were booked for gynaecological procedures — they had a date, they were prepared, they had arranged for babysitters and for their families to be looked after — went to hospital only to find at the last minute that their operations had been cancelled so everything was thrown into disarray. This has been very difficult for those two important sections of my community.

I was surprised when staff told me that not only were the lists cancelled in Rosebud but that on occasions the expected overflow from Frankston did not eventuate, so the beds remained empty for a number of days and no-one was able to use them. That was also very disappointing, and that sort of information has gone out into the electorate and people are not pleased with it.

There have been two incidences over the last decade where the emergency ward of the Rosebud Hospital was closed down. This was because the local doctors who are contracted to work in the emergency ward withdrew their services, so the emergency ward had to close down. It was not a government decision but the local doctors' decision. However, what was interesting when it happened was that the local Labor Party members were up in arms about it: it was the end of the world, it was all the Kennett government's fault, it was cuts in funding — every reason possible. But it was none of that. The doctors withdrew their services. However, there was an incredible beat-up.

It is interesting that over the last few weeks when the operating lists at Rosebud Hospital have been cancelled not a single Labor Party local branch member has been seen. They are not marching like they were last time. Where is Paul McGuinness, who led the march the last time, decrying the government for its lack of attention to Rosebud Hospital? He is not leading the charge there now, and his friends in the Labor Party are not there either. They have been very quiet on this one. When you consider how the high-jump bar on expectations was raised by this government, it is interesting to see

that the level has not been attained. The government raised expectations; it said it would solve all the problems in the health system and it has fallen woefully short.

My last issue is to do with the Lotus Lodge Hostel and the Jean Turner Memorial Nursing Home in my electorate. Under the previous government and the former health network those two facilities were about to be sold but only on condition that they were to be refurbished when needed, and refurbishment was needed in those facilities, especially at Lotus Lodge. The money from the sale — and this was after the upgrades to those facilities — was not to go into consolidated revenue but to renovate and expand the Rosebud Rehabilitation Centre and to install a \$1 million hydrotherapy pool, so it was a win not only for the residents of Lotus Lodge and the Jean Turner nursing home but also for the hundreds of people who use the Rosebud facility. Everybody was going to win.

What happened was a change of government. The nursing home and the hostel were not sold and therefore that money stream dried up. What has happened over the last two years? There have been no major renovations at all. The work that was meant to be done to Lotus Lodge has not happened. The work to the Jean Turner nursing home has not happened. Rosebud Rehabilitation Centre is sitting there on Eastbourne Road and has not been extended or renovated, and the hydrotherapy pool has not been built. So everybody has lost.

I put this government on notice that local residents, the people who use those facilities, are waiting for some action. They expect some action; it was promised to them and it has not happened. As I said, the government raised the high-jump bar but things have been woefully mismanaged and the government has not reached the heights it said it would, especially in my electorate.

Mr NARDELLA (Melton) — This has been an interesting debate, and now I will put some facts on the table. When the honourable member for Malvern was speaking to the house he had 22 Liberal or National Party members behind him; the honourable member for Seymour and I counted them. When the Leader of the Opposition was on his feet on this important matter of public importance he had seven people, one below his popularity rating, to support him in this chamber. For the record, they were the honourable members for Bennettswood, Malvern, Evelyn, Bentleigh, Forest Hill, Brighton and Dromana. They are his supporters. Even the honourable member for Bennettswood had nine members supporting him when he was on his feet —

the honourable members for Bellarine, Bulleen, Berwick part time, and even the Honourable Maree Luckins from Waverley Province came in to listen to him. But they did not support the Leader of the Opposition; when he was on his feet they were nowhere to be found. That is interesting point no. 1.

Interesting point no. 2 concerns the matter of public importance before the house. It is an important matter because it is necessary to put on the record the reasons for the extra expenditure in health — how the previous Liberal–National Party government ran the system down, why the previous government closed down 12 hospitals and why we were left with a mess and are continuing to deal with that mess at the moment.

It is interesting that the honourable member for Malvern talked about the Frankston Hospital using paediatric beds from the paediatric unit to deal with the overflow while this government is upgrading the beds. The honourable member when in government was second-in-charge of the hospital system to the Honourable Rob Knowles. Where's Robbie now? We want Robbie! He is nowhere to be found. He got done over in Gisborne where he will languish for evermore.

But during the term of the honourable member for Malvern, the Frankston Hospital did not isolate those patients when they overflowed into both the midwifery and paediatric wards. Worse still, during his term cross-infection occurred because of the previous government's incompetence. The Kennett government did not have a plan and had no idea about or any understanding of the health system in Victoria. Yet the honourable member has the gall to come in here and criticise this government during a redevelopment of the hospital. We are redeveloping the Frankston Hospital and are making more efficient use of the beds within the hospital, isolated from the midwifery area.

I remember the debate and the question that was asked on 9 December 1997 in the upper house. The Acting Speaker, the honourable member for Geelong North, would also recall this. The Ambassador Hotel in Geelong was then being used by the Kennett government as an overflow for maternity and other patients while the Geelong Hospital was being redeveloped. The paediatric or midwifery wards were not even used. Patients went off to the Ambassador Hotel. They were put onto trolleys and were wheeled down the road into the Ambassador Hotel and five-star luxury. The then minister, the Honourable Rob Knowles, talked about five-star luxury. Opposition members have the gall to say that this government is doing the wrong thing when under the Kennett

government they ran down and did not care about the health system in Victoria.

Why is this government spending the extra money on health? Because the health system was run down for seven years. And the National Party is not blameless. Its members stayed in that party room, and every time Jeff Kennett said, 'Jump!' they asked, 'How high? And can we go that little bit extra for you, Jeffrey?'. You could not see anything but the soles of their boots — right up his backside!

Honourable members interjecting.

Mr NARDELLA — They stuffed it. They ran down the system and they privatised the hospitals. They privatised the Latrobe Valley Hospital — and you can go through them.

I refer to the previous honourable member for Gippsland East. I visited Bairnsdale when the aged care service down there was privatised. Remember Hidden Treasure — David Treasure? Where is he now? He has obviously been replaced — gone — because people in Victoria understood what was happening. A thousand beds were closed, 2000 nurses were made redundant, and waiting lists went through the roof — they were absolutely sky high. In the last 12 months of the Kennett government the number of people on waiting lists went from 36 754 to 40 293. As the honourable member for Frankston East said, on 30 June 2000, under the last budget of the previous government, they skyrocketed to 41 832.

At the moment Victoria needs an extra 5000 hostel and nursing home beds. Many Victorians are waiting for hostel and nursing home beds because of Bronwyn Bishop. Would you not want her to be leading you into the election? Would you not want her to take over Michael Wooldridge's job in health? You can imagine the stuff up, just like she stuffed up the federal aged care and health systems. We need 5000 extra beds. Hundreds of people — about 500 people — cannot get hostel or nursing home beds in the hospital system. Ambulance officers have been sacked and — worse still — with the corrupt practices of Marie Tehan who was responsible for the health system before 1996 the ambulance dispatch system was privatised under Intergraph. As a result of the corrupt practices \$33 million was thrown away to those thieves.

Where were they? They did not say a word. Cleaners were sacked, the state of hospitals became sicker, cleanliness was compromised, and hospital assets were markedly reduced. That is where we found ourselves in 1999. Make no mistake about it; the health system will

take time to turn around. But we are doing it. We have a commitment to the Victorian community.

The honourable member for Sunshine will speak later. The government is opening the Sunshine Hospital. It has taken seven years to open that hospital. Over the last two years we have put in \$34 million, and that will be officially opened on the weekend.

The previous government had no commitment to rebuilding our hospitals. This government is putting the money in. It is putting \$720 million into the hospital system, and an extra \$1.1 billion over the next four years to treat 30 000 additional patients. That is our commitment. That is where our money is going — not into the waste and mismanagement of a \$33 million Intergraph contract agreed to by the former government. The former government simply sat on its hands, and members opposite were there and were part of it.

The funding has gone into opening up 360 extra beds, putting hospital finances back in the black, implementing hospital cleaning standards and tests. Some \$150 million has been invested in preventing unnecessary hospitalisation. I remember listening to the former minister, the Honourable Rob Knowles, talk about this stuff. But he never went off and did it. This government had to be put into power to put these policies in place. Funds have also gone into improving clinical practices. Money is also going into preventing illness and making people's lives healthier. We are reducing tobacco, alcohol and illegal drug use within our society. That is where the money is going.

Opposition members are whingeing, carping and harping. And so they should whinge and carp, because they are being led by the nose by the pretender from Malvern — the person who put them into this mess in the first place and who was part of the process of closing down 12 hospitals. The Elmore hospital is one hospital that was closed down under the previous government, and it was condemned for it.

Honourable members interjecting.

Mr NARDELLA — It was closed down under you, and you know it! On that basis, I do not support the matter of public importance.

Mr SPRY (Bellarine) — In contrast to the irrelevant diatribe from the honourable member for Melton, which we have come to expect in this house, I take this opportunity in speaking on this matter of public importance to go in to bat for the people in my electorate on the subject of deteriorating emergency and

elective health outcomes in the Geelong region under the Bracks Labor government.

Recent local press reports have detailed a litany of deteriorating outcomes in hospital care in Geelong, as the Bracks Labor government under part-time health minister John Thwaites oversees a budget blow-out in health of over \$500 million statewide. That is a half-billion-dollar blow-out in that portfolio.

No blame can or should be directed to the hardworking and dedicated medical, nursing and ancillary staff at Geelong hospital or its board. Increased costs under Labor, including a huge Workcover blow-out, are the core problem. In fact, Barwon Health faced a \$1.5 million deficit, as revealed in its annual report released yesterday and reported in today's *Geelong Advertiser*. That budget blow-out was suddenly and mysteriously camouflaged by a \$2.8 million injection from state government coffers, which needs a full explanation. The people of Geelong want to know what that is all about. All this has occurred under a part-time health minister.

Much has been said this morning about the part-time health minister or the nature of the health minister's job. What possible explanation can there be for this situation, other than a complete lack of talent on the back bench? In this respect the Victorian electorate is being short-changed.

Let us just look at the big picture over the whole state of Victoria and reflect on the *Hospital Services Report* for the 2001 June quarter. The report makes some alarming comparisons with the *Hospital Services Report* of June 1999. The recent report shows that overall in Victoria the number of patients left waiting on trolleys for longer than 12 hours in emergency departments has ballooned by 203 per cent. Ambulance bypass statewide has blown out by a massive 480 per cent in the two years of Labor government and patients on waiting lists for semi-urgent elective surgery have increased by 21 per cent.

Coming down to the local scene in Geelong in my own region, the *Hospital Services Report* for June 2000 shows that for Barwon Health the waiting lists for semi-urgent and non-urgent cases reflect similar sorts of problems. At 30 June 2000 the waiting list at the Geelong hospital for semi-urgent cases was 434 patients; this year it has blown out by 25 per cent to 544 patients. Similarly with non-urgent cases, on 30 June 2000, 1701 patients were waiting for attention; this year 1922 are waiting. In addition the number of patients waiting on trolleys for longer than 12 hours in

the Geelong hospital is up by a shocking 157 per cent in the 12-month period.

What was the part-time health minister's reaction to this situation? Firstly he blamed the federal government. An article in the *Geelong Advertiser* dated 18 October under the headline 'Aged face 21-day bed wait: study' says that predictably the health minister John Thwaites blames the crisis on the federal government. The article states:

Federal aged care minister Bronwyn Bishop's spokesman, Andrew Cummins, said the government had increased funding for aged care homes in Geelong and the surrounding region by \$20 million since 1995.

'The Victorian government, at the same time, has been closing hospital beds, so they want to kick people out quickly', Mr Cummins said.

'They dismissed an offer from the coalition government to take aged care places from an innovative pool which would have allowed hospital residents to be transferred into the community and rehabilitated rather than prematurely into residential care'.

The Victorian health minister dismissed the offer. A few days later, on 20 October, predictably he blamed the former state government for the problems in health, as do most of the speakers on the government benches this morning.

An article headed 'Surgery delays hit elderly' states:

One in three elective surgery operations at Geelong hospital in the past four months were cancelled, it was revealed yesterday.

It continues:

State health minister John Thwaites said the problem was a result of the financial constraints imposed on the health system by the previous state government.

Who is he going to blame next? It is about time he emerged from his bunker and took direct responsibility. If he did, he would be respected for it, but it is a forlorn hope, I am afraid.

In the meantime what is the human face of this neglect and mismanagement? I will highlight briefly two cases in my electorate of Bellarine. The first is a pensioner from Portarlington who was told he would have to wait eighteen months for carpal tunnel work on his hands. After two years of constant low-level pain there is still no sign of relief. Mr Acting Speaker, if you have ever had that sort of low-level pain you would realise that you live with it day in and day out.

The second example is a constituent who recently retired to Clifton Springs. He had to wait eight months

for a biopsy on his prostate. When the procedure was eventually carried out the verdict was not good, and he is currently dealing with prostate cancer treatment. In his case the delay is clearly a tragedy; it should and could have been avoided.

We are dealing with human lives and human suffering. The Minister for Health is failing in his duty to Victorians. He is a part-time minister who divides his time between the health and planning portfolios. Clearly it is a ludicrous situation that is having disastrous consequences for patient treatment. The Bracks Labor government cannot escape the blame by ducking and weaving. It must be held directly accountable for this lamentable situation.

Mr SAVAGE (Mildura) — I am pleased to have the opportunity to speak on this matter. Health in Victoria is of acute importance to the state, to the government, to the opposition and to every honourable member here present. It is important to say that no government can provide the total package necessary to provide the health care that is required and demanded. Somehow a government has to balance the requirements in a way that matches the need where possible.

Past governments from both sides of politics have been pretty ruthless in Victoria, especially in regional Victoria, in closing hospitals and downsizing services and concentrating them in particular areas, which makes it very difficult for many people to gain access to them. In my electorate before my time as honourable member for Mildura the Murrayville hospital was closed by a previous Labor government. The Beulah hospital was closed by the previous coalition government, and a number of small regional hospitals are now virtually aged care facilities and are not performing in any way as hospitals.

The current proposal to downsize the services provided by the Hopetoun campus of Rural Northwest Health is causing acute concern to that community. The previous government privatised the Mildura Base Hospital against the wishes of the community, and it is now the only privatised hospital in Victoria. In fact, if it were not for the fact of community opposition to the tenderer at the time, Alpha Health Care, and the work of the former shadow Minister for Health, now the Minister for Health, we would have ended up with a provider who was banned in the state of California from providing aged care.

We just have to look at some of the regional newspapers to see the concerns that are being expressed in regional areas. I refer to the *Warracknabeal Herald* of 26 October and to a front-page article headed

‘Concern regarding Rural Northwest Health aged care policy’, which states:

A restructure of aged care services at Rural Northwest Health has created concern among some staff, who are not happy about the transfer of six beds from the Landt Hostel to the Landt Home.

The editorial contains a further criticism of the Department of Human Services for not considering people but looking at the bottom line.

This week’s *North West Express* carries a letter signed by the president of the East Wimmera Health Service, Ray Walker. The letter states, in part:

The board of the East Wimmera Health Service ... faces some of the toughest decisions on the future of health for each of its communities since amalgamation and is attempting to manage the requirements of the Department of Human Services, the Australian standards relating to infection control, health regulations, nursing shortages and the need to deliver the best possible health service to each of the five communities it represents.

...

It is in relation to theatre and obstetric services that the board is facing a real dilemma. Under current regulations these services will need to be restricted to areas where appropriate credentialled medical and nursing staff are available and the facilities meet the required standards.

...

The board, in partnership with the DHS, will undertake a feasibility study and master plan, and it is most likely that St Arnaud will receive a new hospital and will house the only theatre in EHWS —

that is, the East Wimmera Health Service. The letter further states:

When consideration was being given to the placement of theatres the board noted that the community of Birchip does not have an ambulance service at present. Their theatre is relatively up to date, current medical staff are well skilled and able to cope with —

their needs.

Birchip board representative believed that the necessary capital could have been raised locally to complete minor refurbishment that would allow their theatre to continue to operate.

The tenet of the letter is that amalgamated health services are placing great strains on their boards in trying to deliver health services to their respective communities, but it is a difficult job. We end up with a situation where most communities lose out, which is not in their interests.

Hopetoun is a central point in north-west Victoria. It is a 2-hour drive from Mildura and a 90-minute trip from

Horsham. Warracknabeal has another hospital facility, and the proposal is to amalgamate the services of obstetrics, based at Warracknabeal. That is not in the interests of the community at Hopetoun, and it is tragic that the communities are if not being torn apart then at least divided on the issue.

The government has reflected the change of status of the Hopetoun hospital. It was a bush nursing hospital but was amalgamated in February 1999 by the former government with a promise that there would be no loss of services to the community. But the latest move translates to a significant potential loss of services, primarily because surgical and obstetric services will be moved to Warracknabeal.

I acknowledge the fact that annual recurrent funding of about \$700 000 has been placed at Hopetoun through Rural Northwest Health, which is good for the community, but it is no good having recurrent funding if the services cannot be provided and people do not feel comfortable in their communities with the level of health care that is available.

In September a public meeting at Hopetoun, which has a population of 750, filled the local hall. If the residents can fill the hall and show a united protest at the proposed downsizing of their services, we have to listen and take note. We must be mindful of the fact that the community wants its hospital to continue to function. The previous Premier did not listen and paid the political price.

A couple of years ago, when Hopetoun was a bush nursing hospital and received no state government funding, the staff gave up a significant proportion of their salaries — some tens of thousands of dollars — to keep the hospital going. In what other Victorian hospital would you find the staff so committed that they would give up tens of thousands of their salary dollars to keep their hospital functioning? Every year the community has raised tens of thousands of dollars. That generous community is determined to ensure the present situation continues. Last night a deputation of committed citizens met with the Minister for Health about the Hopetoun hospital issue. They included Ian Roberts, Colin and Donna Symes, Gwen Erhardt, Alan Malcolm and Dr Anne-Marie Walt. The community representatives are committed and passionate about the issue.

Dr Walt has turned around the community's negative and depressed attitude towards health services. She has brought about a complete change in the number of people now seeking services, which has increased by about 200 per cent since she took over obstetrics and

general health care. The community is very fortunate to have her there. If the hospital is downsized to such an extent that limited opportunities are available for Dr Walt to practise her skills, she will move elsewhere and Hopetoun will never get another doctor who is able to offer the present variety of medical services. Hopetoun hospital could become just another glorified nursing home providing a minor range of medical services. The Department of Human Services must start focusing on rural health and the needs of the communities, not on the bottom line.

Some members of the board of Rural Northwest Health have indicated serious concerns about the direction in which the board is heading and the fact that they have been misled by the Department of Human Services. I refer to a letter of 2 October addressed to the president of Rural Northwest Health by Joy Price, a member of the board. It states:

Last night's board meeting confirmed my fears that the Hopetoun campus is in fact going to lose services despite repeated assurances that this would not be so.

I am greatly disappointed and disenchanted by the whole planning procedure, the board's role and the evasive tactics employed by the Department of Human Services. I feel that Hopetoun board representatives have been seen as basically thorns in the side of progress and, more so, as nuisance value when their only intention was to continue to provide an acute health service for the northern area of RNWH.

...

The plan for the future use of Hopetoun was laid out long before this board ever came into being. Our future unfortunately was determined by an unfortunate twist of fate and particular circumstances which saw our hospital fall into demise and a need to amalgamate arose.

I hope the government is listening. Rural Northwest Health faces a dilemma as to where it provides its services. Hopetoun has a regional, remote or isolated community that deserves consideration. I urge the government to make every effort to ensure that the Department of Human Services delivers the appropriate levels of service.

Mr LANGUILLER (Sunshine) — I am proud to rise today to defend the Labor government's achievements in the health system over the past two years. The Bracks government is rebuilding Victoria's hospitals and ambulance services. It is committed to making Victorians healthy, no matter where they live. I proudly rise to defend our track record, because we are turning the health system around.

Next Sunday I will proudly attend the opening of the Sunshine Hospital — a genuine hospital which was dreamt of by the former Labor Prime Minister, Gough

Whitlam, and which will be delivered by the Bracks government and its Minister for Health. We are proud of our track record, and we will continue to deliver. I will be there with the 116 new nurses and other staff at Sunshine Hospital, because the health system is an absolute priority for the Labor government. Prior to the election we said we would rebuild the public health system, and we are doing it.

What a pathetic performance the house has seen today from members of the opposition! They have come here with absolute hypocrisy, lies and amnesia. They do not have the decency to come into the chamber and tell the truth about what the Kennett government did to the health sector.

I was a proud member of the Health Services Union of Australia, and I remember when Jeff Kennett first came to power. The first thing he did was to get stuck into the unions and workers — precisely the ones who looked after patients and the health of the community. The Kennett government came to power with a vengeance: it sacked nurses, it closed hospitals, it reduced budgets, and it ran the health system into the ground.

Mr Leigh interjected.

The ACTING SPEAKER (Mr Kilgour) — Order! I remind the honourable member for Mordialloc that he is out of his seat and is disorderly.

Mr LANGUILLER — What a bunch of hypocrites they are coming into this chamber. The honourable member for Malvern was on his own in this chamber. He had no support from his colleagues. They were not backing him. He had no courage, no convictions, no good memory — and that is because he knows what he did. Opposition members know precisely what they did to the health system — they wrecked it. I put on the record that opposition members, when in government, closed 12 hospitals in Victoria. Shame on them! They closed 1000 beds and made 2000 nurses redundant. Within a short period of time the Kennett government privatised hospitals. Many hospitals were technically bankrupt after seven years. Waiting lists increased from 36 754 to 40 293 in 12 months.

We proudly defend the track record of the Labor government, particularly on the issue of health. We said we would deliver a health system to Victorians and we are doing it. It should also be placed on the record why it is being made hard for us to rebuild the health system in the manner we could have and should have been able to in two years. It is because the Howard government has turned the public health system into nursing home units. It is not delivering on aged care. It is crippling the

state by misusing beds we are entitled to and it is not delivering. Victoria is worse off. The federal government is vindictive. The state government has had to pick up the pieces from the federal government. We have had to look after the patients. We have had to turn hospitals into nursing homes. We have had thousands of patients having to wait on trolleys because the Howard government and previously the Kennett government absolutely wrecked the health system. They are the Rottweilers of the health system. They have turned things inside out for the worse.

I am proud to defend the track record of the government. I remember when the coalition came to government. It got into us: it attacked the union movement and sacked the workers — the very workers who are willing to cooperate and look after Victorian patients. Victorians should be proud of us. They should be proud of the unions in the health sector. Today I rise proudly as a former union official because I remember how hard we worked in the hospitals. The Kennett government got rid of the cleaners, the nurses and the lab technicians. Opposition members should be ashamed of themselves. There they were today. They came into this place behind the honourable member for Malvern, who had absolutely no conviction in his presentation. He was floppy, he was weak, and he had nothing to offer. There was no substance, no conviction, no heart, no brain. He had absolutely nothing to offer the debate. Shame on them, I say.

The Bracks government is doing a number of good things of which it is proud. The government is rebuilding Victoria's hospitals by commencing the largest hospital rebuilding program in Victoria's history, worth \$720 million, at 26 hospitals and aged care facilities. What did the opposition do in the past? It reduced budgets and closed hospitals. We are putting more resources into the system. We are opening hospitals — that is what the government is doing, and proudly so — and we are doing it everywhere. We are doing it in Labor seats, in National Party seats and in Liberal Party seats. We are doing it everywhere because we said before the election that we would govern for all. You governed for yourselves in the previous government. That is what you did — —

The ACTING SPEAKER (Mr Kilgour) — Order! I ask the honourable member for Sunshine to speak through the Chair.

An honourable member interjected.

Mr LANGUILLER — I take up that interjection. I have no problem in being called comrade in the labour movement. We have a proud history in the labour and

trade union movements. It is one the opposition should work with constructively because we have been part of the best and greatest reforms in the nation. We have brought about new technologies. We have brought about a lot of the changes that were needed in this nation.

Let me tell you what the government has done in two years. We have employed 2650 additional nurses and opened 360 additional beds. What did the previous government do? Opposition members do not have the courage to come in here and defend themselves because they are ashamed of the previous government. They are not able to come into this place and say, 'We stuffed up. We were wrong. We wrecked the health system'. For as long as they do not do that they will not be a credible opposition. It is about time they came clean and told the truth.

The Bracks government is getting hospital finances back in the black after years of cuts. I am proud that we are implementing hospital cleaning standards because I was part of it in my former life. I was proudly one of the organisers who looked after hospital cleaners. When the Labor Party was in government the hospitals were clean. When we were in government the community was proud of the hospitals. After Kennett came in they were run down. You will not be able to convince anyone in the community — and you know and they know it well — that you did a good job — —

Mr Leigh — On a point of order, Mr Acting Speaker, I ask that you suggest to the honourable member for Sunshine that the dear comrade might be wise to address the Chair rather than seeking to inflame opposition members.

The ACTING SPEAKER (Mr Kilgour) — Order! I ask the honourable member for Sunshine to ensure that he addresses his remarks through the Chair.

Mr LANGUILLER — Absolutely. Let me tell you what the government is doing. We are investing \$150 million to prevent unnecessary hospitalisation for the frail aged and chronically ill. We are working closely with doctors and nurses to improve clinical practices and we are proposing reform of commonwealth–state relations to protect patients from gaps in services and to stop cost shifting. We are doing that proudly.

I look forward on 10 November to a Kim Beazley government committed to rebuilding Medicare, health and education and working in partnership with the states not against the states, not undermining the states, not getting into them, not being vindictive like the

Howard government has been and not turning the public hospital system into a nursing home unit.

Members opposite should be ashamed. They should come clean: they should come into this place and tell the truth and nothing but the truth. The Liberal Party is in opposition because it has absolutely no credibility in this debate. That is why when the shadow Minister for Health came in he was by himself. The honourable member for Mordialloc was not here backing him because he did not have the cheek. Members opposite should be ashamed of themselves!

Mr MAUGHAN (Rodney) — I am very pleased to join this debate. I give the honourable member for Sunshine 150 per cent for passion. He was very strong on rhetoric but very short on facts. We have heard a lot from the Labor members this morning. They are all very strong on rhetoric and this rubbish about telling the truth about what the former government did, but they conveniently overlook the fact that when the Liberal–National Party government came to power this state was in chaos, as was the health service.

In 1992 Victoria was spending far more than it had coming in; it had massive debts, and the health system was in complete disarray. We have heard a lot of criticism of what happened in the Liberal–National years, but at least the government dealt with the problems and there were major changes. I acknowledge that many of those changes were unpopular, but they were absolutely necessary. Nothing at all happened in the health system in the Cain–Kirner years except that it went down and down and down. It was not until the Kennett–McNamara government came to power that things really started to change.

There was tremendous change at that time. Casemix funding was introduced. It might not have been the most popular thing in the world with some of the people who worked in the health system, but it worked. It got hospitals to focus on what they were doing, and it paid them in accordance with the procedures they carried out, including their complexity, the number and so on. It was a much more objective system.

Likewise, it made absolutely no sense to have all our major hospitals located within 5 kilometres of each other in the central business district. Under the Kennett government some of those hospitals were put where the people are, such as in the northern suburbs.

Mr Leigh interjected.

Mr MAUGHAN — Exactly. Some really good things happened under the coalition government.

The honourable member for Footscray talked about the state of the health system and the closure of hospitals. He went on as if all of that was a disaster. It is never easy to close hospitals or schools, but the reality is that it needed to be done. People want a good health care system, and people in regional Victoria want to be able to go to Bendigo or Shepparton to access their top health care system.

The honourable member for Melton railed about the Elmore hospital. Yes, it was closed under the coalition government, but he conveniently forgets that when she was the Minister for Health the Honourable Maureen Lyster was going to close the hospital. Only a strong and concerted campaign by the people of Elmore, led by the honourable member for Rodney, persuaded the minister to keep that hospital open. I am not sure if I did the right thing, because I was then the local member when the hospital was inevitably closed. However, I have to say that the Elmore campus now delivers a better range of services that are more appropriate to the needs of the people of Elmore than were ever delivered before, because prior to the hospital's closure it was essentially a geriatric facility and the people of Elmore were going to Bendigo, Rochester and elsewhere for their services.

We are looking at what this government has done since it came to office. When he was the shadow minister the present Minister for Health was very hot. Day after day he came into this house and explained what he would do if he were the minister. He has now been minister for two years, and one wonders what influence he has had. As the motion indicates, the health budget has blown out to the tune of half a billion dollars — that is, \$500 million more than was budgeted for.

The objective measurements brought in by the previous government indicate very clearly that the standard of service has declined. The number of people on waiting lists has gone up by 21 per cent compared to two years ago. The number of patients waiting more than the appropriate time for treatment has increased by a massive 81 per cent compared to two years ago. Day after day when he was the shadow minister the Minister for Health railed about patients on trolleys, but their number has gone up by a massive 203 per cent. This minister is the same guy who used to chase ambulances during the week and then come in and rail against it, but ambulance bypasses have gone up a massive 481 per cent in the past two years.

The record of this government in health care leaves a great deal to be desired. Its record in providing better health care for country Victoria does not stand examination. I want to touch on a couple of local issues,

like the dialysis services available from Echuca Regional Health. I have been writing to the Minister for Health seeking better dialysis services for the past two years, because they are insufficient for people in the Echuca area — but nothing has been done. If you are a child with a speech impediment you need to wait nine months to get an appointment with the speech therapist in Echuca. I could go on about country doctors and the lack of nursing home beds which the honourable member for Melton railed about. This government can do something about it, but it has failed.

The ACTING SPEAKER (Mr Kilgour) — Order! The honourable member's time has expired. The time for raising matters of public importance has expired.

Debate interrupted pursuant to sessional orders.

ROAD SAFETY (FURTHER AMENDMENT) BILL

Introduction and first reading

Mr BATCHELOR (Minister for Transport) — I move:

That I have leave to bring in a bill to make miscellaneous amendments to the Road Safety Act 1986, to amend the Chattel Securities Act 1987, the Magistrates' Court Act 1989, the Road Safety (Drivers) Act 1991, the Road Safety (Further Amendment) Act 1991, the Melbourne City Link Act 1995 and the Road Safety (Alcohol and Drugs Enforcement Measures) Act 2001 and for other purposes.

Mr LEIGH (Mordialloc) — I ask the minister to give a brief explanation of what he is proposing to implement.

Mr BATCHELOR (Minister for Transport) (*By leave*) — The government is seeking to make a number of changes in the road safety area, including, and most importantly, changes to the penalties relating to people caught breaking the blood alcohol limits in the range between .05 and .1. In certain categories it will ensure that those who drink-drive on our roads with levels above .7 will lose their licences for a period of six months.

Motion agreed to.

Read first time.

MARINE (HIRE AND DRIVE VESSELS) BILL

Introduction and first reading

Mr BATCHELOR (Minister for Transport) — I move:

That I have leave to bring in a bill to amend the Marine Act 1988 with respect to hire and drive vessels and for other purposes.

Mr LEIGH (Mordialloc) — I wonder if the minister would once again give the house a brief explanation of what he proposes to do with this bill.

Mr BATCHELOR (Minister for Transport) (*By leave*) — I am always happy to oblige the house. The Marine (Hire and Drive Vessels) Bill seeks to make a number of changes with respect to hire and drive vessels. It relates to the regulations covering their use on our waterways.

Motion agreed to.

Read first time.

ANIMALS LEGISLATION (RESPONSIBLE OWNERSHIP) BILL

Introduction and first reading

Mr HAMILTON (Minister for Agriculture) introduced a bill to amend the Prevention of Cruelty to Animals Act 1986 and the Domestic (Feral and Nuisance) Animals Act 1994 and for other purposes.

Read first time.

VICTORIAN INSTITUTE OF TEACHING BILL

Introduction and first reading

Ms DELAHUNTY (Minister for Education) introduced a bill to recognise, promote and regulate the profession of teaching and to establish the Victorian Institute of Teaching and for other purposes.

Read first time.

FILM BILL

Introduction and first reading

Ms DELAHUNTY (Minister for the Arts) — I move:

That I have leave to bring in a bill to establish Film Victoria and the Australian Centre for the Moving Image, to repeal the Cinemedia Corporation Act 1997 and for other purposes.

Ms ASHER (Brighton) — In my capacity as acting shadow Minister for the Arts I am well aware of the minister's announcements regarding Cinemedia, but I am wondering if she will give me a brief explanation of the other purposes of the bill.

Ms DELAHUNTY (Minister for the Arts) (*By leave*) — I am always happy to oblige the Deputy Leader of the Opposition. The bill implements a policy agreed to after a high-octane task force made recommendations to government about how to revive the investment by this state in film and television, and part of those other purposes is included in some of the recommendations made by that task force. The most important recommendation, of course, was to repeal the Cinemedia Corporation Act and to establish Film Victoria and the Australian Centre for the Moving Image.

Motion agreed to.

Read first time.

ACCIDENT COMPENSATION (AMENDMENT) BILL

Introduction and first reading

Mr CAMERON (Minister for Workcover) introduced a bill to amend the Accident Compensation Act 1985, the Dangerous Goods Act 1985, the Occupational Health and Safety Act 1985, the Mineral Resources Development Act 1990, the Pay-roll Tax Act 1971 and the Accident Compensation (Workcover Insurance) Act 1993 and for other purposes.

Read first time.

HOUSE CONTRACTS GUARANTEE (HIH FURTHER AMENDMENT) BILL

Introduction and first reading

Ms KOSKY (Minister for Finance) introduced a bill to further amend the House Contracts Guarantee Act 1987 in relation to the Domestic Building (HIH) Indemnity Scheme and for other purposes.

Read first time.

AUDIT (FURTHER AMENDMENT) BILL*Introduction and first reading*

Ms KOSKY (Minister for Finance) introduced a bill to make further amendments to the Audit Act 1994 with respect to the powers of the Auditor-General, to amend the Constitution Act 1975 to indemnify the Auditor-General and audit staff, to amend the Financial Management Act 1994 with respect to the tabling of financial reports and for other purposes.

Read first time.

FAIR TRADING (UNCONSCIONABLE CONDUCT) BILL*Introduction and first reading*

Mr HAERMEYER (Minister for Police and Emergency Services) — I move:

That I have leave to bring in a bill to amend the Fair Trading Act 1999 and for other purposes.

Mrs PEULICH (Bentleigh) — I ask that the minister briefly explain the main and other purposes of the bill.

Mr HAERMEYER (Minister for Police and Emergency Services) (*By leave*) — The purposes of the bill are to give effect to unconscionable conduct provisions under the Fair Trading Act.

Motion agreed to.

Read first time.

LIQUOR CONTROL REFORM (PROHIBITED PRODUCTS) BILL*Introduction and first reading*

Mr HAERMEYER (Minister for Police and Emergency Services) — I move:

That I have leave to bring in a bill to amend the Liquor Control Reform Act 1998 to prohibit or restrict the sale of certain alcoholic products and for other purposes.

Mrs PEULICH (Bentleigh) — I ask the minister to briefly explain the main purpose of the bill and its other purposes.

Mr HAERMEYER (Minister for Police and Emergency Services) (*By leave*) — The purposes of the bill are to deal with certain alcoholic products that come under the guise of, or are sometimes dressed up as,

popular soft drinks — that sort of item. It is simply to give us a bit more control over the sale and marketing of that sort of alcoholic beverage.

Motion agreed to.

Read first time.

SECOND-HAND DEALERS AND PAWNBROKERS (AMENDMENT) BILL*Introduction and first reading*

Mr HAERMEYER (Minister for Police and Emergency Services) — I move:

That I have leave to bring in a bill to amend the Second-Hand Dealers and Pawnbrokers Act 1989 and for other purposes.

Mrs PEULICH (Bentleigh) — I ask the minister to briefly explain the main and other purposes of the amendments that will be introduced by this bill.

Mr HAERMEYER (Minister for Police and Emergency Services) (*By leave*) — The bill is the product of a review of the Second-Hand Dealers and Pawnbrokers Act, and it aims to provide some extra controls in the interests of consumers in relation to the conduct of second-hand dealers and pawnbrokers.

Motion agreed to.

Read first time.

LEGAL AID (AMENDMENT) BILL*Second reading*

Debate resumed from 19 September ; motion of Mr HULLS (Attorney-General).

The ACTING SPEAKER (Mr Kilgour) — Order! I call the honourable member for Berwick.

Dr DEAN (Berwick) — I like being called the honourable member for Berwick, although the electorate of Berwick has been abolished so I do not know what I will be the honourable member for in the future. However, I will remain an honourable member.

Mr Pandazopoulos interjected.

Dr DEAN — That is news to me — well done! The bill is only three pages in length. Nevertheless it concerns the funding of legal aid, which relates to access to justice, which affects perhaps one of the most important principles in a civilised community in Victoria — the capacity for people who get into legal

disputes who are not rich, who are just making a living and getting by, to be able to access justice and to have those disputes resolved.

Legal aid is not a small thing; the budget is somewhere between \$25 million and \$30 million every year. That money comes from a variety of sources, but in the end it effectively comes from the people of Victoria through taxes and other processes, and therefore it is a big contribution by the community towards access to justice. Any bill that concerns legal aid, particularly if it concerns the quantum of legal aid, is a matter to be looked at very carefully.

I can assure honourable members that the Liberal Party has looked at the legislation very carefully. It has looked at it carefully not only because it concerns access to justice and a contribution to a large amount of community contribution, but because the bill also has an element of retrospectivity about it. On this side of the house we are very sensitive about retrospectivity. We believe it is a breach of the rights of people who enter into arrangements and later find that the law has changed and their rights have been changed by Parliament, despite the fact that they entered into such arrangements in good faith. Such matters must be looked at very closely.

I will come back to a couple of other changes in the bill that need to be carefully considered. However, the first thing to do is perhaps set the scene as to why this bill has become necessary and why the Liberal Party, despite the retrospectivity provision and despite a query or two about some matters that will be raised in my speech, will support the bill. The reason the abhorrence of retrospectivity by the Liberal Party has been outweighed by the benefits of the bill is that it will, if it is implemented appropriately, substantially increase the amount of money available for legal aid and therefore substantially increase the rights of Victorians who would not otherwise be able to receive justice.

Before I get into a nutshell synopsis of what the bill does and how it gets this extra money into the system, I want to talk about access to justice in Victoria and what is meant by it. It is the eternal problem of how we can ensure that those who are not well off get access to the justice system, which is expensive. It has been approached in a number of ways. The first way is to have legal aid funds to pay the expenses of those who wish to engage in the litigation process. The other side of the coin is: should this process be so expensive? Access to justice has both those elements — that is, can the system be made cheaper, and do we have sufficient money to enable people to access the system, whether it is cheaper or not? As far as Liberal Party members are

concerned, I do not believe we are anywhere near where we could be on the second question — that is, the cost of the legal system. I do not think we have scratched the surface on ways by which we can ensure that justice is obtained for the citizens of this state in a less expensive, less emotive and less combative way.

I have been on the record in this place and in other places, and in a publication that the Attorney-General has often quoted, a publication I will not mention. However, I must say every time the Attorney-General refers to that publication my chest swells, because in that publication — which I am not talking about or naming — the Attorney-General, who had an equal opportunity in that particular magazine, got half the space and half the photographs. It must be a matter of great concern that the shadow Attorney-General was given such an expansive opportunity, and I have been told that the reason was that the shadow Attorney-General was quite interesting and entertaining whereas the same could not be said of the Attorney-General! However, that is just a rumour and not something I should waste any more time on in the debate.

I have been on the record both in Parliament and outside Parliament as saying that I do not think as a creative group in this Parliament we have taken near enough attention to making the system work more cheaply. The way it can be done is there and open for all to see. It has already been operating in other countries, which are miles ahead of us in dealing with disputes — and that is all litigation is. Litigation does not mean court; litigation means that there are two individuals who have a difference and the community has to work out a mechanism to solve that difference. The best way of solving differences, particularly in a range of disputes which could be regarded as the consumer-type disputes — not the top end of town, but the average trade practices, consumer disputes — is for those disputes to be mediated. When a dispute is mediated, although there is emotion, there is not the aggression and emotion there is in the adversary process.

When a dispute is mediated and there is a final decision, both parties own the decision, so there is not the level of disappointment and, if you like, distrust of the legal system. It is in the legal profession's interests to promote the resolution of disputes by mediation, not just from the point of view that it is cheaper but from the point of view that it is more satisfying and more civilised, and it does not use as the central process a process that was developed a long time ago in a community that had a different point of view and a different attitude from the one we have today.

I understand that the Leader of the National Party will be speaking after me on this bill, and I happen to know that he is a qualified mediator. Good mediation is something that has to be learnt. Mediation is not something that involves Joe Bloggs, who happens to know the two disputing parties, sitting down and having a yack. It involves a comprehensive course that has to be gone through, and it takes talent. The Leader of the National Party was a shining example and had a very high success rate on mediation. Maybe he can tell us something about that.

As you go through the process of introducing mediation plus a whole range of other mechanisms that enable disputes to be worked out in a cheaper way, all of a sudden the legal aid dollar goes much further and people now get a go who previously could not get access to justice because they did not have a criminal matter, even though it meant as much to them as a criminal matter. It might have had to do with family and domestic issues, but because it was not a criminal matter they could not get aid, which meant they could not run the case or had to defend themselves or whatever. Those people now get a look-in. We have an absolute obligation to bring this about, and it is all to do with being creative and not only ensuring that the system runs efficiently but understanding that it can often be run on different lines than it is today.

It is important to say in a nutshell what this bill does. What has happened is this: because of the stress on the legal aid dollar, when a person applies for legal aid, it is not a gift. They are given the money, the costs, if you like, to run the case. In return for that, if they have an asset such as a house or the like, they are required if and when they are able to do so to repay that money. It is a loan, not a gift. If there is a house and land, Victoria Legal Aid takes a charge over that house and land. While the person is living in that house, it remains their only major asset and they need a roof over their heads, because of the nature of legal aid the house is not sold up and mortgaged off. However, if there comes a time when they sell the house, Victoria Legal Aid looks at their circumstances and says, 'Right, you have sold that house. You now have this amount of cash in your hand, and given the circumstances we want to exercise our charge'. The charge means that the person cannot go ahead and complete their sale until Victoria Legal Aid has been notified and had the opportunity to say it is going to pursue the charge.

That all seems pretty straightforward, but nothing is straightforward. We live in a complicated world, and we have to have laws to determine how we do that. We have a thing called the Limitation of Actions Act, which basically means that after a specific period a

cause of action becomes null and void. The reason for that is that people ought not to have past actions hanging over their heads for the rest of their lives that could pop out of the woodwork at any time and strike them down. They have a right, if someone has an action against them, for that action to be pursued — and if it cannot be pursued, for it to become null and void after a certain period. In the case of a charge, which is simply a cause of action, it is 15 years.

We are now getting into the territory where this mechanism of recovering money from the sale of people's houses has gone the full 15 years. We are talking about the period from 1987 on. So we have got to a stage where some bright spark presumably has said, 'Look, I'm sorry, I know I said you could have this money when I sold my house, but you can't have it any more because under the Limitation of Actions Act your charge is void. So no money — see you later'.

The question is whether or not that is an appropriate operation of the Limitation of Actions Act and whether in these circumstances this is what the act is meant to be about. The fact is that legal aid is not a normal part of the Limitation of Actions Act. It is not the conflict between two individuals which is the cause of action. It is about a community contribution to assist those who do not have the means to gain access to justice. Therefore people have entered into a bargain at the start by saying, 'Yes, we enter into the bargain whereby you may have a charge on the house, and if and when we sell this house and the circumstances are such that it is appropriate for you to take this money, you can take it'.

To say 15 years down the track when all that happens, 'No, we are not going to pay you back', is inappropriate, because there is a public policy consideration. When the public policy consideration in the Limitation of Actions Act, which is strong, comes up against the public policy consideration of legal aid — and on this momentous occasion the Liberal Party agrees with the government — it is the legal aid public policy that wins, and so it ought to be.

As I understand it, and we raised this important matter at the briefing, there are no cases outstanding where a decision has been given on this 15-year matter and someone has got a judgment accordingly. We asked that question — —

The ACTING SPEAKER (Mr Kilgour) — Order!

I advise the honourable member for Berwick that the Chair is having a problem hearing him because he is turning his back on the Chair. I would appreciate it if he would speak to the Chair.

Dr DEAN — I am mortified to think I would be doing such a thing. I will not turn my back on the Chair; I will look directly at the Chair, every now and again glancing to the side. I hope the Chair will allow me to do that.

An Honourable Member — Just in case there is an audience!

The ACTING SPEAKER (Mr Kilgour) — Order! I could ask the honourable member for Berwick if he would like us to call a quorum!

Dr DEAN — No, Sir, I think the quality of the audience I have here is enough. Certainly it is easier for some people to speak when they have an audience, and I guess I am one of those after years in practice.

What is important here is that public policy is maintained and there is not a case in the system where a decision has been given. We rely on the government, which has advised us that there is no such case and that therefore we can pass this, because we would not agree with a situation in which a decision had been made by a court and it was retrospectively changed by legislation. So I make sure that that is clear.

The funding of legal aid is very important. It enables me to raise a matter with the Attorney-General about legal aid funding, which is what this bill is all about. It concerns what the minister said in this house on 26 May last year. I asked the Attorney-General the following question:

Given ... Legal Aid's own figures and the budget papers show that state funding was \$28.78 million last year and is only \$28.4 million this year —

we are talking about the 2001 budget —

can he now explain to the house how a \$380 000 decrease in state funding for legal aid constitutes a slight increase?

Whether it was a decrease in legal funding or an increase was very important. The Attorney-General said, 'No, no, no, you're wrong. It is not a decrease. It is actually an increase in legal funding of \$300 000', which was very good for legal aid. However, a letter was then obtained from the Legal Ombudsman in relation to a freedom of information (FOI) matter. This is a letter from the Victorian ombudsman to me, saying:

The principal reason for the absence of any further documentation —

because it was an FOI matter —

is that there was no change in the level of state funding provided to the VLA in the 2000–01 state budget.

This presents a great quandary, because we heard the Attorney-General say that in 2000–01 there was a \$300 000 increase, and we have the information provided by Mr Harmsworth, the Secretary of the Department of Justice, which the ombudsman wrote to me about, saying there was no increase. So as we are talking about Victoria Legal Aid and whether legal aid funding is appropriate, and as this bill will provide more legal aid funding, I ask the Attorney-General how he meshes these two things together. How can it be that he told this Parliament there would be a \$300 000 increase in 2000 while that well-respected person, the ombudsman, based on information given by the Attorney-General's own secretary, says there was no increase — in other words, no \$300 000?

The people who access legal aid want to know. They are very happy about this bill, which is going to give them more money, but they would like to know whether in 2001 they have got that \$300 000 increase. That question is hanging out there and needs to be answered for the sake of the minister's own credibility and because people need and are entitled to know whether legal aid has increased.

The funding that this bill may give to legal aid is quite extraordinary. The Liberal Party is supporting this bill not only because the principle is right but because the quantum is right. What we have here suggests that if the 15-year period is not a limitation and the charges follow through for that 15-year period or beyond, an amount estimated to be near \$150 000 a year will be able to be recovered that otherwise could not be. There is sitting out there something like \$2.2 million which would not be able to be obtained if the 15-year rule were implemented. That is a lot of money, a lot of cases and lot of access to justice for people with very few means — and that is important.

Perhaps I should have asked about this at the government briefing, so I will put it now. Even though a house comes up for sale, and even though the charge is triggered, it is important to take into consideration the fact that if a person of little means is simply changing from one house to another, by exercising that charge you will be robbing them of a house because they will not have the money, as a consequence of your exercising this charge, to buy their other house or move on.

To my understanding Victoria Legal Aid always has a discretion in relation to how it collects its money and when, but the point I make here is that it should not be routine that just because a house is sold and then turned into cash the amount is immediately recovered. The person could be in exactly the same circumstances —

in other words, they could be no better off than they were when everyone made a decision that it should not be recovered because they did not have the means. That is an important matter to take into account.

There is also a clarification as to whether the charge covered land as such. I have read the act and believe it has always covered land, so it would cover land and the house. But there is a reading of the act that suggests that it may not cover both. My legal training tells me that an attachment to land is part of that land and that if you have a charge over the land and there is a house on that land you get a charge on both the house and the land. But that is a matter which needed clarification, and we do not have a problem with that. It is important that everyone knows where they stand. I do not think there has ever been any doubt in anyone's mind that when a charge goes over their house, it is for the house and the land. I do not think there are too many people wandering around thinking, 'I thought that was over the house sitting on the land and not the land'. So that is important.

Debate interrupted pursuant to sessional orders.

Sitting suspended 1.00 p.m. until 2.03 p.m.

QUESTIONS WITHOUT NOTICE

Waverley Park

Dr NAPHTHINE (Leader of the Opposition) — I refer the Premier to the Australian Football League draw which comes out late today and to his government's key election pledge — not a promise but a pledge — to save Waverley Park for AFL football. How many AFL matches does the Premier expect to be played at Waverley Park next season as a result of his government's promises and action over the past two years to keep Waverley Park open for AFL football?

Mr BRACKS (Premier) — Mr Speaker — —

Dr Napthine interjected.

Mr BRACKS — You are very good, aren't you? You are great! Maybe this is one of the things that the opposition leader can go out and campaign on in the federal election. Do you think he could? I think he could! He should get out there and start campaigning, and we would encourage him to go out there. We really would encourage him, Mr Speaker. The government made its best effort. The Australian Football League (AFL) has made its decision. Its scheduling has meant that no games will be played at Waverley Park.

Honourable members interjecting.

The SPEAKER — Order! I ask the house to come to order. The Chair is having difficulty hearing the Premier.

Mr BRACKS — Mr Speaker, their noise is not being heard out there in the federal campaign. They are as quiet as church mice when it gets to the federal campaign. I don't blame Mr Howard for keeping you — —

Honourable members interjecting.

The SPEAKER — Order! The honourable member for Glen Waverley!

Mr BRACKS — We are helping your campaign by keeping you right here! The AFL has made its decision. The government has made its best efforts. We regret that decision and we will work to see — —

Honourable members interjecting.

The SPEAKER — Order! I again ask the opposition benches to quieten down. There is far too much interjection.

Mr BRACKS — Given the AFL's decision, we will still work with it to ensure there is a sporting facility on that site.

Tourism: rural and regional Victoria

Ms ALLEN (Benalla) — Will the Premier inform the house of how the government's emergency tourism package will benefit the tourism industry in regional and rural Victoria?

Mr BRACKS (Premier) — I thank the honourable member for Benalla for her question. The \$10 million extra boost to tourism in Victoria will significantly help Benalla and other tourism regions in Victoria. As honourable members know, across Australia there has been a drop in both international and interstate tourism. It was correctly reported today that there has been about a 13 per cent drop in international tourism in all regions around Australia. Victoria shares in that drop. That is why we moved quickly to institute our fund of an extra \$10 million for tourism.

I can announce today that \$1 million of that \$10 million package will be devoted to specific short-term marketing strategies in key regions around Victoria. The strategies will target significant attractions with particular emphasis on interstate and intrastate visitors to Victoria. The \$1 million will be allocated to Victoria's 11 regional campaign areas and it is

proposed that the focus of that \$1 million will be on highlighting particular segments such as touring, food and wine, adventure and other attractions.

Greater focus will also be applied to areas where employment relies heavily on tourism such as the Great Ocean Road region, and attractions in the Ballarat, Bendigo, Phillip Island, Mildura and Echuca regions — for example, \$170 000 of the \$1 million announced today will promote the Great Ocean Road and \$75 000 will promote the Macedon Ranges and Spa Country areas. This \$1 million allocation is the first announcement of the way the \$10 million package will be spent. I am pleased it will go to regions. It will attract tourism at home and it will encourage people from interstate to travel to Victorian regions.

Victorian Young Farmers

Mr RYAN (Leader of the National Party) — Will the Minister for Agriculture advise the house why he has refused to maintain funding for the Victorian Young Farmers association?

Mr HAMILTON (Minister for Agriculture) — I thank the Leader of the National Party for his question. I trust that at some stage in his past life he may have been a member of Victorian Young Farmers.

Mr Ryan — On a point of order on the question of relevance, Mr Speaker, I can but say again — —

Honourable members interjecting.

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

Mr Ryan — I ask the questions, he answers them.

The SPEAKER — Order! I do not uphold the point of order.

An honourable member interjected.

Mr HAMILTON — I will not take up the interjection; interjections are rude. I was wondering whether there are any farmers left in the National Party.

Honourable members interjecting.

The SPEAKER — Order! I ask the house to come to order and the minister to answer the question.

Mr HAMILTON — Victorian Young Farmers has a very proud history of being an organisation that has been extremely important to rural youth for many years. Indeed, its numbers were in some thousands for a great deal of the time of its history. During recent years its

membership has dropped considerably, and that is of concern to the government. However, there would probably be thousands of voluntary organisations throughout Victoria that would love to get recurrent funding from government to run their organisations. We can all think of dozens of organisations that would love to get recurrent funding. Some voluntary organisations, through their membership subscriptions, manage to run a core office, and a number of organisations in rural Victoria get a great deal of regular support from rural business and rural enterprises.

The government has been working with the current leadership of Victorian Young Farmers and has indicated to it that if it can designate a program that will demonstrate responsible use of government resources — we are talking about public moneys, but it appears as though the opposition just wants to throw government moneys away — —

Dr Napthine interjected.

Mr HAMILTON — We note that it is very easy to have cheap political point scoring on this matter.

Mr Ryan interjected.

Mr HAMILTON — You asked the question. The government, through many of its programs, commits a great amount of funds to developing rural youth, and these are mostly industry based. I could mention programs such as the Target 10 program, which has a number of under 25-year-old and under 30-year-old young farmers involved in industry programs, because the focus in Victorian agriculture has been very much an industry focus. It has been a focus on promoting industry, using new technologies, looking at sustainable agriculture. It has been very much an industry focus rather than a social focus.

The facts of the matter are that the government is very keen to work not only with Victorian Young Farmers but also other organisations, especially youth organisations, to promote activity and encouragement for youth to stay out there — —

Honourable members interjecting.

Mr HAMILTON — The Leader of the Opposition is not going to be very keen on funding some of the rural university young councils and is not going to be too keen on funding some others. He wants a selective response. This government is interested in programs and is interested in demonstrating responsible use of public moneys and making sure that the outcomes are there to demonstrate what can really happen. We

believe there will be a satisfactory outcome if this organisation — —

The SPEAKER — Order! The minister needs to be succinct. I ask him to conclude his answer.

Honourable members interjecting.

The SPEAKER — Order! Would the house come to order! The minister, concluding his answer.

Mr HAMILTON — The government will continue to work with Victorian Young Farmers to ensure that there is a suitable program which will demonstrate responsible use of public moneys.

Aged care: HACC funding

Mr MAXFIELD (Narracan) — Will the Minister for Aged Care inform the house of the Bracks government's response to concerns of Victorian councils regarding federal government funding for home and community care programs?

Ms PIKE (Minister for Aged Care) — I thank the honourable member for Narracan for his question. This morning some 40 mayors from right across Victoria, representing over 2 million Victorians, came to the steps of Parliament. These were mayors of all political persuasions — yes, people from right across Victoria — who represent Victorians from Wodonga, from Wangaratta, from all parts of the state, plus mayors from right here in the city. Behind every mayor who was represented today was a queue. It was a queue of frail, older people in our community, people who are ill and people who need support in their homes for home care services.

The Victorian government of course is supporting Victorian local government on behalf of their communities and their people. That is why today we signed a joint communiqué with the mayors right across Victoria. Let us hear what the communiqué was all about. First of all, the communiqué gave this very strong message: that the federal government must stop discriminating against Victoria. The federal government is saving \$170 million — \$170 million — by discriminating against Victoria, and it is costing the older people in our community. Secondly, the federal government must act to address the 5000 beds we are short. It is these 5000 beds we are short that is causing enormous problems for people waiting in our public hospitals, and of course these bed shortfalls are also causing thousands of people to be waiting for care in the community.

The mayors want the federal government to acknowledge the enormous contribution already made by the Bracks government. If the federal government had matched — —

Honourable members interjecting.

Ms PIKE — It is interesting that the Leader of the Opposition laughs about the matter. I am pleased that he is supporting the government, and I encourage him to use his considerable influence in Canberra. Just last week when the Leader of the Opposition was in the City of Boroondara with one of the mayors who signed up today, he stated:

HACC spending has increased more than inflation, but demand on the service has been the biggest growth.

I agree with the council that it needs more funding.

I would encourage and welcome the Leader of the Opposition using his considerable influence in Canberra during the election campaign to ensure that Victoria gets adequate home and community care funding and that the federal government matches the additional \$41 million that the Bracks government has put in.

The message from the mayors right across Victoria on behalf of 2 million Victorians is very clear.

Honourable members interjecting.

Ms PIKE — The message is very clear. Here it is!

Honourable members interjecting.

The SPEAKER — Order! I ask the house to cease interjecting, and I ask the minister to desist from displaying a large card in the chamber. The minister should conclude her answer.

Ms PIKE — The message from the communiqué is quite clear: older Victorians are entitled to a fairer share of federal aged care funding and the federal government must respond with dollars.

Mount Eliza Secondary College

Mr HONEYWOOD (Warrandyte) — My question is to the Minister for Education. I refer to a leaked CD-ROM from the Labor candidate for Dunkley, Mr Mark Conroy, which includes video footage of Mr Conroy walking through the grounds of Mount Eliza Secondary College — footage obtained without the school's permission. Given the school community has objected strongly to the department about the use of its grounds and its students for purely party-political

purposes, will the minister support the Mount Eliza Secondary College or will she back her Labor mate, Mark Conroy?

Ms DELAHUNTY (Minister for Education) — I thank the honourable member for Warrandyte for his question, because it gives me an opportunity to remind the house that it was the Bracks government that lifted the gag on our schools.

Honourable members interjecting.

Mr Smith interjected.

The SPEAKER — Order! The honourable member for Glen Waverley!

Ms DELAHUNTY — The Bracks government lifted the gag on our principals, our teachers and our school communities. The Bracks government opened the gate. It has encouraged open and constructive dialogue between our schools, their political representatives and the wider school community.

Mr Smith interjected.

The SPEAKER — Order! I warn the honourable member for Glen Waverley!

Ms DELAHUNTY — Is he alive? The department has informed me that the Mount Eliza Secondary College reported that its principal, Mr Andrew Blair, was approached by local Liberal Party members. According to the information given by the school, Mr Cameron Boardman, a member for Chelsea Province in the other place, gave the principal of the college a copy of the CD-ROM, which I understand does not name the school, invited him to view it and discussed the possibility of a press release. This is an unedifying spectacle. We have opened the gates, we have lifted the gag!

I am really astonished that the honourable member for Warrandyte manufactures this self-righteousness, because just six months ago he falsely claimed that he had been denied access at Magpie Primary School.

Dr Naphine — On a point of order, Mr Speaker, the minister is debating the issue. I ask you to bring her to order.

The SPEAKER — Order! I uphold the point of order and ask the minister to come back to answering the question.

The minister has concluded her answer.

Smoking: shopping centres

Ms ALLAN (Bendigo East) — I refer the Minister for Health to the successful introduction of smoke-free dining. Will the minister inform the house of the latest steps taken by the Bracks government to reduce the harm caused by smoking?

Mr THWAITES (Minister for Health) — The Bracks government is continuing its campaign to improve the health of all Victorians by reducing the harm caused by tobacco, which kills about 5000 Victorians every year.

The government has introduced smoke-free dining which has been well received by the community. We have increased advertising which has hugely increased the number of calls to Quitline and now in the next step, from tomorrow, all enclosed shopping centres will be smoke free. That will be a major step forward in public health in this state. Some 200 shopping centres around the state will now provide a safer and better environment for shoppers and retailers. I am pleased to advise that the new legislation has been widely supported by the Property Council of Australia, shopping centre owners and shoppers.

This is the best sort of measure the government can introduce to reduce the terrible harm tobacco causes. We need to continue to look at extending smoke-free areas to other areas where workers and customers may be adversely affected by smoke. The government will continue to do that because it is committed to the very highest levels of public health and safety.

Mount Eliza Secondary College

Mr HONEYWOOD (Warrandyte) — My question is again to the Minister for Education. I refer to Labor candidate Mark Conroy's unauthorised CD-ROM scandal and to the fact that Mount Eliza Secondary College felt so strongly about being used for blatant political purposes that a draft press release was forwarded by the school to the Department of Education, Employment and Training stating:

The staff, students and school community wish to reaffirm that the school is not politically aligned to any group or individual and is upset that such material would infer support.

I ask: how does the minister explain her department's instruction to the school community that it would hurt it to go public with the press release and that the school should instead quietly write a letter of complaint to the Minister for Education. Mary, why have you gagged this school?

The SPEAKER — Order! The latter part of the question is out of order. I ask the honourable member to rephrase his question in the third person through the Chair.

Mr HONEYWOOD — I thank you for your instruction, Mr Speaker. I ask the minister why she has gagged the school.

Ms DELAHUNTY (Minister for Education) — As I said before, with the Bracks government the gag is off. With that — —

An honourable member interjected.

Ms DELAHUNTY — That is how you operated; that's not how we operate.

The SPEAKER — Order! The minister, addressing the Chair.

Ms DELAHUNTY — That is how they acted in government; it is not the way we in this government act. The gag is off. But after that question, really the Leader of the Opposition ought to gag his shadow minister.

Freedom of information: request

Mr LANGUILLER (Sunshine) — I refer the Attorney-General to the Bracks government's reform of the Freedom of Information Act, which has opened up the freedom of information process, and I ask: what is the latest information concerning the use of the Freedom of Information Act?

Mr HULLS (Attorney-General) — There are a number of important lessons we all need to learn when it comes to freedom of information (FOI). The first is that you have to know what you are asking for because if you do not you either tie up departmental resources or you get documents that you do not want. The second lesson is that you do not need to use FOI when you can get that information from other sources. These important lessons are yet to be learnt by the opposition, as a recent FOI request shows.

Over the past two years Victorians have suspected that when it comes to policy development the opposition has been out to lunch, and the government has the documents to prove it. An FOI request which has been wrongly and badly worded has thrown up documents — I suspect unwanted documents — revealing that nearly \$5000 has been claimed on lunches at restaurants by opposition staff.

Dr Napthine — On a point of order, Mr Speaker, the minister is debating the issue and he is absolutely wrong. The documents show the government has spent more than the opposition.

The SPEAKER — Order! The latter part of that is not a point of order. I do not uphold the point of order.

Mr HULLS — This FOI request seems to show that instead of being full bottle on issues, opposition members just want the full bottle. They are far more interested in lunch than policy. This type of request shows that the opposition is lazy. It ties up departmental resources and then blames departments for not processing its requests quickly enough. This request violates the two most important lessons of FOI.

First, it appears the FOI request generated far more documents than the opposition wanted. Second, if opposition members wanted to know how much their staff spent on lunches, why didn't they just ask them!

Honourable members interjecting.

The SPEAKER — Order! The minister, answering the question!

Mr HULLS — This is not the only example of laziness being exhibited by the opposition when it comes to freedom of information requests. Over the past two years there has been a dramatic increase in the number of FOI requests made by members of the opposition. They have lodged 731 requests with eight government departments, which is a 62 per cent increase in requests from members of Parliament alone.

It is a nice irony that these are the people who shut down FOI when they were in government, and now they are huge users and enthusiastic supporters of it. The opposition continues to bombard departments with FOI requests that are vaguely worded or all encompassing. They tie up departmental resources and make it very difficult for freedom of information officers to meet the appropriate time lines.

The FOI officers have tried to assist members of the opposition as much as possible in drafting these requests, but I am informed that there are currently some 32 requests that are either invalid or cover such a mammoth number of documents that departments have had to expend enormous amounts of time and effort in assisting opposition members to rewrite them.

Regardless of whether this latest embarrassment was a result of friendly fire or a deliberate attempt to undermine the Leader of the Opposition, the Bracks government will get on with turning Victoria around

and meeting the demands brought about by the changes it has made to the FOI request system. However, as a result of this embarrassing FOI request Victorians can expect the first policy document to be released by the opposition to be nothing more than a lunch menu!

**Victorian Casino and Gaming Authority:
licence suspension**

Mr BAILLIEU (Hawthorn) — I refer the Minister for Gaming to the annual report of the Victorian Casino and Gaming Authority tabled in this place on Tuesday and to the record of disciplinary action taken. Given that special employee licences in gaming venues were cancelled in at least 24 cases for offences including theft, why was a casino special employee who was found guilty of trafficking ecstasy and possession of amphetamines, LSD and cannabis only given a licence suspension of seven days?

Mr PANDAZOPOULOS (Minister for Gaming) — The house may be aware that the Victorian Casino and Gaming Authority is an independent regulator. I am happy for the shadow Minister for Gaming to consult with the VCGA about why it arrived at that decision. The VCGA is an independent regulator. Maybe members opposite think that they would like to be able to control it if they were in government, but under this government the VCGA is independent. The authority is an independent regulator, and it makes its own decisions.

A key difference between the Bracks government and the previous government is that much more information of community interest is provided in annual reports than was available previously. It is also on the authority's web page, but if the member wants access to the Victorian Casino and Gaming Authority he can ask for it, and I will facilitate it so he can get the appropriate information.

I am the responsible minister. The Attorney-General is the responsible minister for the Magistrates Court, the County Court and the Supreme Court. Does he make decisions about disciplinary action? The legislation that regulates the gaming industry is deliberately designed not to give the minister the power but to give an independent authority the power, and that is exactly what happens.

Schools: capital works

Mr SEITZ (Keilor) — Will the Minister for Education inform the house of the progress the government has made towards its commitment to build 16 new schools and how the overall school capital

upgrade program would be affected if federal Labor's schools policy were implemented?

Ms DELAHUNTY (Minister for Education) — I thank the honourable member for his question. The honourable member would be pleased, and the rest of the house might be interested, to know that one-third of our 1631 schools are now on the capital building program. The government is progressing the building of 13 new schools and 3 replacement schools right across the state, particularly in the growth corridors. At the beginning of the next school year the government will open in the seat of Carrum the first new school built and paid for by the Bracks government.

Mr Leigh interjected.

The SPEAKER — Order! The honourable member for Mordialloc shall desist from interjecting.

Ms DELAHUNTY — The honourable member for Mordialloc is opposed to the Aspendale Gardens school, but it will be an excellent primary school. The government is building a couple of new schools in Berwick — Berwick primary and Berwick South secondary college — to take up the demand for public education in that growth corridor. In Bennettswood the government is building the Princess Elizabeth junior school. Hillsmeade primary school is being built in Dandenong and is a new school. The government is building the Cranbourne special school, in the seat of Cranbourne obviously, and a replacement school in regional Victoria, Kangaroo Flat primary school in Bendigo.

Federal Labor will leverage this investment by the Bracks government. When it gets into government federal Labor will invest \$110.5 million over five years to improve our classrooms, libraries and laboratories. The Bracks government welcomes Victoria's share of this very generous commitment. I contrast that with the Howard government, which wants to put money into our elite non-government schools so they can perhaps build more movie theatres or rifle ranges. In contrast, a federal Labor government will put the money the Howard government would put into those elite private schools back into public education where it is needed. It will be for new teacher scholarships and improved training courses each year for existing teachers to upgrade their skills and knowledge. When the federal Labor government comes to power it will be a great partnership with Victoria.

LEGAL AID (AMENDMENT) BILL*Second reading***Debate resumed.**

Mr RYAN (Leader of the National Party) — The Legal Aid (Amendment) Bill is important legislation which the National Party does not oppose. It deals with an issue that is absolutely critical to the way our communities function. One of the true measures of the way any community functions is the way it looks after those in its number who are the most seriously disadvantaged for whatever reason.

The issue of legal aid is very important in the Victorian community, and its nature has changed over the years, as have the circumstances in which legal aid is made available to members of the public. The current management of legal aid in the state is under the control of Victoria Legal Aid, which does a very able job in the discharge of its responsibilities. As with funding of so many other public areas, there never seems to be enough money for the VLA, but to its credit it does its job well. This year it has a budget of about \$25 million to \$30 million, a significant amount of money to be handled by the organisation.

In the course of his usual very able contribution the honourable member for Berwick made reference to mechanisms whereby the legal aid dollar could go further, and he made specific reference to the idea of mediation. I support his comments. The basic thrust of what he was saying is that if you can resolve and conclude disputes that would otherwise proceed to the court system, so much the better; and in turn there would be more dollars available to those who are directly involved in disputes that unfortunately cannot otherwise be resolved. That is a good outcome, and I support his basic contention about the benefits of expanding the process of mediation to allow it to play a greater part than it currently does.

As he remarked, I am a qualified mediator, a qualification I obtained while I was practising law. I do not know how many disputes I mediated formally over the years, but they would probably number in the hundreds. The patent fact is that most disputes can be resolved by using that mechanism without a final determination having to be made by a court. For the reasons mentioned by the honourable member for Berwick it is a preferable way of going about things, not only because it saves money that could otherwise be devoted to other court processes but for various other reasons too, not the least of which is that mediation can determine an outcome through discussion in a way that

gives the parties ownership of the result. Participants are then less likely to be disappointed with the final outcome.

In addition, mediation runs its course to a successful conclusion by creating an environment where people can talk the issues through rather than by creating an adversarial environment, which court hearings necessarily do. For those reasons I am a strong advocate of mediation and roundly support the comments made by the honourable member for Berwick. Mediation should be used in an expanding range of circumstances.

Mediation has moved through different phases in recent years. In the personal injury sphere, in which I was particularly engaged in my time in practice, mediation went through various evolutionary stages. I freely admit that I was a reluctant starter, because in its early days the mediation process was not as good as it is now. These days mediation is to be strongly recommended. It behoves VLA to directly assist the process to take place. I would support any such initiative on its part.

The bill is important because ultimately it makes more money available to people in need of legal aid. It removes a provision of the Limitation of Actions Act that would otherwise preclude the VLA from acting upon a charge on a property that was entered into more than 15 years earlier.

In the first instance one might say that is unfair because a provision of the Limitation of Actions Act is being set aside and therefore, in practical terms, there is a retrospective impact. I must say, however, that the public policy issue takes precedence here. Coming from first principles, the fact is that the individual who signs up to legal aid in the first place very often does so on the basis of an undertaking that a contribution will be made. Victoria Legal Aid then goes through a process. If an application is made on behalf of a client the individual's resources are carefully examined, forms have to be completed and undertakings given and, where appropriate, the VLA can request that a charge upon property be entered into under the provisions of section 27 of the Legal Aid Act. An individual who signs up for assistance on the basis of knowing at the outset that a commitment is made should therefore be bound by that commitment. There is a powerful argument that notwithstanding the effluxion of time that commitment once made should be met.

The next feature of the matter is that the amount concerned is a dollar figure without an interest component. It is pertinent to comment that if a person signs up to receive legal assistance and to contribute a

dollar sum of, say, \$1000 and then 15 years on is asked to refund that amount of money — \$1000 — the person has had the benefit of that funding for the intervening period of years.

I can think of few other instances where you could point to a more equitable arrangement that would apply other than in this style of environment. You cannot easily think of an instance where an amount of money would be advanced for a cause such as that which is the subject of an application to legal aid in a given year, and then 15 years later that same amount of money in dollar terms is sought to be refunded without any component of interest being charged upon it. I think therefore it is a reasonable ask that the person concerned should honour the undertaking that was given at the outset.

The obligation to repay, if this act were not to have effect, appears under the provisions of section 20 of the Limitation of Actions Act. It appears there in the sense that it is that provision that precludes recovery beyond the period of 15 years. The bill sets aside the function of that provision to thereby leave the commitment open-ended on the part of the person who enters into it. I believe that to be a fair thing.

One of the things I asked about at the briefing, to which I have not received a response, is what it was that brought about the introduction of this bill. Did it simply come out of a departmental concern that was raised or did it come out of Victoria Legal Aid? What are the origins of the bill? As the honourable member for Berwick indicated, I posed that question in circumstances where if it were to have happened as a result of some sort of court determination, that determination would need to be preserved from the impact of this bill. I trust that in the course of his response the honourable member for Richmond will be able to explain the genesis of the legislation.

If the bill passes it will have the effect of providing a considerable amount of money to this organisation, and I presume that it will. In the second-reading speech the minister set out the fact that there is at stake something in the order now of \$2.2 million and that that amount is expected to increase by approximately \$1 million per annum for the next 11 or so years. It is a considerable sum of money that will be available to the VLA if the legislation is passed.

I also understand from the briefing that we are talking about charges over property which number something in the order of 1000, so the impact of the legislation will be considerable, presuming that those 1000 charges are pre-1987, which as a matter of logic they must be in

the context of the bill. Similarly there is the other provision contained in the bill that extends the definition of property, and having read it within section 27(1)(c)(ii) I can see how in a sense there is a need to make the amendment. I understand that the amendment contemplated by the bill really only gives formal effect to a matter of practice in that the legislation is given effect this way anyhow, but nevertheless it is an important amendment.

On its reading it takes it outside the ambit of simply being property in the sense of real estate or anything attached to real estate. The definition of the word 'property' will now include 'whether land or any other property'. I take that to mean that it might be some item of personal property that is owned by the applicant that is now the subject of the operation of this legislation. One could envisage where an applicant for assistance under the Family Law Act might be a lady who possesses jewellery that might be the subject of this provision under the definition which is now intended to be incorporated in the legislation. The National Party believes the bill is a fair call and believes the legislation should be given effect in relation to both counts.

Another pertinent point raised by the honourable member for Berwick is that the VLA needs to ensure that it maintains the practice, which I understand it presently has, of every case being assessed on its merits. So if a charge is to be enforced and money is to be reimbursed to the VLA, it needs to be done in circumstances where a judgment is made about the means of the applicant at the time that effect is being sought to be given to the original undertaking for that refund to be made. I raise that point because it is not difficult to envisage situations where a person who has applied to legal aid might be forced into the sale of their house. They might be having problems with finance or there might be difficulties with a bank, or it might be a family law settlement. There might be any one of a number of reasons for the property the subject of the charge having to be sold despite what would otherwise be the wishes of the person concerned. That may well mean that that person is impecunious and does not have a means of being able to acquire other property, and they might have children to care for and so on. There are a range of other obvious outcomes one can readily envisage from the process of a sale of a home.

To put it the other way around, I do not think the legislation ought to be acted upon in a manner which presumes that the sale of the property which is the subject of the charge is necessarily by choice. Many other circumstances might intervene and the VLA needs to take those matters into account for the purpose of exercising its rights under this legislation. However,

in its totality I believe the bill is sensible legislation. The issue of retrospectivity is overborne by the public policy interests, and from that perspective on behalf of the National Party I again say that it does not oppose the legislation.

Mr WYNNE (Richmond) — I support the Legal Aid (Amendment) Bill and I thank the honourable member for Berwick and the Leader of the National Party for their contributions. I shall pick up a couple of points made by the Leader of the National Party. The first point goes to the question of what was the genesis of the bill. It is very clear — and I hope it was clear in the briefings to the Leader of the National Party — that the bill addresses a funding issue identified by Victoria Legal Aid concerning the recovery of client contributions secured by equitable charge. It was not identified through a pending court case or anything of that nature, so in that respect the reason for the bill was generated by the VLA.

The Leader of the National Party raised other issues about hardship provisions and the discretion of legal aid, which I will touch on at a later stage in my contribution. However, there is no more important access to justice issue than that there be a healthy and vibrant Victorian legal aid service supplemented by a strong and vigorous community legal centre network. In both those respects I am pleased to advise the house that the Attorney-General has been unstinting in his support for Victorian legal aid and an increase in funding. Certainly his support for community legal centres and opposing the ridiculous policy position of the current federal government to force amalgamation of community legal centres has shown great leadership, not only in Victoria but during national meetings of the Standing Committee of Attorneys-General. It is a proud record on what the minister believes is an absolutely fundamental access to justice issue.

Victoria Legal Aid is responsible for the delivery of legal aid services in Victoria, and its main objective is to provide legal aid in the most effective, economical and efficient manner to those in the community with the greatest need.

It is worth noting that the majority of legal aid clients are dependent on social security benefits, live in rental accommodation and have very few assets. Indeed, a snapshot of my electorate would be characterised by many people living in such circumstances who require access to legal aid and community legal centre support for the various legal matters they have to attend to.

The majority of applicants for legal assistance during 1999–2000 had incomes below the poverty line. Males

continue to apply for legal aid at a far greater rate than females, and the largest number of applications was within the 16 to 24-year-old age group. You and I, Mr Acting Speaker, as members of the Drugs and Crime Prevention Committee, are well aware from the research that has been undertaken in criminological circles and victimology surveys that men are overrepresented in offences and therefore end up before the courts and require access to legal aid.

Victoria Legal Aid has an obligation to manage its resources to make legal aid available at a reasonable cost to the community and on an equitable basis throughout the state. The managing director stated in his report for the financial year 1999–2000 that there was a reduction of \$7.957 million in the amount that VLA realistically expected to recover by way of client contributions towards the cost of the legal services it provided. Funding of legal aid services in Victoria is a critical issue, which is exacerbated by the inequity in the commonwealth government's funding model, a model the Attorney-General has resisted and continues to resist.

The previous funding model between Victoria Legal Aid and the commonwealth government came to an end on 30 June 2000. The commonwealth wanted the Victorian government to sign an agreement which would have seen Victorians punished by the federal government by being treated less favourably than the citizens of any other state. The agreement would have seen a further \$60 million allocated throughout Australia, but it provided for no increase for Victoria. Clearly the Attorney-General and the Bracks Labor government were not prepared to wear that treatment, and instead they negotiated long and hard to achieve, in our view, a better deal for Victorians. That deal resulted in a net boost to legal aid funds of \$4 million, providing access to accumulated funds. Victorians were as a result better off and better able to access legal aid funding. It is clear that the Victorian government will continue to negotiate for a fairer and more equitable share of funding for legal aid, despite the refusal of the commonwealth government to support the most disadvantaged members of our community with adequate funding for legal representation.

As if the lack of funding is not enough, there are further difficulties with the commonwealth funding model, as the funds are provided only for commonwealth crimes. In effect, you have a two-tiered system. Basically, the vast burden of legal aid funding is placed upon the state government, whereas the commonwealth seeks to wash its hands of its rightful role in supporting access to justice by funding only federal matters. These funds can be accessed for legal representation only where, for

instance, someone has broken into a commonwealth munitions factory. They are not available in the case of a break-in at a private house. In effect this reduces the value of the commonwealth contribution.

Commonwealth funds can only be made available, as I indicated, for federal matters such as family law and only under strict commonwealth guidelines.

In relation to the bill itself, client contributions are an important source of legal aid funding in Victoria. In the last financial year Victoria Legal Aid recovered about \$3.4 million in contributions. Under the current legislation where the assisted person owns a house or land Victoria Legal Aid may secure the cost of providing assistance against this property. This is generally recovered only when the assisted person sells the secured property. Victoria Legal Aid estimates that over \$16 million in client contributions is secured in this way.

The Limitation of Actions Act provides that the collection of debt for legal aid services can only be claimed within 15 years of the account. As noted earlier by the honourable member for Berwick and the Leader of the National Party, clients who qualify for legal aid are often the most disadvantaged in our community and often fall within the very young age group of 16 to 24 years. Clearly over time one's personal circumstances change, including one's income level and obviously the value of one's assets. If you think about the fact that the vast bulk of legal aid recipients are in that 16 to 24-year-old age group, it is obvious that as they mature and get into more secure financial situations their circumstances obviously change.

Victoria Legal Aid estimates that the value of secured contributions which are currently over 15 years old is of the order of about \$2.2 million. This is expected to increase by approximately \$1 million per annum for the next 11 years, so it is a substantial amount of money that is being dealt with — and it could go up to \$15 million.

This bill amends the Legal Aid Act 1978 to further secure client contributions towards the cost of providing legal assistance and provides that those contributions will no longer be limited by the 15-year repayment rule.

Clause 4 inserts a proposed section 47F into the Legal Aid Act to provide that section 20 of the Limitation of Actions Act does not apply and is deemed never to have applied to an action brought by VLA in the recovery of contributions payable by assisted persons. Contributions so secured remain payable despite the operation of the Limitation of Actions Act. The new

provision has a retrospective component to ensure that the existing pool of contributions to the value of \$2.2 million accredited under the previous legislation will not be lost to VLA in terms of its being able to turn over those recovered funds to further support particularly low-income people who are seeking legal representation.

Clause 3 amends section 27(1)(c) of the Legal Aid Act 1978 by inserting the words 'whether land or any other property'. The expression 'property' has always been taken to include land, but this is intended to remove any doubt about the question that property includes land. That might sound like a slightly circular argument, but it is important to have clarity when we are referring to security of property, and for the purposes of this bill it is clear that we are talking both house and land.

This bill clarifies the definition of 'property' and enables the VLA to recover secured contributions after the expiry of the 15-year time limit set by the Limitation of Actions Act 1958. If this loss in revenue is not recovered it would clearly impact on the level of service VLA is able to provide to the community. I know there are always concerns about retrospectivity in legislation, but in his contribution the honourable member for Berwick struck what I thought was an excellent balance in terms of understanding that retrospectivity is a serious matter which needs to be properly thought through and debated. There is no suggestion that this bill would deleteriously affect people who have their assets currently secured through this VLA scheme.

The Leader of the National Party raised a couple of other matters. He expressed concern about the hardship provisions that an individual might incur if VLA sought to recover its costs. I think it is evident that discretion is the key characteristic in any decision VLA makes in recovering its costs when a property is sold. Obviously the public policy context of this bill is about ensuring we have a reasonable recovery capacity. It is about ensuring that we have a systematic and consistent recovery package to garner funds back into much-needed legal aid support, but not at the expense of hardship for individuals. Clearly that is not the intention of Victoria Legal Aid. The social policy objectives need to be understood.

I conclude by saying that Victoria Legal Aid is fundamental to Victorians' access to justice. It is one of the key planks of the government's justice program, which we believe provides accessible and equitable legal services to the Victorian community. Low-income earners — certainly many of the people who live in my electorate of Richmond are on low incomes — have

reason to interact on occasion with the criminal justice system. It is important that people have the capacity to get legal representation when they appear in court. Victoria Legal Aid is fundamental to that, as are community legal centres. In that respect I believe the Bracks government has a proud record in fighting for a better share of commonwealth dollars for legal aid. That is certainly true of the strong campaign which the Attorney-General mounted against the extraordinary policy position of the current Howard government to amalgamate community legal centres.

Clearly we are in the middle of an election campaign. The government is very confident that following the election of a Beazley government on 10 November we will be able to address these fundamental policy inequities, which are the hallmark of the Howard government when it comes to access to justice. Under the leadership of the incoming Prime Minister, Kim Beazley, we are confident we will be able to arrive at a satisfactory formula for the distribution of dollars between the commonwealth and the states for legal aid for community legal centres.

We can also look forward to a completely different and cooperative funding climate between this state government and a federal Labor government. I believe the types of partnerships the Bracks Labor government will achieve with a federal Labor government will fundamentally change the landscape of our community in so many key social justice areas, whether it is education, health or the particular area I have the pleasure of being Parliamentary Secretary to the Attorney-General for, which includes access to justice.

These are important issues that are fundamental to people. If you cannot get access to legal representation in the courts, you are much the poorer for it. I have pleasure in making this contribution to the debate. I am pleased this bill has the support of the opposition and the National Party, and I wish it a speedy passage.

Debate adjourned on motion of Mr CLARK (Box Hill).

Debate adjourned until later this day.

STATE TAXATION LEGISLATION (AMENDMENT) BILL

Second reading

Debate resumed from 11 October; motion of Mr BRUMBY (Treasurer).

Mr CLARK (Box Hill) — One may describe this bill as small but significant. It is significant because it

goes to the collection of taxation revenue on behalf of the state, which is becoming a matter of increasing importance given the prodigious amount of taxation that the current government is reaping from Victorian taxpayers, thanks to the low interest rate climate and the generally strong Australian economy created by the Howard government and Peter Costello.

The amounts of increased taxation in areas such as stamp duty, land tax, payroll tax, motor vehicle taxes — all of which are heads of taxation to which this bill relates — are striking. Between the last budget of the previous government and the current budget of the current government we have seen an increase in the order of 17 per cent or \$375 million in expected payroll tax collections and an increase in the order of 46 per cent or \$179 million in land tax collections; and up until the end of 2000–01 we saw close to a 40 per cent increase in stamp duty on land transfers, amounting to an increase of \$373 million compared to the \$911 million shown in the last budget of the previous government.

The current government has been prepared to reap and spend these massive increases in taxation revenue which have resulted not only from an increase in the volume of transactions but also from the increasing rates of land tax and stamp duty applicable to properties as property values have increased. In particular there has been close to a 40 per cent increase in the level of stamp duty payable on the price of a median home in the Melbourne metropolitan area since this government came to power, a level which now takes up virtually all of the enhanced \$14 000 first home owner grant provided courtesy of the Howard government.

So the bill is significant in affecting the mechanisms by which the government collects those very large sums of revenue. The bill makes amendments to the Duties Act, to the Land Tax Act and to the Taxation Administration Act. In a technical sense most of the amendments are unexceptional. However, two particular issues arise from them. The first relates to the balance between uniformity and effectiveness in the provisions of the Duties Act. The second relates to the collection of revenue and the effectiveness of the processes of the State Revenue Office to ensure that it collects the revenue it is entitled to collect.

I will turn to some of the specific provisions of the legislation. Clause 3 of the bill contains a technical amendment which substitutes 'amount' for 'advance' in the definition of 'collateral mortgage'. I understand this provision is currently in the Tasmanian legislation, and the Queensland government is proposing also to introduce it and possibly other jurisdictions are to

follow. The general view is that 'amount' is an enhancement on 'advance' as it stands in the legislation at present.

Clause 4 contains one of those many provisions in the bill which reflect differences between jurisdictions in the way the duties legislation, which is intended to be uniform, operates in practice. This provision makes clear that duty is not payable on mortgagees' interests in marketable securities, and that this is to reflect the position in Victoria as it applied under the previous Stamps Act. By contrast, I am informed that the Queensland government charges duty on mortgagees' interests in these circumstances.

Clause 5 inserts proposed subsection (4) into section 14 of the Duties Act to make clear for the purpose of the imposition of stamp duty that an instrument of transfer of an estate in land is to be taken to effect the transfer of dutiable property referred to in section 10(1)(d) of the act, which is basically goods that are used in connection with the land — items that used to be referred to as chattels such as curtains or other items that are transferred together with the transfer of a home.

This provision is not intended to affect the legal position as between the parties themselves — those goods transfer with the land in any event — but it is to make clear that the instrument of transfer is for the purpose of the imposition of duty deemed to be one that effects the transfer of this additional property.

Clause 6 amends section 21 of the Duties Act to deal with a situation that has emerged in relation to the creation of subdivisions. It is intended that the first sale of property after a subdivision is not to include the amount to be expended on the refurbishment of that subdivision. There is a technical concern that when the transfer for the sale occurs because there is in some instances a previous transfer of land in the course of creating the subdivision it will result in the benefit intended by the legislation being lost. Therefore subsection (4) is amended to make it clear that the provision applies to the first sale that takes place in those circumstances rather than to the first transfer.

Clause 7 arises in relation to the timing of a transfer. It relates to the fact that under existing section 22(1) the unencumbered value of a dutiable property is based on the value at which the property might reasonably have been sold in the open market at the time the dutiable transaction occurred. In some states that is satisfactory, because the duty applies to the contract of sale, but in Victoria the duty applies to the actual instrument of transfer. It is intended that the unencumbered value be determined as at the time the sale contract was entered

into rather than at the time of the transfer. The amendment made by clause 7 reflects that position, so that in the case of a transfer of dutiable property on the sale of the property the unencumbered value is determined at the time the contract of sale was entered into.

Clause 8 makes a technical amendment which ensures that the Duties Act better reflects the provisions of the corporations legislation by substituting a reference to a related body corporate for the current reference to a related corporation.

Clause 9 is another example in the legislation of an amendment being considered necessary to better reflect the policy position that applies in Victoria. It relates to a situation where a property is held in trust, the structure of which is rearranged and then ended. It makes it clear that duty is not applicable at the ending of that trust structure, even if there has been a restructuring of the arrangements during the time the property was held in trust. Proposed new section 36 makes clear the circumstances under which this will apply. The provision is considered necessary because other jurisdictions impose a duty at the time a trust is terminated after a change of structure.

I suppose this reflects the underlying dilemma that we face in relation to uniformity. On the one hand we want legislation that implements policy that has applied for a long time in Victoria, if that policy is considered satisfactory, but on the other hand we want consistency with other jurisdictions. Occasions are arising where it is proving difficult to have both, and we have to make a decision. Here the decision is to stick with previous Victorian policy, but the price we are paying for that is a loss of uniformity.

I turn to clause 10, which amends section 132 of the Duties Act. Proposed new subsection (1) is simply a redrafting of paragraph (a) of section 132 to reflect the fact that duty is no longer chargeable in relation to the lease instruments that are referred to in that paragraph. Clause 10(2) contains what the Treasurer has referred to as the only policy change involved in this legislation. It creates a minor increase in taxation, but perhaps unusually it is an increase that has been requested by those who are liable to pay that taxation. It applies to equipment financing arrangements.

At present where someone is carrying on the business of hiring out goods under equipment financing arrangements and a range of other hiring arrangements, a duty-free threshold of \$6000 a month applies before duty is applicable. In many circumstances that operates as a valuable concession. However, the Australian

Finance Conference, which is the industry association for a large number of entities that carry out equipment financing arrangements, has found that the cost, inconvenience and difficulty of apportioning the monthly \$6000 duty-free threshold — or, more importantly, the amount of saving that that translates into — among its clients in circumstances where millions of dollars might be involved is simply not worth the effort. They would rather that the duty-free threshold not apply to avoid these administrative difficulties. I am told that this amendment brings us into line with other jurisdictions.

It is worth making the point that section 129 of the act, which defines a 'hire of goods' — it is what gives rise to the liability in the first place — specifies that it is an arrangement under which goods may be used by a person other than the person hiring out the goods unless the arrangement is excluded under section 132, which contains a series of specific exemptions. It divides the hire of goods into two kinds — namely, equipment financing arrangements and ordinary, or other, hire of goods. That means that short-term hiring will continue to have the benefit of the \$6000-a-month duty-free threshold, whereas an equipment financing arrangement, which is the hiring of goods under a hire purchase or some other agreement for a term of not less than 9 months, will not have the benefit of that duty-free threshold.

Clause 11 corrects a drafting error. Clause 12 is consequential on clause 14, just as clause 13 is consequential on clause 14. Clause 14 inserts into the Land Tax Act a new set of provisions regulating the service of documents under the Land Tax Act. Those provisions are based on similar provisions in the Taxation Administration Act. It is considered that those will be more satisfactory.

There is one curious provision in these amendments which perhaps reflects an earlier age. If one looks at proposed section 75(2) of the Land Tax Act one sees it provides that:

- (2) If a facsimile or other electronic transmission is received after 4.00 p.m. on any day, it must be taken to have been received on the next business day.

It strikes me as rather curious in this day and age that after 4.00 p.m. on a business day might be considered too late in the day for a reasonable service. If the service is later than 4 o'clock — when the legislation seems to assume some people might have left the office for the day or be no longer carrying on business — it will be deemed to have been received on the next business day.

Ms Asher interjected.

Mr CLARK — The honourable member for Brighton raises the question of whether this is intended to suit public service conditions. I have to admit that that possible application of it had not struck me, but she may well be right. I was assuming that it was harking back to a more genteel time when businesses started to wind down after 4 o'clock. Perhaps on occasion some of us would wish that we could still work those hours. So I raise for the consideration of the Treasurer and his parliamentary secretary the question of whether it remains appropriate to have that time of day specified as the rollover point.

The final provisions in the bill that I want to refer to are those contained in part 4, which amends the Taxation Administration Act and includes provisions that allow the Commissioner for State Revenue to seek to obtain an order from the Supreme Court requiring an agent of the commissioner to account for funds that that agent has collected on behalf of the commissioner.

Those provisions are contained in clause 15 and are similar to the provisions that used to be in section 40 of the Stamps Act. They allow the commissioner to go to the Supreme Court and seek an order that the agent show cause why the agent should not have to give the commissioner an account on oath of all the tax that has been received and should not have to hand over that tax. Subject to any explanation the agent might give, the Supreme Court may then make an order directing that the account be given and the tax be handed over.

Clauses 16 and 17 contain provisions that relate to the enforcement notices by the commissioners. Clause 16 makes it clear that people cannot be charged with an offence of not complying with the relevant provisions under two different heads of the Taxation Administration Act. Clause 17 gives powers to the Supreme Court to certify that a person has failed to comply with the requirements of a notice under section 73 of the Taxation Administration Act and then allows that person to be dealt with either as if it were an offence giving rise to imprisonment not exceeding three months or contempt of court.

These provisions seem reasonable in themselves, but the issue that arises is: what are the factors that have given rise to the need for these amendments and how effective has the government been in responding to those needs and introducing those amendments? In the autumn sitting this year honourable members debated a round of amendments to the Duties Act, and in the course of that debate the honourable member for Brighton made the point that there had been a lack of

opportunity for bodies such as the Law Institute of Victoria to comment on that act and suggested that that may well have been what was giving rise to the series of last-minute amendments that needed to be made in May and June.

There have been subsequent reports about difficulties that the State Revenue Office has had in relation to an agent who has allegedly not accounted for various amounts of taxation. The Treasurer, in responding to media queries about that issue, said that he had introduced amendments to the Duties Act in May that enhanced the SRO's powers to impose and enforce conditions under which tax agents undertake their document-stamping responsibilities. Although these were not provisions that he flagged in the course of his second-reading speech on the amending bill in May this year, there are provisions in the Duties Act that cover the matters to which he refers. But those amendments did not extend to the provisions that are in the bill before the house.

The question has to be asked: given the Treasurer was presumably aware at the time of the May legislation of the issues that the SRO was facing in relation to its agents, why were those provisions not introduced in the May legislation rather than the current bill, and even more significantly, if they had been introduced in the May legislation rather than in the current bill, would the SRO and therefore the taxpayers of Victoria be in a better position than they in fact are in relation to recovering any moneys that may be owed to them by agents of the SRO?

It is a matter which I hope the parliamentary secretary or the Treasurer will address during the course of the debate. The provisions of the bill in themselves are unexceptionable, and they are not opposed by the opposition. However, the bill raises serious issues in relation to collection of revenue, the uniformity of duties legislation and the ever-increasing tax burden the government is imposing on the taxpayers of Victoria.

Mr RYAN (Leader of the National Party) — It is my pleasure to join the debate on the State Taxation Legislation (Amendment) Bill, and I take up the point on which the honourable member for Box Hill just finished. When you think of all the bluff and bluster that went on prior to the last election about the purported position of the now government on taxation issues, you cannot help but smile, particularly in the context of the 2000–01 *Financial Report for the State of Victoria* tabled in Parliament in the past few days.

Page 10 and succeeding pages of the report are very instructive and pertinent to this debate. They deal with

elements of state taxation. Payroll tax revenue is up 3.4 per cent, and I emphasise that this is higher than the budget estimate. Taxes on property are 14.2 per cent higher than the budget estimate, and page 10 contains a breakdown of those figures comprising conveyancing duty, stamp duty on marketable securities, land tax assessments, financial institutions duty and mortgage duty. They are all absolute windfalls for the government.

Then I come to the section in the report on the ubiquitous gambling taxes. My smile grows even broader in an ironic sense when I consider the position taken by the Australian Labor Party prior to the last election. All the promises it made now lie in tatters as the income the government derives from the sector, about which it bled so much over the seven years of the former government, is an absolute mainstay of its governance. The budgeted income has increased by 3.3 per cent. The income from gambling taxes totals \$1276 million, which is \$41 million more than the budget estimates.

The other day on radio I heard the Minister for Finance grappling with the concept, his general tenor being that the increase the government is getting from gambling taxes is slowing compared with what previously prevailed. As I hear it, that is the high-water mark of the government's current position on gambling taxes. Were it not so serious, it would be a joke.

Taxation on insurance has increased by 3.4 per cent. Within that figure is the windfall gain the government is deriving from the tax-on-tax issue, particularly with insurance. For example, the levy for fire insurance premiums — probably the most graphic issue from the perspective of country Victorians — is now 58 per cent on commercial premises. To the premium bill of \$1000 that arrives in the mail one must add the 58 per cent levy, which is \$580. On top of that must be added the GST component, which goes with the provision of the service. Finally, in addition to all that is the calculation for Victorian government stamp duty.

All that amounts to an absolute windfall gain for the government. The pity of it is that the government still refuses to examine the situation. At least the New South Wales Treasurer, Michael Egan, has had the good grace to concede that that state will look at the issue. If a windfall gain is evident, that government will take appropriate steps to address it. However, we cannot even get the Victorian Treasurer to acknowledge a windfall gain, let alone have him do something about it.

Ms Asher interjected.

Mr RYAN — Yes, there is room for a review when all is said and done. The minister's attitude is, 'Well, there are winners and losers'. In some instances through the application of the new taxation regime the state will recover less because it gets less stamp duty from motor vehicles, whereas in other instances such as insurance it will get more. The basic rationale behind the government's thinking is, 'When you mix it up we come out at about the same'.

Even that thinking is wrong, because according to the figures in the report the increase is 3.4 per cent. But more particularly, as a matter of sheer equity the issue ought to be properly examined. I would have thought the State Revenue Office (SRO), if it were given appropriate policy guidelines by the government, would be able to make determinations that would be fair, equitable and representative of the true position rather than our continuing with the existing half-baked arrangements.

Motor vehicle taxes have increased by 3.9 per cent. Business franchise fees, revenue replacement payments, licences and other taxes are up by 4.4 per cent. I again emphasise that these figures are over and above the budget estimates, which in themselves have a built-in incremental component.

The final one, which is an absolute gem, relates to fines and regulatory fees, where the increase has been 34.7 per cent over the budget estimates. I quote from page 12 of the report:

This is largely due to road safety measures introduced to reduce the incidence of impaired driving and other traffic offences resulting in increased fines revenue, and the full implementation of accrual accounting principles for the measurement of fines and regulatory fees.

However the government may like to explain it, an increase of 34.7 per cent in fines and regulatory fees only is a helluva lot of money in anybody's language!

Time is of the essence, for various reasons, so I shall make only brief comments to supplement those so ably made by the honourable member for Box Hill. The National Party adopts his view that the bill is unexceptional. It is designed to overcome anomalies and to plug various loopholes. Many of the issues have emerged during the day-to-day administration of our taxation laws by the SRO. So it is that the house has a basket of amendments that are intended to achieve the outcomes to which the legislation refers.

In our examination of them all these changes will be practical in their effect. They will streamline administration and clarify ambiguities in various areas. They will protect the original revenue base, which is

important to the state, but with the qualification to which I have already referred — that is, that the state has an obligation to ensure that its revenue base is applied on an equitable basis. Obviously, as I have demonstrated in the instance of the stamp duty payable on insurance policies, that fundamental principle is not being observed by the government.

The changes alleviate unintended consequences. They line up the terminology and its application with other jurisdictions. Therefore the best of outcomes is achieved — that is, uniformity in the application of the law. That is something the business component of our community desperately wants, because of all the things that cause disturbance to small business in particular it is the element of uncertainty in the application of policy and its consequences that cause the most disquiet.

There is no real need to analyse each of the bill's provisions, because they have been canvassed extensively and fulsomely by the honourable member for Box Hill. However, there is a particular feature that I refer to regarding the amendments to the Land Tax Act. I comment in the context of a plea to the Treasurer to examine a situation which is pertinent to many organisations in the country, particularly those involved in not-for-profit activities and, even more particularly, those engaged in the conduct of field days, agricultural shows and the like.

I refer to a letter of 7 September that the Honourable Roger Hallam in another place addressed to the Treasurer on behalf of the organisers of the Elmore and District Machinery Field Day and the Kyabram Agricultural Horticultural and Pastoral Society.

Elmore runs what are colloquially known as Speed field days. Recently I attended what was a brilliant event. The field days started about three decades ago with about 40 or 50 people advertising their commercial wares. The most recent show had about 600 people displaying goods and chattels; it was a great day and was well organised. The Elmore organisation now owns about 350 acres of land, using the old terminology, which is used throughout the year. The whole entity makes a marvellous contribution to the life and times of Elmore and the surrounding districts.

Mr Hallam wrote to the Treasurer seeking an exemption for the Elmore and Kyabram organisations from their obligations to pay land tax. I would have thought that was a reasonable request, bearing in mind the staggering figures that I have read into *Hansard* concerning the government's current financial position and its prognostications on what is to come in years imminent.

In his reply, dated 5 October, the Treasurer wrote to Mr Hallam acknowledging the fact of the submission and stating, quite rightly, that there was nothing he could do to intervene in a political sense, because in effect it was a responsibility set down by statute. It was a matter for him to make the sort of assessment upon which the taxation burden was based rather the law needing to be changed. The reply states, in part:

The Commissioner of State Taxation has sole responsibility for the administration of the Land Tax Act, and I have no power to intervene. This is to preclude the possibility of any political interference in the operations of the act and to ensure that the legislation is administered in an objective and non-discriminatory way.

I understand that both societies lodged objections to their land tax assessments and that the State Revenue Office treated the objections as applications to be exempted from land tax. The State Revenue Office gave careful consideration to the applications of the societies but concluded that neither organisation satisfied the eligibility criteria for exemption from land tax.

The final paragraph is pertinent to the debate because the reply concludes:

Finally, the issue of whether the Land Tax Act should be amended to ensure that societies such as Elmore and Kyabram are exempted from land tax will be considered by the government in the context of next year's budget.

I take this opportunity to say that these organisations and those akin to them should surely be exempted from land tax. They function in a manner that is not for profit. They provide an absolutely invaluable community service in a variety of ways. They truly are representative of the lifeblood of country Victoria, and in many instances the committees which underpin them have contributed their efforts voluntarily for decades. Now, when they are looking to bring in new blood and enable a transition of management, they are faced with various challenges, not the least of those being the issue of public liability insurance.

At the Speed field days I was advised by the committee that its public liability insurance premium cover had increased from about \$2500 to something like \$7000 or \$8000. It is yet another of dozens upon dozens of organisations that have reported similarly to me. I mention that because it is another element of the burden to be borne by these groups for the purpose of undertaking worthy works. Now so many of them find that all their fundraising work, which they have been historically devoted to, is by necessity being directed into areas that are incidental and contribute nothing to what they do and represent no more than a stone around their collective neck.

Into that miserable bunch of burdens goes the matter of land tax. In this day and age, faced with what is available to it, the government ought to have another look at the land tax issue and its application to these organisations, because the National Party believes these organisations should properly be exempted from the land tax provisions.

With those few comments I repeat that the National Party does not oppose the legislation and accordingly wishes it a speedy passage.

Mr LENDERS (Dandenong North) — On any piece of legislation involving amendments to the Duties Act, the Land Tax Act or the Taxation Administration Act we will have a general debate on state taxes and where they have come from, where they are going and where they should go. This second-reading debate is probably no different from what anyone would expect.

In my comments I will certainly touch on the general issues of state taxation, but first I will comment on the specific clauses of the bill. As previous speakers have identified, it is a routine housekeeping bill. It deals with amendments to the three acts I have mentioned and arises through the wholesale rewriting of the Duties Act that was adopted by Parliament last year and was an ongoing work of the ministerial council commenced under the previous government and completed under this government to try to bring into line a number of the stamp duties provisions across jurisdictions and therefore ultimately cut the burden of red tape on businesses.

It is a very good act, and as with any other similar huge piece of legislation there was a need to come back after implementation to dot some of the i's and cross the t's, as is inevitable with such comprehensive legislation. Essentially that is what this legislation does. What I find most intriguing is that a group of taxpayers has asked the government to remove a tax concession, which is probably one of the more novel things to ever be reflected in a tax bill. All other jurisdictions do not provide this exemption, and it is administratively burdensome for the small amount of money involved. Therefore this particular group of hire companies has asked to have the exemption removed.

That is the long and short of the nature of the bill. It has a lot of clauses, and as the Leader of the National Party said, they were gone through most adequately by the Treasurer in his second-reading speech and by the honourable member for Box Hill in his lead speech for the opposition, so I will not burden the house with them again.

A couple of points that need to be made are that the honourable member for Box Hill drew attention to a 4.00 p.m. cut-off for pieces of paper to be received and dispatched as part of the legislation. Those sorts of changes are not high on the government's agenda. Obviously we will always look at things that industry asks us to look at, but a cut-off in this day and age is still as relevant as it always was. There needs to be a convenient time of day to look at these matters, so I imagine the government will seek further advice if that is the case.

The Leader of the National Party's request for some exemptions is a good point to include in a general discussion of taxation. In the end the Bracks government implemented probably the most comprehensive review ever of state taxation, certainly the most comprehensive in my lifetime.

Ms Asher interjected.

Mr LENDERS — As the Deputy Leader of the Opposition indicates, we had the Harvey review, in which the government sought advice from the business community in this state as to how business taxes should be changed. The first Bracks budget made a commitment to a \$100 million line to progressively go up to \$200 million in future years. This government has not only delivered on that commitment to cut business taxes but has exceeded it. Setting up the Harvey review meant that rather than the Labor Party and the Department of Treasury and Finance deeming themselves to have all the wisdom, the government went out to the community and asked what it thought. The Harvey review came back, the government discussed it further and accepted some of the recommendations while rejecting others. In the end governments need to make decisions. They need to consult, but in the end they need to make up their minds about what they are doing.

The Harvey report was the start of a comprehensive review. Virtually every aspect of state taxation listed by the Harvey committee in its discussions was looked at line by line by the government in responding to the report. That ultimately resulted in the Better Business Taxes legislation that was adopted by this Parliament and cut \$774 million of state business taxes over a four-year period. The original government commitment was \$400 million over that period, and the \$774 million showed that the government sees the importance of removing the burden of taxes from the business community. That was an important thing to do if we are to make Victoria a competitive taxation environment.

However, as honourable members opposite know, and particularly the Deputy Leader of the Opposition, having sat around the cabinet table, government is also about setting priorities. One of the choices this government has made, like any government, is how it balances the legitimate requirements of any community for expenditure on services versus the equally legitimate requirement of a community to have its tax burden reduced. Getting that balance into line with its priorities is something the government has looked at. That is where this general taxation debate dealing with all these pieces of legislation becomes particularly pertinent. It is easy for opposition members to use cheap, throwaway lines about levels of taxation.

I have yet to meet a person in the street who says we do not pay enough taxes, yet there is probably not a person in the street who does not have the view that there should be more services. Of course there will be a populist response to any rhetoric saying that conveyancing taxes or land taxes or any other form of taxes should be cut. We would expect that from the opposition, but it is important to put a number of facts in place in the debate on taxation.

Firstly, regarding conveyancing, Victoria's duty is comparable to other states. In the 1999–2000 financial year — the most recent figures available — Victoria's revenue from conveyancing duty was less than the national average both per head of population and as a percentage of gross state product. On both those tests Victoria actually had a lower level of conveyancing tax than the national average. The opposition constantly compares Victoria to New South Wales. The fact is New South Wales collects more conveyancing duty than Victoria, not only on a net basis, because it is a larger state, but also on a per capita basis. In 1999–2000 Victoria collected \$273 per person and New South Wales collected \$374 — around \$100 more per person.

Honourable members interjecting.

The ACTING SPEAKER (Mrs Peulich) — Order! The honourable member for Dandenong North, without assistance!

Mr LENDERS — Thank you for your protection, Madam Acting Speaker. Similarly, conveyancing duty revenue in New South Wales was greater as a proportion of the gross state product. Victoria collects less tax and less local government rates than New South Wales on a per capita basis and as a proportion of gross state product. These are important issues in any debate on taxation. While we need to get the balance right, and people will argue about rates and a range of things, these figures are comparable. If we are talking about

benchmarking and comparisons with other states, Victoria stacks up well against New South Wales.

Various other stamp duty concessions are also available in Victoria. The government went through a lot of these item by item in the Better Business Taxes package to see where Victoria was and how it compared with other states. They were all important. As a government Labor was about two things in the better taxes review: first, lowering the burden on business, particularly in areas that would stop growth of jobs and exports; and second, to cut down as much as possible on red tape. The number of taxes and the simplicity of the tax system were important to the government in that context.

Mr Clark interjected.

Mr LENDERS — I will take up the interjection of the honourable member for Box Hill saying the government should cut taxes more and referring to the size of the surplus and a range of other things. Anybody who has read the budget papers and the speeches of the Bracks government will be aware that the government is totally committed first to the budget surplus it promised in opposition and is determined to deliver in government and second to a real budget surplus, not just a smoke-and-mirrors one. A double test has been put into both budgets: first, the commitment to an underlying \$100 million surplus that was made in opposition, and second, to a higher amount so we can deal with any downturn in the Victorian economy. The government did not make an idle promise, it was a real promise and one that has been delivered twice.

No government can reliably budget on any surpluses that have accrued because of seasonal bonuses or whatever you want to call them in the tax system such as higher revenue from conveyancing or land or property sales. All you need is for the economy to slow down a little bit, and suddenly they are gone. Where there has been a surplus this government has ploughed that surplus back into either debt reduction, whether it be state debt or unfunded superannuation liabilities, or capital works projects like Growing Victoria and the Regional Infrastructure Development Fund. It is not as if the state government is looking to hoard any of these surpluses like Mr Scrooge. The government is ploughing this money back into services and capital works in the state of Victoria.

The government is dealing with the current issues and also with the not normally expected budget surpluses. Unlike the previous government, the Bracks government does not see this as its money to stash away or do things with. The government sees this as the Victorian people's money, and it is ploughed back into

critical things like infrastructure. Ultimately that is what government is about. State taxation money is being spent in a range of areas, including rail links to country regional centres. Where the money is going, whose money it is and what is appropriate for it to be spent on should be put into perspective.

I turn to the Better Business Taxes package generally. The government was trying to introduce simplicity into the taxation system. Last year the government consolidated duties and taxes, and the Better Business Taxes package had bipartisan support and was embraced at the national ministerial council. It was about how to make life easier for businesses by reducing red tape and administrative costs wherever possible, whether it be through the Duties Act amendments last year or the removal of the minor 20 and 30 cent fees on transactions, which reduced the administrative burden.

I turn to the number of taxes. In its Better Business Taxes package earlier this year the government reduced payroll tax from 5.75 per cent to 5.35 per cent. The legislation is in place and takes effect on 1 July 2003. There are no ifs or buts about it, it is happening and is reducing taxes on business. The government has also increased the payroll tax threshold from \$515 000 to \$550 000 from 1 July 2003, which will take a significant number of small businesses out of the payroll tax net and also reduce the cost to businesses of payroll tax.

Far more interesting from my perspective is that the government is increasing the land tax threshold from \$85 000 to \$125 000, freeing approximately 46 000 small businesses, investors and self-funded retirees from the land tax net. It is one of the most significant issues for the government. It was the previous government that lowered the threshold on land tax and dragged thousands of additional businesses into the land tax net, which in itself was a policy decision that the former government was perfectly entitled to make, although it was one that small business did not like. However, the ultimate irony is that when the Harvey report was released it was the opposition that shed crocodile tears by the megalitre over this issue, beat their chests and created anxiety in the small business community, despite the fact that it was the opposition that had lowered the threshold to widen the net.

The honourable member for Box Hill is on the record as wanting a flatter, broader tax system in this area. Yet when the government increased the threshold to take 46 000 small businesses out of the tax net, all it got back was that it was a small amount.

Ms Asher interjected.

Mr LENDERS — My response to the honourable member for Brighton is that 46 000 small businesses were relieved not only of that tax, which in their minds is a significant amount of money, but also of the paperwork for both the State Revenue Office and the relevant municipalities and others involved in assessing land tax and advising people. It removed paperwork as well as the cost. The government is proud that it has removed that burden from small business, unlike those opposite who claim to be the party of small business but who imposed the burden on small business in the first place.

The government has also abolished three stamp duties as part of the Better Business Taxes package over the next three financial years. It has abolished the stamp duty on residential leases, unquoted marketable securities and mortgages, which have all been legislated for and are in place, and people can plan their business affairs around what they know will be the legislation for that tax.

The government has also simplified payment collection through the introduction of e-business initiatives at the State Revenue Office. In one sense you can say that this is ancient history, because this legislation has been passed and we are now dealing with a number of amendments, but it is also about future planning issues, because those 46 000 small businesses that I mentioned, as well as every other business in this state, know with certainty that payroll tax will be reduced and that three taxes will be totally abolished.

These are important considerations because we as a government must have in place a tax regime that is competitive and must also secure the revenue of the state so that important services can be delivered.

That is why it is disappointing that the opposition and the National Party continually call for taxes to be cut in an ad hoc fashion when there has been a systematic review of business taxes. If time permitted, Madam Acting Speaker, I would be delighted to go through the series of promises about revenue that have been made by the Leader of the Opposition and a number of his spokespeople — promises to spend a lot of that money. You cannot have it all ways: have a budget surplus, cut taxes and increase expenditure all at the same time. If that could be done I am sure thousands of governments around the world would have done it already. If that magic formula is there somewhere we would appreciate the opposition sharing it with us, and I am sure the Victorian community would appreciate it too.

On tax competitiveness and the tax environment there are a number of issues to be addressed, but the fundamental point is why we have this legislation before us. It is because the government is committed to streamlining the tax legislation as much as it can. We are committed to consulting and listening so that when we introduce a huge piece of legislation like the Duties Bill, which rewrote the Stamps Act and brought it into line as much as possible with other major jurisdictions, we can make legislation that is as conducive as possible for other businesses wishing to come to this state. We do not want to leave businesses with the legal costs of having to check whether there is some minor duty, special paperwork or other formal requirement in Brisbane, Sydney, Melbourne, Perth or Adelaide; that is not conducive to business coming to this state or going anywhere else. We want to remove those imposts as much as possible so that we can reduce the costs of business and add certainty to the operating business environment.

The bill is a minor piece of legislation dealing with those problems, but it does deal with them so it is important. The government is open to discussion and consultation. The profession talks to the State Revenue Office and to the state government. We listen and respond, and we are coming up with a series of these minor pieces of legislation, which on the face of it are not the most riveting items for the chamber to debate. Certainly they are not matters that my constituents in Dandenong North come to me about on a daily basis. Nevertheless, if we are serious about government we need to deal with them.

My final comment is that if we are talking about burdens on small business or on business generally and radical changes to systems and so on — all those things that make life difficult — the only comment I can make is that the most traumatic thing we have had in this state in a long time has been the goods and services tax that now, fortunately, is bedded down. It was one of those things that could, with a bit of foresight, have been made less burdensome on the community. I commend the bill to the house and wish it a speedy passage.

Ms ASHER (Brighton) — I will make a few comments on the State Taxation Legislation (Amendment) Bill. It is technical in nature and specifically amends the Duties Act, the Land Tax Act and the Taxation Administration Act and gives some additional powers to the commissioner of the State Revenue Office. I will also touch on the fact that the amendments to the Duties Act are probably reasonable under the circumstances.

The new duties legislation was a huge exercise started under Alan Stockdale, my predecessor in both my former portfolio in this house and the state seat of Brighton. The process undertaken to attain that desirable outcome was very lengthy, because what was needed was a plain English act where duties could be compared state to state and have a fair degree of uniformity. I understand the New South Wales government has introduced even more amendments subsequent to proclamation of its Duties Act so it is not surprising that we are here yet again to clean up minor technical issues and to make improvements to the operation of our relatively new Duties Act.

One of the issues in the Duties Act is that it introduced a new method of paying for stamp duty on used car transactions. Indeed, the introduction of the GST forced a change in the method of collection for stamp duties on used cars. The opposition did not oppose the system at the time.

Then the government came up with the idea that in order to avoid circular taxation it would allow the consumer buying a used car a choice between paying the stamp duty direct to Vicroads or paying it to the dealer, which was the previous system.

I agree with the government that it is obviously difficult to have a system where a goods and services tax and stamp duty are levied, so in order to avoid this circularity of taxation the government has devised the new system. However, there are some significant problems with this new system, as the Treasurer is aware. The Treasurer was first made aware of the fact that as a direct consequence of this new system there are problems in the collection of stamp duty on used cars when I asked him a question in the house. At that time the Treasurer asked me to write to him, which I have subsequently done. He has written back to me, and I will refer to that correspondence in a moment.

The bottom line in Victoria is that stamp duty on used cars is basically optional. If you are a smart and well-informed consumer it is very easy to avoid stamp duty. What you simply do is tell the used car dealer you will pay the duty direct to Vicroads, and you thereby avoid all duty.

One of the rationales for the series of amendments proposed by the State Taxation Legislation (Amendment) Bill is the need to safeguard the state's revenue. Obviously my view on the appropriate level of taxation is different from the view held by members sitting opposite, because the Liberal Party traditionally prefers tax cuts and the Labor Party traditionally prefers expenditure. While it is justifiable to wish to protect the

state's revenue base, there is a king-size problem, of which the Treasurer is aware, in the collection of stamp duty on used vehicles. I note that the volume of money collected on stamp duty on used cars is not insubstantial. In 2000–01 the stamp duty collected on used car transfers was \$141.3 million. Not only should the Treasurer have included amendments relating to that loophole in the bill before the house, but he also needs to do more than he is doing.

As I said, I wrote to the Treasurer on this issue when he invited me to do so after being unable to answer a question in the house. He wrote back to me on 18 September, and I thank him for the correspondence and the explanation. In his letter the Treasurer indicated that:

In light of the legislative changes, and the transition to new arrangements, SRO —

the State Revenue Office —

is closely monitoring the collection of stamp duty on used cars.

He then went on to say in an understated way:

There is evidence that a larger number of acquirers than expected are choosing to pay stamp duty to Vicroads rather than through the RUCD —

or registered used car dealer.

The fact is, and the Treasurer knows it, that, to use his terminology, a larger number of acquirers than expected are choosing to avoid paying stamp duty on their used vehicles because the government has not put in place a system that protects the revenue base of the state. This bill was an ideal opportunity for the government to act on the issue, but it has not done so.

The Treasurer went on to advise me that he was trying to do a number of new things about this unpaid stamp duty on used vehicles. He also advised me that:

As part of our overall commitment to an effective and efficient tax system, further customer education and compliance audits will be conducted in this area, together with the provision of information to both RUCDs and acquirers of used motor vehicles.

He went on to say in another wonderful understatement, which again is most unlike him:

This will assist all parties in the transition to these new arrangements and ensure that the revenue collection of stamp duty on used cars is maintained.

I prefer a more blunt approach than the Treasurer's. A significant number of consumers in Victoria are avoiding paying stamp duty on their used car purchases.

For them stamp duty is optional. The revenue base of the state is not being looked after, and it could have been looked after via this amending bill.

While it is beneficial to give consumers advice, while it is beneficial to give information to the used car dealers and while it is beneficial to have compliance audits, in the interests of revenue collection the government should take a more rigorous approach, particularly given the amendments before the house.

I think everyone knows that when you acquire a used car you need to pay stamp duty. The problem is fairly and squarely at the feet of the government. Again, the opposition had no quarrel with trying to address the issue of circular taxation, but the problem is that the administrative mechanisms set up by the government are deficient. The administrative mechanisms allow people to regard stamp duty on used car transactions as optional. My understanding is that Vicroads advised either the State Revenue Office (SRO) or the Department of Treasury and Finance of this loophole or deficiency prior to the Duties Act going through Parliament. I have lodged a freedom of information (FOI) request and I am delighted the Attorney-General is here to hear this.

Mr Hulls interjected.

Ms ASHER — I am always delighted when you are here because you amuse me no end, as indeed you amuse Madam Acting Speaker. I will get the briefing note because I know it exists.

The Vicroads FOI officer wrote back to me, and I say to the Attorney-General that this is how his officers are interpreting FOI requests.

An honourable member interjected.

Ms ASHER — He did not ask me out to lunch, either, but he wrote back to me saying that 6 million documents exist.

Mr Hulls — Six million?

Ms ASHER — Six million documents exist about this matter. I have let the officer know that I am not after the individual little dockets relating to the entire history of stamp duty on used cars in Victoria; I am after briefing notes that came from Vicroads to either the Department of Treasury and Finance or the SRO indicating that this loophole existed. The government knew about it and did nothing then. There is legislation before the house, the government knows about the loophole, yet it has still done nothing about it.

I shall move on to the changes in the bill relating to the additional powers given to the Commissioner for State Revenue. That officer holds a significant office in the public sector in the state of Victoria, because it is the revenue collection agency for the government. Unfortunately there are significant problems at the SRO, and I am sure the parliamentary secretary is aware of them. I urge the Treasurer and the parliamentary secretary to get on top of the SRO situation, because although I am unconcerned about individual disputations with the Community and Public Sector Union, and I think locating government departments in regional areas is a good thing — —

Mr Hulls — There is a press release!

Ms ASHER — I called for it before you did it. I am unconcerned about the tittle-tattle going on in the SRO but I am very concerned at the level of disquiet within the SRO related to revenue collection. I have information that the SRO has failed to collect or account for more than \$90 million of outstanding payroll tax. That has not been collected by the SRO. There is an amending bill before the house, and administratively every day the minister can issue directions to the SRO, and it is not happening.

The house will be interested to know that as at 20 July 2001, \$90 161 490 was due for default action — uncollected, unaccounted for in terms of payroll tax revenue. The rationale for the bill was to protect the state's revenue base. I can advise the Treasurer that even if he is not on top of the SRO situation, some \$90 million is outstanding.

Additionally, and obviously we are concerned about employers who overpay tax, as at 29 June repayments of overpaid payroll tax were in the order of \$3 million, which is money that the State Revenue Office should have but has not returned to employers.

I have lodged FOIs with the SRO concerning the conduct of its senior officials. I have asked for minutes of senior officials' meetings and, Attorney-General — I am glad you are in the house — this time I was not told that there were 6 million documents, I was told that my request would not be processed at all.

Mr Hulls — Too voluminous?

Ms ASHER — No, not too voluminous.

Mr Hulls — Silly request?

Ms ASHER — No, the officer didn't say, 'Silly request', either. Unfortunately I think 'Too close to the bone' is what the officer wanted to say.

Mr Hulls — Which section of the act is that?

Ms ASHER — Sections 30, 35 and 36(1)(b). Whilst those who advise me legally on FOI matters would work through and tell the Attorney-General that these are about internal working documents, documents containing material obtained in confidence and documents contrary to the public interest, they are in the too-hard, she's-asked-absolutely-the-right-question basket. I will take this through the appropriate appeal processes, but I have been told that the SRO officers will not even locate documents relating to minutes that would disclose the level of disquiet among senior officers at the SRO. They will not process my application, and it is the end of the issue. They have called on a section in the act and the opposition will not have access to those particular minutes.

Of all the documents that exist in terms of revenue protection for the state, and I notice that the Treasurer uses this excuse on a number of occasions when he wants to justify excessive taxation — for example, tax on tax issues — and of all the reasons given, I think the opposition and, more importantly, the Victorian public very much have an interest in finding out why the State Revenue Office is failing in its mission to protect the state revenue base.

Mr Hulls interjected.

Ms ASHER — I think you know how many FOI applications I have submitted. I am certainly not inviting any responses from the Minister for Agriculture after today's question time.

These are critical issues. This is about an SRO in turmoil and that turmoil is now resulting in tax not being collected — that is, payroll tax not being collected, payroll tax not being refunded, and no-one being allowed to have access to any documents to learn more about the situation. It is a grossly unsatisfactory situation and I intend to pursue this area in the future, as I am sure the honourable member for Box Hill will do likewise.

I conclude with a couple of brief observations. First of all, while I think most people would support uniformity, often the issue of uniformity between the states is used to justify increases of taxation. The honourable member for Box Hill has pointed out a very unusual situation where the taxpayer group has requested amendments to legislation which, according to the second-reading speech, are going to yield possibly a maximum increase of about \$80 000 per annum. The opposition would always caution about using uniformity to generate taxation increases,

although I understand in this instance there is quite an extraordinary rationale for that.

I always want to refer, as did the Leader of the National Party, to the amendments to the Land Tax Act. I ask that the Treasurer notes correspondence that I have passed to him with specific details involving one of my constituents. It is a particularly unfair case. I ask the Treasurer to consider it with a degree of sympathy.

In essence, what has happened in this particular case is that my constituent has purchased a house in Brighton. The house is being used as a principal place of residence. The previous owner of the house had used it as an investment property and, naturally, had to pay land tax on that house. I do not want to comment about anyone's solicitors; however, during the adjustment processes my constituent who purchased the house for the sole purpose of a residence has now been lumbered with the proportion of land tax for the year that the previous investor should have paid if the investor had held onto the property for the full year. In effect, the SRO pocketed some additional money. My constituent, via a lawyer, approached the SRO. I am very annoyed about the attitude of the SRO on this.

My constituent was told no. My constituent has ended up paying land tax on a principal place of residence — and I know the SRO would say it is a small amount, but it is not to him. Normally I would pour forth at this point, making comments such as, 'You never trust the Labor Party on land tax', and, 'Look at what has happened in Western Australia' or 'Look at what has happened under Labor governments in New South Wales, where under certain circumstances on high-value properties, probably the equivalent of Brighton properties, land tax is levied'.

I ask the Treasurer to read my correspondence very carefully. I have given him all the details relating to my constituent and his correspondence, including the statement of adjustments, because it is against the spirit of the Land Tax Act and blatantly unfair for a member of the public who has purchased a house as a primary place of residence to then pay someone else's land tax. In fact, as I read it, the SRO is making a windfall gain in this instance, because the investor would pay only the proportion of land tax up to the date of disposal.

I regard this incident as an absolute pocketing of money by the SRO, perhaps symptomatic of its problems. On the one hand it has not collected \$90 million of payroll tax that it should have, but on the other hand it has hit my constituent — a person buying a house — with land tax on a non-investment property. It is an outrageous case, and my constituent was treated particularly

unfairly by the SRO when he contacted them. I do not expect an answer from the Treasurer, if he does come in to respond to this debate, but I would at minimum expect him to read that correspondence and do what he can to provide a refund to my constituent.

I do not accept the view that the Treasurer should hide behind the SRO, as the letter read to the house by the Leader of the National Party states. An unjust impost has been levied on my constituent. I ask the Treasurer to intervene and consider fairly my constituent's request for a refund. In conclusion, there are some real problems at the SRO. While the Treasurer turns his mind to the broader systemic issues at the SRO I hope he finds the time to treat with a little bit of compassion the case of my particular constituent.

Mr STENSHOLT (Burwood) — I rise to speak in support of the State Taxation Legislation (Amendment) Bill. It seeks to make a series of minor technical amendments to the Duties Act 2000, which the government passed last year after a comprehensive review that had taken a number of years following intergovernmental agreements with a number of state and territory governments. The bill also seeks to make minor amendments to the Land Tax Act 1958 and the Taxation Administration Act 1997. Those technical amendments follow the Bracks government's strong process of continuing consultation with businesses and other interested groups in its efforts to reform taxation in Victoria.

The Bracks Labor government is very much in favour of lower, fewer and simpler taxes. The government has put its stamp on listening to and supporting small Victorian businesses, particularly with taxation cuts of \$774 million that will be delivered to businesses over four years. That is in strong contrast to the actions of the previous government.

This government has been in office for two years and has moved to abolish three business taxes, whereas over seven years the previous government merely abolished one. In pursuing its taxation policies the previous government managed to put imposts on a large number of new businesses. If I remember correctly the previous government's raising of the land tax threshold affected some 70 000 owners of land, businesses and investment properties, who then had to pay land tax.

In listening to businesses, landowners and self-funded retirees with property investments, the Bracks government has moved to raise that threshold. Consultation is a hallmark of this government. I seek to talk extensively with small businesses in my electorate of Burwood and right around Victoria. On the issue of

taxation, I surveyed all the businesses in my electorate by writing to them and seeking their views. I regard this as an important part of representing my constituents. As I said, it is a hallmark of the Bracks Labor government that it listens to and talks extensively with all its constituents, who obviously include business groups and small traders.

I am a member of several traders' groups in the Ashburton and Burwood areas, and I have extensive dealings with and support from other traders' groups such as those in Surrey Hills, Maling Road in Canterbury, and the Ashwood area. I have sought to listen to them and convey their views directly to government and to the Treasurer. What an excellent Treasurer Victoria has, and he is ably supported by his parliamentary secretary, the honourable member for Dandenong North. Victoria has a strong Treasurer who is making a difference as part of the Bracks Labor government.

As I said, I have sought the views of small business people throughout my electorate and have conveyed them to the government. Small businesses very much appreciate that we listen to their views. Only this week in the *Progress Press*, which circulates in the City of Boroondara, the head of the Camberwell business group, Mr Oliver Beaumont, commented on the support that the various parties provide to small businesses and business groups in the area. I am happy to report that he commended me as Burwood's state member of Parliament for going out and talking to business people and learning about their concerns.

This is in strong contrast to some of the activities of the local Liberal members. He felt that the Honourable Petro Georgiou, the federal member for Kooyong, was grossly absent when it came to looking after small businesses in his area. I was quite happy to talk to the Camberwell business group the week after the federal member for Kooyong talked to them last year. If I remember rightly they had made five attempts to get him along, but he proved to be quite elusive.

Local businesses and local people understand that their Labor members of Parliament are looking out for them, and the Bracks Labor government does so by introducing legislation such as this. We are looking out for businesses, and we understand how taxation works. Consultation is very important for business people who are involved in paying tax and who sometimes collect it on the government's behalf.

The other federal member in my area, the Honourable Peter Costello, has received universal condemnation from small businesses because they have ended up as

collectors of the goods and services tax and have to fill out the rather odious business activity statement. They are very much concerned, as indeed are the traders in Ashburton, who while very supportive of the taxation changes and reforms introduced in Victoria, of which this legislation is among them, were very critical of the application of the GST. If you read the *Sunday Age* a couple of weeks ago, you would know that trader after trader in Ashburton condemned the GST. As I have already said in this house on a previous occasion, Peter Costello — —

The ACTING SPEAKER (Mr Plowman) — Order! I suggest the honourable member gets back to the bill.

Mr STENSHOLT — I am pointing out that taxation and the need for fiscal management is very important. The Bracks Labor government clearly has superior credentials in this regard.

I understand that the honourable member for Brighton is very vigilant in seeking to maximise revenue. It is a pity this is not shared by her colleagues. Maybe some logical discrepancies are starting to creep in there, if indeed the Liberal Party does have any policies in the fiscal area at this stage. I thought opposition members were seeking to lower further payroll tax which would blow a hole in the budget and blow a hole in their so-called reputation for fiscal rectitude. Of course their fiscal rectitude and fiscal responsibility are clearly not shared by their federal colleagues. They have a budget deficit at the federal level which impacts upon Victoria because we receive only 83 cents in the dollar back from the taxes we pay.

There is a budget deficit at the federal level of several billion dollars whereas there is no deficit in Victoria because of the management of taxation represented by legislation such as this. We have an extraordinarily well-run taxation system in Victoria. The federal government's failed policies have led to budget deficits and the poor dollar exchange rate, which has affected many Victorian businesses. It has dropped from about 85 cents to about 50 cents, which has a massive impact on the reputation of not only Australia but also Victoria.

Clearly the Bracks Labor government is a far superior manager when it comes to taxation and budgets. This bill is a further example. As I have mentioned, part of this legislation seeks to simplify taxation. This is one of the objectives that the Bracks Labor government is seeking to implement, with the idea of fewer but also simpler taxes. We have listened to businesses in Victoria, among whom are commercial hirers who have said, 'It is a lot of trouble for us to organise, transfer

and pay the duty because of the duty-free threshold, and it is probably best that we forget the threshold because it would be much simpler for us in management terms'. We have listened to that. We accept that possibly businesses will lose out in the tax they might pay, but it will simplify the taxation arrangements that apply to them.

Certainly in relation to the Taxation Administration Act the latter half of this bill is seeking to have the tax collected in a far more efficient manner and the compliance issues dealt with effectively and expediently. This is part of the role that the excellent Treasurer we now have is implementing in Victoria through lower, fewer and simpler taxes. This government is able to do that in a far more effective way than was ever done under the previous Kennett government and certainly far more effectively than is now being done by the federal government.

As I have already mentioned, we suffer under the current arrangements with the federal government because the taxation we pay in Victoria is not fully returned to Victoria. We only get 83 cents in the dollar. The bill will modernise the system of document service and other processes under the Land Tax Act 1958. Once again it will bring this act up to date and make sure the compliance arrangements are more appropriate and modern.

Clearly the bill serves to underline and reinforce the fiscal responsibility of the Bracks Labor government as well as its ability to make sure the taxation system is working for Victorians and that its policies and decisions are implemented in a socially progressive way. It is a way of seeking a balance in terms of taxation, revenue and expenditure for the good of Victorians, including businesses that pay the taxation. Our business taxes are lower, fewer and simpler. The businesses in my electorate of Burwood, whether in Canterbury, Surrey Hills, Ashburton, Ashwood or Glen Iris, very much understand what is going on and appreciate it. They know which party represents them better — that is, the Labor Party through the Bracks Labor government. I commend the bill to the house.

Mr BRUMBY (Treasurer) — I begin by thanking all honourable members for their contributions to the debate on the State Taxation Legislation (Amendment) Bill. I was not able to hear all the contributions but the Parliamentary Secretary for Treasury and Finance, the honourable member for Dandenong North, has been here through the debate and has kept me fully informed. I particularly thank the honourable member for Dandenong North for his incisive contribution and his strong support for the Better Business Taxes package.

I was fortunate to hear the contribution of the honourable member for Burwood. As always it was an excellent and succinct contribution on the taxation system and on the importance of these issues in the strong economic growth performance of Victoria.

I also thank the shadow Treasurer, the honourable member for Box Hill, for his contribution. He raised a number of issues and I will consider those as I study the debate in *Hansard*.

The honourable member for Gippsland South also made a number of comments regarding the fire service levy and land tax, and I will examine his comments as well. He also suggested that the government was pocketing the windfall gain from the strong property market. At the moment the property market in Victoria is exceptionally strong, and in both volume and price terms is easily the strongest in Australia. That is a mark of confidence in the Victorian economy. The building figures are at record levels across the board. Whether it is housing in the outer suburbs of Melbourne, renovations, apartments in the inner city, new retail development, manufacturing or wholesale we are seeing extraordinary levels of investment. Indeed, the building approval figures for September, which were released by the Australian Bureau of Statistics (ABS) today, reveal that for the third consecutive month Victoria exceeded \$1 billion. We have never previously exceeded \$1 billion for three consecutive months.

More importantly, on trend approvals, for the ninth consecutive month we have had the highest building approval figures in Australia, so for nine months we have outperformed New South Wales despite the fact it has a population that is 25 per cent larger than Victoria's. We are certainly punching way beyond our weight in this state.

As we look ahead to the future, these approvals are very positive indeed for Victoria because, as I have said before in this house, the international situation is very uncertain; it is a difficult environment. Earlier this morning I saw a report in the press that the Japanese unemployment rate looks like reaching 5.5 per cent, which is unprecedented for that country; it is in recession. America is close to negative growth and Europe is pretty average, and if it were not for China the world would not be growing at all. So these are difficult times indeed.

One of the things that will help to sustain the Victorian economy through these very difficult times is the strength of our building activity. Building activity does not a whole economy make, but it does provide a significant impetus in what will be difficult times.

If we look at conveyancing duties, yes, we have a property market which is at record highs in both volume and price. Conveyancing duties will rise as they have done historically, as they did in the late 1980s in Victoria and as they did, too, as I found when I was looking back today over some statistics, in the mid-1990s.

I understand that under the former government — I think it was in 1995–96 — conveyancing duties were 25 per cent higher than budgeted for in one year. The difficult thing is that conveyancing duties are quite volatile — the market goes up, the market comes down — and from a government point of view the most important thing for a Treasurer, obviously, is to ensure that the budget base is sustainable, and that it is sustainable on a surplus basis. So we will get some revenue growth from conveyancing but in those circumstances that will contribute, all other things being equal, to a stronger surplus. It would be quite erroneous and poor economic management if the government were to bid away that extra surplus through ongoing recurrent spending programs. That would be an inappropriate thing to do. So conveyancing does jump around. It is moving at the moment because we have had such a strong property market.

The other point I make about conveyancing, and I have made it before, is that when you compare Victoria with other Australian states on the two usual measures of these things, which are conveyancing duty paid per head of population and conveyancing duty as a share of state gross product, we are below the national average on both of those measures. We are certainly still significantly below those of New South Wales, although I dare to say at the rate at which our property market has been expanding and growing over the past 12 months we may soon catch New South Wales, and that will have other implications for the state as well.

The honourable member for Brighton, I understand, raised a matter regarding a constituent and land tax and indicated that she had written to me about that. I will make sure I see that correspondence and consider it properly before a response is sent.

The other matter raised by the honourable member for Brighton was the used car payment system. She raised this matter some weeks ago in question time, and I understand that I have replied to her on that. However, I would add that Vicroads and the State Revenue Office are consulting on methods to fully address issues of collection and potential avoidance, and Vicroads will be advising the SRO of applications for registration on which duty has not been paid and recovery action will

then be undertaken by the SRO, so that is a matter which is being examined by the government.

I thought that was a good debate. I want to thank again the honourable member for Dandenong North, the parliamentary secretary, for his — as I have said before — incisive and comprehensive contribution; and the honourable member for Burwood — I always enjoy hearing the honourable member for Burwood. He is a strong speaker, and he knows the issues well.

He has been out there. Of course the honourable member for Burwood was a key driver when we did the Better Business Taxes review. It was the honourable member for Burwood who personally lobbied the Premier and me as Treasurer and argued persuasively that we should lift that land tax threshold from \$85 000 to \$125 000, and that has freed 46 000 Victorian taxpayers from paying land tax. So his contribution and that of the honourable member for Dandenong North have been very instrumental indeed.

I thank all honourable members for the good spirit in which this debate was undertaken and remind them that through Better Business Taxes we are cutting taxes by \$774 million over the next four years.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

FUNDRAISING APPEALS (AMENDMENT) BILL

Second reading

Debate resumed from 27 September; motion of Mr HAERMAYER (Minister for Police and Emergency Services).

Mrs PEULICH (Bentleigh) — The opposition does not oppose the bill, given that it was responsible for drafting the principal act, the Fundraising Appeals Act 1998. However, the opposition is very keen to see some amendments incorporated in the bill pertaining to the exemption of kindergartens from the provisions of the legislation. I understand the government voted against that, but there have been some discussions between the minister and the shadow minister for fair trading and small business, and the government will now introduce those amendments as house amendments. If that is the government's intention I guess the opposition will probably support the insertion of those amendments,

although I have not seen any circulated. I presume that will occur later.

Mr Wynne — It is already in the bill.

Mrs PEULICH — I thank the honourable member very much. I have not had a chance to flick through it just now, but I assume those amendments are being accepted by the government. The fact that the amendments have been incorporated in the bill as a result of this matter being pursued in the upper house yet again confirms the very important purpose of another place in improving legislation and acting as a legitimate house of review.

The point has been made on numerous and successive occasions that we have seen the upper house operate as it is intended to function.

This particular area of human endeavour, fundraising, literally affects every aspect of our community. Many community organisations depend on fundraising for their very existence. It is these types of activities that bind communities together, often from birth to grave. It is probably during the conduct of these sorts of activities that we see the very best of humankind, in terms of people selflessly giving themselves — and not only during the International Year of Volunteers, which conveniently happens to be the year we publicly thank all those people who, in many instances, have devoted many years of their lives to civic service and volunteering.

But unfortunately, just as it brings out the best, it also has the capacity to bring out the worst. It is for this reason that the Fundraising Appeals Act was initially introduced in 1984. It was completely reviewed by the former Attorney-General and Minister for Fair Trading, Jan Wade, in 1998, which showed a real need to regulate fundraising as a way of maintaining confidence in this very important sector, for a range of reasons. Not only are absolutely thousands of organisations and hundreds of thousands of people involved in contributing work annually, but the industry itself is worth about \$2 billion annually, so I am talking about a lot of money. Therefore, the scope for misuse and bogus charities unfortunately crops up all too often.

In my brief preparation for this debate I did a quick search through the newspapers to see how many of these there are — and there are lots of them, some of which are current and some of which are not. We have all read headlines like 'Charity faces fraud inquiry', where charities fail to distribute thousands of dollars of donations that have been raised through volunteers, and we have read about snappy dressers and other people

who live very comfortable and often illusory lives, portraying themselves as humanitarians and having the very best of intentions but disappearing from the face of the earth with many thousands of dollars, only to disappoint many people. I will not go through the handful of examples I acquired through my quick search.

When the previous government was responsible for reviewing the act it basically wanted to maintain public confidence in fundraising, to see opportunities for the conduct of bogus fundraising appeals reduced, and to satisfy community expectations that there would be proper accounting of moneys donated for charitable purposes and the like. As a result of that a number of compliance requirements were included in the Fundraising Appeals Act. They included things like a provision for the notification of the minister within 28 days before commencing a fundraising appeal and certain provisions in relation to banking, the maintenance of financial records, the wearing of identification badges, the receptacles to be used for collecting donations, the disclosure by commercial fundraisers — and there are many of those — and, of course, offences for making false statements.

In many regards this legislation will be a moving feast, because people will always find ways of getting around and personally benefiting from, manipulating, exploiting and abusing the system for their own personal monetary gain and benefit. The minister has seen fit, obviously as a result of ongoing developments and the monitoring of the operations of the act, for her department, Consumer and Business Affairs Victoria, to circulate a discussion paper flagging a couple of issues which are the substance of this amendment bill. It includes the idea of a single monetary level exemption. Initially in the discussion paper the amount flagged was \$20 000. That is to exempt or allow for the exemption of small community-based organisations that use only volunteers from the provisions of the act because of the burden.

Apart from obviously being involved in raising money for many thousands of worthwhile organisations, the burden imposed by the act was probably unreasonable, and that is why the opposition wanted this exemption for small fundraisers such as kindergartens that raised less than \$10 000 included in the provision. We all know the specific and ongoing problems faced by kindergartens. Many of the problems stem from the fact that most kindergarten committees have parents serving on the committee for only a year. The general experience is that the kids are in the kindergartens for a year and the parents become involved but then move on after that year. As a result a lot of that expertise is lost

each year. Some conscientious local councils extend support by providing training for kindergarten office bearers.

Fundraising is an important activity for kindergartens, and given that schools and so forth are exempt from the act the opposition was delighted that the amendment was incorporated in the bill in the other house, even though government members in that place voted against it. As a result the opposition is happy to support the bill. The key element of this reform is the introduction of the registration system. It is a sensible evolution of the act introduced by the former government. As I said before, it will preserve confidence in the industry.

Recently I saw a good article in the *Herald Sun*. It was written by Faye Burston, who reported that 79 per cent of donors would give more if they were assured that the money they gave would end up in the right hands. That summarises the view of many Australians, especially those who have a lot of money. Most people are happy to support those who are on low incomes or perhaps are vulnerable — the homeless or voluntary organisations that provide much-needed services and so forth — but sometimes there are question marks about where money is going, whether the organisation is legitimate and so on, because there is a proliferation of organisations. Another question that is often asked is how much money is consumed by the administration of those organisations. I believe the statistics accurately reflect the sentiments of many people in the community.

Another interesting fact from the article is that two-thirds of Australians believe they are being ripped off by charities. It is for that reason that the former government introduced the act, and it is also the reason why this government now wishes to further improve the act. The article reports that 68 per cent of people believe the money never reaches those who need it, yet despite that, in the past year donations to charities actually rose by 17 per cent and bequests jumped by 14 per cent. We know that around 5000 charities spend about \$4 billion a year and employ about 133 000 people. Charities are part of the 11 000 non-profit organisations that receive government assistance. In total the non-profit sector employs about 600 000 people. Approximately 50 charities operate on budgets in excess of \$10 million, but the vast majority have five or fewer staff and operate on budgets of less than \$100 000, so it is a very big business.

Of course, members of Parliament are interested to ensure that the donor is protected and that the majority of the money goes to where it should be going. Some organisations are very large fundraisers.

Mr Helper — The Liberal Party!

Mrs PEULICH — The Liberal Party has enormous support, but it does not mandate party political contributions. Contributions are made because people wish to support the Liberal Party, unlike affiliation fees for unions, of which the Labor Party is a political arm.

Anglicare Victoria receives government funding of about \$23.7 million, but on top of that it raises over \$3 million itself. The Smith Family gets government funding of \$100 000, yet including donations and bequests it fundraises \$7.9 million a year. The Salvation Army, which I am involved with, having been the chair of a local committee for six or seven years, is a very worthwhile organisation which receives government funding of \$148.5 million. Fundraising or trading brings in an extra \$90.9 million. It is a respectable and worthwhile organisation helping many needy people.

I take this opportunity to thank all those who assist in the Bentleigh electorate as well as in rural and regional Victoria for supporting those many worthwhile organisations. Volunteers provide over 100 million hours of labour each year which would be equivalent to around 48 000 people working 40 hours a week. It is an important industry and as a community we need it.

Those organisations exist in numerous community groups, whether their focus is on the aged care sector, disability support groups, health and hospital auxiliaries, kindergarten and school groups, youth groups and sporting organisations. The list goes on and most of us have been involved in running and supporting them as members of our own communities. The contributions and dedication of volunteers are vital and are a significant element of the fundraising to which the bill relates. Fundraising organisations are obviously only one element of the support communities give to their charities and benevolent organisations. That support would not be possible without the contribution of money, goods and time as well as the effort of volunteers and many businesses, including those in the small business sector.

It is because of the importance of fundraising and the work undertaken by volunteers that I welcome the rules, although it is unfortunate they are necessary. It is sensible to introduce a provision that allows an exemption from the requirement to register with the department for small volunteer organisations if they raise less than \$10 000 gross in a financial year and meet certain other specified criteria including the exclusive use of volunteers as opposed to paid labour. Obviously if they find they are going to raise more

money than that, they need to register with the department quickly. It is a sensible process.

Presumably registration will be available online. People responsible for the financial administration of an organisation will be able to view contact details, the intended beneficiaries of those appeals and other pertinent factors so they can judge for themselves the legitimacy of any organisations they believe to be in question.

Since the act commenced in 1999 the concern among small fundraising organisations has been to remove or reduce the burdens, and this amendment is sensible. A number of recent fundraising cases have also highlighted the need to tighten other loopholes in the act and to make it more difficult for some unscrupulous fundraising organisations and/or individuals and therefore improve the protection afforded to the public in this area. When the former government introduced the act, the exemptions were reduced from 18 to 7 categories. At the time there was enormous concern and the vast majority of would-be fundraisers were required to comply with the legislation. This is an evolving act and I am sure there will be further amendments that we as legislators will need to respond to if other concerns arise under this or future governments.

The establishment of a registration system for fundraisers by imposing restrictions on those individuals who may become involved in fundraising through management and supervision is a sensible move.

The second principal clause will eliminate shonky fundraising appeals through further enforcement of the law against doubtful appeals. The bill introduces the provision to enable Consumer and Business Affairs Victoria to go out on a front foot in instances where doubtful activity is discovered — —

Mr Delahunty interjected.

Mrs PEULICH — Yes, on a crook leg. No, mine is getting better. The bill enables Consumer and Business Affairs Victoria to respond to problems as they come to light, to issue warnings which the public expects, and to make public statements especially as they find doubtful appeals or people and promoters behind them who have failed to comply with the act.

The bill requires the identification of persons or bodies raising money from the public for charitable or benevolent purposes to assist government scrutiny and the monitoring of fundraising. Many people in organisations will be required to be publicly

accountable for the distribution of funds raised. In introducing amendments in the upper house the Liberal Party has shown it is sympathetic to the concerns of smaller organisations such as kindergartens. The move to exempt them will make the lives of those involved and their voluntary activities more pleasurable and less onerous. There is widespread public support for exemption of small community fundraising organisations from the requirement to notify government of their activities and for a move to a registration system for funding bodies. I understand that was the outcome of the consultation process that was embarked upon by the department through its discussion paper.

The bill establishes a registration scheme for fundraising bodies administered by the director, Consumer and Business Affairs Victoria, referred to as 'the director', and provides an exemption mechanism. The registration would generally be for 12 months although there are provisions for registration to be granted for up to five years if the director considers it appropriate. At the time of registration fundraisers would be required to identify beneficiaries and on whose behalf they propose to fundraise. Any new beneficiaries on whose behalf they subsequently fundraise must also be notified to the director as soon as the registered fundraiser decides to conduct any such additional appeal.

In some instances specifying a benevolent purpose will be sufficient and registered fundraisers will be required to nominate a contact person for inquiries into their activities by the public. It will also be necessary for the person having managerial and financial responsibility for the fundraising activity — for example, the appeals manager or managers — to be identified. Provision has been made for the director to approve, where appropriate, registration at a state level by an organisation which carries out fundraising through the local branches.

Earlier I referred to the Salvation Army Red Shield Appeal. Similarly with the Red Cross appeal, registration will be given to the statewide organisations. To expect the local branches to go through the same process would be unworkable and onerous. That is a sensible provision. It will significantly reduce the administrative burden that organisations conducting fundraising appeals already suffer because of the reliance on volunteerism.

The bill replaces the current means of exemption from registration by regulation with exemption by an order of the minister. That will allow for faster and more responsive action and will need to be monitored over

time. Exemptions from registration could include, for example, exemptions from account-keeping requirements where those organisations are accountable under other legislation and may be reporting to Parliament or being audited by the Auditor-General. Orders can be subject to conditions. They can be revoked or reviewed regularly to ensure that they afford limited and appropriate exemptions.

The bill introduces a range of other enforcement measures intended to work against disreputable fundraisers and, hopefully, deter them from operating. Consumer and Business Affairs Victoria will play a very large role in monitoring compliance with this act.

Specific measures included in the bill require fundraisers to advise at the time of registration the identity of the person or persons who will have managerial and financial responsibility for their fundraising appeals. There will be a need to update this information on a regular basis. Other measures will enable the director to require that prior to registration, consent to a police check be given by the fundraiser, its associates or proposed appeals manager where necessary.

Associates are also persons who have or will be able to have a significant influence over the management of a fundraising entity and will include persons with a managerial role in a body corporate fundraiser. That will provide grounds for the refusal of a registration including, for example, where the person seeking registration as a fundraiser, an associate of that person, or a proposed appeal manager is insolvent or has been found guilty of a disqualifying offence.

Clause 3 of the bill states:

“disqualifying offence” means —

- (a) an offence involving fraud, dishonesty, violence or drug trafficking that is punishable by imprisonment for 3 months or more in the case of a natural person, or by a fine of \$10 000 or more in the case of a body corporate; or
- (b) an offence under this Act;

The bill ensures that small organisations with low fundraising thresholds are not overburdened. As I said before, it is gratifying to note that the upper house has yet again done a very good job of reviewing the bill and moving to introduce amendments. It is interesting that the government voted against those amendments. Kindergartens are a fairly low-risk exemption, and there are numerous constraints on the committees of management of kindergartens, so it was a very sensible

move on the part of the opposition to move the amendments.

I would like to inform the house of some of the comments made by the Minister for Consumer Affairs in the other place in arguing against the amendments moved by the opposition. On 26 September 2001 she said:

The government will oppose the amendment because, for reasons the Honourable Carlo Furletti mentioned, it does not cover what we are trying to do. The government has tried to work out a mechanism for defining a preschool.

Obviously this was a very difficult task.

Unfortunately there are so many models out there that it is pretty hard to define them.

The wheels turn slowly.

The other thing is that their structures are changing constantly, which would mean we would have to keep coming back with amendments to the legislation to meet the new structures put in place. To give honourable members an example, kindergartens are now starting to operate under a federated system, which is also hard to define.

The minister gave a litany of other rationalisations for not making what is obviously a very sensible amendment. I am glad commonsense prevailed.

Without prolonging the debate any further, I point out that the bill has two purposes. The first is to relieve the administrative burden placed on small community groups run by volunteers which carry out limited fundraising functions. The second is to tighten up on unscrupulous fundraisers, particularly those whose main purpose is to raise funds for themselves rather than for their beneficiaries. I believe it is necessary, ongoing reform. It does not address the issue of highway collectors, but I understand the government will look at that issue, about which there is considerable concern in the community. I look forward to seeing what the government comes up with in response to that particular challenge. I commend the bill to the house.

Mr DELAHUNTY (Wimmera) — I have been talking with my parliamentary colleagues to check whether the amendment moved in the other place has been included in the Fundraising Appeals (Amendment) Bill. I have had a quick look through the bill and cannot see it. I would be grateful if the honourable member for Richmond could inform the house that it has been included in the bill, because if not the National Party will not vote for the legislation.

The purpose of the bill is to establish a registration system for fundraisers, strengthen the enforcement provisions to prevent unscrupulous fundraisers, and

establish a public register of fundraising organisations. The bill has 24 clauses, and many changes have been made to the principal act, which came into operation on 1 July 1999.

Mr Wynne — On a point of order, Mr Acting Speaker, to clarify the point raised by the honourable member for Wimmera and to assist in the debate, the amendment moved in the other place is in clause 8(b) at page 7.

The ACTING SPEAKER (Mr Phillips) — Order! That is not a point of order, it is a point of clarification.

Mr DELAHUNTY — I appreciate the honourable member's clarifying the situation. In 1999, when the original bill was passed, information sessions were held throughout the state by the then Office of Fair Trading and Business Affairs. Topics included notification, requirements for record keeping, canvassing by telephone or electronic means, identification badges and others.

The National Party believes the amendments will improve public confidence. The bill allows regulations to be made to exempt categories of fundraising, and the second-reading speech notes that it intends to exempt those raising funds — they have to be voluntary organisations — amounting to less than \$10 000 per annum. The exemption will help reduce red tape, which is important for small fundraising organisations.

The National Party consulted approximately 15 charitable organisations and professional fundraising groups, as well as the Law Institute of Victoria. It received only one written response, from Anglicare, which supports the bill. The National Party will support the bill now that it has been reassured by the honourable member for Richmond that kindergartens are included in the bill.

Fundraising is defined as occurring when a person solicits or receives money or a benefit. It does not include raising funds by means of a raffle or the sale of goods or a service, such as a sausage sizzle or car washing by small groups, particularly by schools, so they can organise trips to Parliament House or have the opportunity to travel overseas. We do not want to see the impost provided for in the bill placed on activities of that sort. Again, the exemption on activities generating less than \$10 000 will be very well received.

Another reason we are supporting the bill is that although notification of fundraising appeals will have to be given to the minister, exemptions will be given to education and health service providers — and as we now know, that category includes kindergartens. That

will be much appreciated, particularly by country kindergartens. We in the National Party put the country first. We have spoken many times with the Minister for Consumer Affairs about our concern for country kindergartens, particularly regarding the long distances teachers have to travel because they are not employed full time and have to do a lot of fundraising to survive. To exempt them is only commonsense, and as I said the exemption will be very well received by country kindergartens both in the Wimmera electorate and right across country Victoria.

We also support the bill because we believe it will provide other exemptions by regulation, and I will come back to that a little later. In addition we believe that fundraising bodies will be required to register annually with Consumer and Business Affairs Victoria, as it is now known.

We are informed that, although highway collectors are not referred to, the legislation does not apply to them. The second-reading speech explains that the issue of highway collectors is being reviewed separately. We will all be interested to see if the honourable member for Richmond, who I believe will speak after me, will give us an update on that. As the weather improves at this time of year more and more groups are doing highway collections.

As all honourable members know, the Fundraising Appeals (Amendment) Bill was debated in the other place on Thursday, 16 August, the day we as members of the Legislative Assembly met in Bendigo and the Legislative Council members met in Ballarat. It was obviously chosen as a good issue to debate in country Victoria. While they were in Ballarat my colleagues in the other place highlighted the fact that all honourable members receive representations at various times on the authenticity and credentials of people involved in fundraising appeals, collections and the like. The bill will, we believe, assist in building public confidence in that regard.

Clause 5 amends section 5(3)(c) of the principal act to define fundraising as:

... the soliciting or receipt of any money or benefit by, or on behalf of, an organisation ...

So it is not about a sausage sizzle, a raffle or a car wash undertaken by organisations to raise funds. Fundraising as defined in the bill is purely the appealing for or soliciting of a direct financial contribution.

The honourable member for Bentleigh referred to the fundraising being conducted by various groups across

Australia. An article by Rhonda Galbally in the *Herald Sun* of 4 July states:

Australians give more than \$2 billion a year to registered charities.

That is an enormous contribution and shows that the Australian community is very caring and forgiving. I congratulate those who give. I think they do it much more in country areas, particularly this year, which is the International Year of Volunteers. I have been to various activities across the state in relation to IYV. We do not say thank you enough to volunteers and those who donate so generously to registered charities across Victoria.

Anglicare Victoria receives about \$23.5 million a year in government funding, and on top of that it raises just over \$3 million itself. Anglicare does a fantastic job. We are also informed that the Smith Family attracts government funding of about \$100 000, and including donations and bequests it raises nearly \$8 million a year. The Salvation Army, which is a big organisation and has been around for a long time, receives government funding of about \$148.5 million, and from fundraising and trading it raises an extra \$90.9 million a year.

There are many other such organisations that I could highlight — the honourable member for Bentleigh mentioned a few of those earlier — and there are also many other smaller organisations. However, whether they are big or small it is important that there be public confidence when people are donating to those organisations.

The bill introduces many key measures. It provides for the registration of fundraisers for 12 months, although longer periods may be permitted in some cases. The bill also provides a system of exemptions for small community-based organisations and certain other groups. Education has already been discussed, and the National Party is pleased the government has accepted that kindergartens should also be included in that area.

Another key measure of the bill is the need for registrants to nominate and identify an appeal manager or managers. That is only commonsense, but it is important for public confidence that that happen. Another measure the bill introduces is a new compliance or enforcement provision in the form of a power to name non-compliant organisations. Again that is only commonsense and will improve public confidence.

Another key measure which I am sure all honourable members will be happy has been included is the

provision for police checks of fundraisers, appeal managers and their associates. It is unfortunate that such measures have to be taken more and more these days, as they create a lot of work for the government, the police and other organisations, but that provision must be there to improve and help public confidence. I congratulate the government for including that in the amendments.

Another key measure of the bill is the listing of major reasons for registration disqualification, such as insolvency or prior relevant convictions. There are many other reasons which the honourable member for Bentleigh has already highlighted, and I will not go through them again. That measure is only commonsense, and it is important for the government to have that legislation in place so that the various departments can act on those reasons for disqualification.

The bill also provides grounds for deregistration and for cessation of an appeal, including the inadequate distribution of proceeds to beneficiaries. Honourable members have heard many stories of funds being donated to what people thought would be the beneficiaries when in fact some people have unfortunately taken a fair slab out of those funds through administrative or other costs. Many people have raised with me, and I am sure with other members of Parliament, their concerns about funds they thought were going to various beneficiaries being taken away by unscrupulous operators.

I turn to several of the clauses of the bill. Clause 7 inserts proposed sections 6A and 6B into the act. Proposed section 6A defines the meaning of 'associate' for the purpose of the act. Proposed section 6B provides for the interpretation of 'public interest' for the purpose of the act. It provides that:

... a fundraising appeal is not conducted in the public interest if, in the opinion of the Court or the Director ... the expenses payable in respect of the appeal in a particular period exceed a reasonable proportion of the total amount raised in that period.

That relates to the point I made before about people raising with many of us in this house their concerns about shonky operators taking great slabs from public donations before they get to the beneficiaries. I am sure we all support clause 7.

Clause 10 inserts proposed new division 2 into the act. Proposed new section 18E provides that the director may, on receiving an application for registration as a fundraiser, ask the Chief Commissioner of Police for information concerning the criminal record, if any, of

any person named in the application and of any person the director believes on reasonable grounds may be an associate of the person who submitted the application, and any other matter with respect to the application on which the chief commissioner may have information.

I am informed that the police commissioner must give details back to the director within 14 days. It is good to see that the government has put time lines on this requirement, because if people make genuine applications it is important that the police act on them as quickly as possible, and 14 days is an appropriate period.

Proposed new sections 24, 24A, 24B, and 24C require registered fundraisers to notify the director of changes concerning appeal managers and certain other prescribed matters, such as changing appeal beneficiaries. Proposed new section 24D requires registered fundraisers to notify the director of changes concerning the contact person associated with a fundraising appeal.

It is interesting to note that there are many provisions in clause 14, which inserts proposed division 7 in part 3 of the principal act. Proposed section 33A states:

The Director may deregister a person as a fundraiser if—

and certain circumstances are set out, which I have covered previously. Proposed section 33J states:

A person may apply to the Victorian Civil and Administrative Tribunal for a review of a decision of the Director—

in relation to the deregistration or registration of fundraisers. There is an appeal mechanism, which is appropriate.

Proposed section 33K highlights that a decision by the director to deregister a person as a fundraiser under proposed section 33A because of the stopping of an appeal by a Magistrates Court is not subject to review by the Victorian Civil and Administrative Tribunal. There are a few lawyers in the chamber who obviously understand the provision better than I do, but after talking to my colleagues I can say that there is no problem with it from the point of view of the National Party.

In a media release of 22 August the Minister for Consumer Affairs highlighted that the purpose of the amendments being brought into this place was to crack down on shonky operators. Unfortunately in the world in which we live today there are more and more of these people coming onto the scene and laws must be brought into this place to cover that situation. It is important that Victorian consumers know which

fundraisers their money is going to so that they can donate with confidence. The legislation introduced today will assist in achieving that end. It is important to restore the faith and confidence of Victorians in charities and to address community concerns about fundraising appeals.

The media release highlights that a public register of fundraisers will be established so that Victorians can check if the fundraiser they want to donate to has been registered. I am not sure how that will be done — whether there will be a 1800 number or whether they will be able to get it on the Internet. I am not sure whether Consumer and Business Affairs Victoria has an 1800 number but I am sure there are many organisations people can ring, particularly people in country areas where telephone calls cost a lot of money.

We all know that fundraising is important, particularly in country areas, and I highlight the fact that many groups in country Victoria raise funds for many worthy causes. Events are often held, but the increase in public liability insurance premiums is a major concern, particularly in country Victoria. The National Party prompted the government to convene a recent forum at Parliament House. We believe that the overriding concern requires a radical approach to public liability insurance if we are going to achieve a realistic outcome. In the meantime we agree with the government that proposals such as the pooling of risk, the development of codes of practice and other risk management strategies must be put in place if we are going to solve this problem. I do not believe they will be the answer, but we need to deliver a better outcome. I believe more radical acts of Parliament are needed to assist in this area. Many groups have to raise funds, and today most of those funds are used to pay public liability insurance.

I finish my contribution by going back to the media release put out by the minister. It states:

The amendments will give the Minister for Consumer Affairs and CBAV the power to publicly name disreputable fundraisers. The director of CBAV would also be able to deregister a fundraiser whose expenses in a fundraising appeal exceed a reasonable proportion of the total money raised.

That point has been highlighted in the debate earlier today.

I am informed that in the last 12 months Consumer and Business Affairs Victoria took court action to stop seven fundraising appeals that breached the act. I am pleased to see that happen. It gives people more confidence.

Like all of us in this chamber and in the Legislative Council, where this bill was debated and where amendments were proposed by the Honourable Carlo Furletti, the National Party believes these amendments will improve the original Fundraising Appeal Bill, which was introduced in 1998 and came into action in 1999. I wish this bill a speedy passage.

Mr WYNNE (Richmond) — I support the Fundraising Appeals (Amendment) Bill 2001, and in doing so I thank the honourable member for Bentleigh for her extensive contribution to the debate and the honourable member for Wimmera for fleshing out a number of issues pertinent to country Victoria.

The Fundraising Appeals Act 1998 was drafted and implemented by the former government. Since its commencement in 1999 two separate areas of concern have arisen. The first is the breadth of its operations, as many people and organisations were required for the first time to notify of their fundraising activities and the act imposed an administrative burden on them. The second is that a number of recent fundraising cases — as was indicated by the honourable members for Bentleigh and Wimmera — have highlighted the need to make it more difficult for unscrupulous fundraising organisations to operate.

I was interested in the contribution of the honourable member for Bentleigh. She quoted from an article and indicated that some 60-odd per cent of donors —

Mrs Peulich interjected.

Mr WYNNE — Some 67 per cent of donors were concerned that their donations were not going to the proper recipients. In Australia we have a different model of donation compared with anywhere else in the world. The history of philanthropy in, say, the United States of America is of an entirely different form of giving to charitable and welfare organisations, the arts, education or whatever. A different culture exists in American society which is based on institutions and businesses providing a substantial body of support to recipient organisations.

In the Australian context we have a different way of giving. We only have to look at the wonderful appeals that are run every year — whether it be the Royal Children's Hospital appeal on Good Friday or the appeals run by many other worthy organisations that are recipients of the extraordinary generosity that are demonstrated by the general population — to see that we provide our donations on a more individualised basis. Culturally it is different from the American system, which is much more institutionalised. The

notion of philanthropy, particularly for large organisations, is not only expected in the United States but in some instances almost demanded. It is quite an interesting cultural difference between the two countries.

The notion of giving is a very Australian thing. Australians want to give to credible organisations such as those that have already been mentioned — the Salvation Army, the Smith Family, the Royal Children's Hospital — —

Ms Beattie interjected.

Mr WYNNE — And on Red Nose Day, as my colleague the honourable member for Tullamarine said. Australians are extraordinarily generous people, and we are open-hearted when it comes to giving donations to worthy causes.

I am pleased to see this bill in the house, because it will bring significant rigour to the entire fundraising area. The Bracks government went to the election with a commitment to review fundraising legislation. This review included a public discussion paper on fundraising, which was released on 22 November 2000 and to which there was a significant response. It is a hallmark of the way this government seeks to operate that we went out and raised a range of issues in that discussion paper. We want to engage properly with the community in this important area of philanthropic donations. Not surprisingly there was broad interest from charitable organisations, sporting groups and of course service clubs. You get legislation that is properly formed when it is informed by the community process. This is a characteristic of this government. We are prepared to consult and to seek the views of the community about important pieces of legislation such as the one we are debating.

There was widespread support for exempting smaller organisations from having to notify government of their activities and for a move to a registration system for fundraising bodies. This confirms the view expressed prior to the last election that compliance costs were a burden on small community-based volunteer fundraising organisations. This bill reflects those concerns by exempting smaller organisations from the requirement to notify government of their activities and by requiring fundraisers to be registered with the Director of Consumer Affairs unless specifically exempted by the act or the minister. Small volunteer organisations will be exempted from the requirement to register if they raise less than \$10 000 gross in a financial year. Other specified criteria have to be met, including the use of volunteers only in fundraising.

Exemptions will also apply to certain other organisations, including those which are required to table their annual reports in Parliament or which have their accounts audited by the Auditor-General or are accountable to another minister for their fundraising activities. I think both sides of the house would agree that this is commonsense and a sensible strategy to put in place.

A range of enforcement measures are being introduced to ensure that disreputable fundraising organisations are deterred from operating. As the honourable member for Bentleigh indicated, there are a number of incredibly disreputable and unscrupulous organisations that prey on the goodwill of Victorians by seeking to raise funds either for bodgie or non-existent organisations or where 90 to 95 cents in the dollar is taken up in administration costs, with a minimal amount of the funds ever reaching the proposed recipients. I think all sides of the house would support a stringent crackdown on these disreputable characters.

At present the act does not prevent disreputable bodies from raising large sums of money and, as indicated, passing on only small amounts to the beneficiaries. The bill enables a condition to be attached to the registration of a fundraising organisation that a specified percentage of the proceeds of an appeal must be distributed to the beneficiaries so it is clear and transparent up front. That is very important and should provide a level of comfort to the community about the particular organisation to which they give their donor dollars.

Provision has also been made for the director to approve, where appropriate, registration at state level for an organisation which carries out its fundraising through local branches. Those branches would otherwise have had to register themselves, and this amendment reduces the administrative burden considerably. It is sensible that peak bodies such as the Brotherhood of St Laurence — a better example might be the Salvation Army — that have regional and suburban networks can register at a centralised point rather than registering each arm of such organisations.

Accountability is ensured through the provisions of this bill in a number of ways, and I will touch on some of them quickly. At registration, fundraisers will be required to identify their beneficiaries, nominate a contact person and identify the person with managerial and financial responsibility for the fundraising. Again, that will promote transparency.

Criminal record checks can be requested on fundraisers, appeal managers and associates, and discretion for those checks should rest appropriately with the

Director, Consumer and Business Affairs Victoria. The bill provides that the director may not register a person or organisation as a fundraiser if such persons have an associate who falls within certain criteria such as being insolvent — obviously — or being guilty of a disqualifying offence.

In addition to the exemptions already mentioned to the requirements for notifying the government of fundraising activity, this legislation enables the minister by order to grant exemption for registration to a person or organisation or a class of person or organisation. The order could specify an organisation by name or could describe a group on the basis of common conditions such as the amount raised in a given time.

An important provision in the bill relates to public interest. Proposed section 6A states that:

... fundraising ... is not conducted in the public interest if ... the expenses payable ... exceed a reasonable proportion of the total amount raised ...

A public register of fundraising organisations will be established that will be accessible to all members of the public. I will take on notice the matter raised by the honourable member for Wimmera about the capacity to access a 1800 number, but as this technology emerges on the Internet and so forth it would be self-evident that that fundraising register would be publicly accessible and available to people through the Internet.

At this stage the bill does not address the question of highway collection permits. That issue is being reviewed separately and will be addressed in the near future. I hope that by the time the minister has the opportunity to summarise the debate I will be able to give the honourable member for Wimmera an indication of what that time line is. One always has an ambiguous view of the tin rattlers on street corners throughout metropolitan and in central Melbourne. As you pull up to the lights and see them you ask yourself if they are collecting for legitimate organisations. I will be interested to see how this work emerges, not only for my own interest but also as a question of public policy. If I can I will seek an answer from the minister's office as to the likely time when the government will be indicating some response on highway collectors.

In the Legislative Council an opposition amendment was moved pertaining to the exemption of kindergartens that employ a preschool teacher as defined under the Pre-school Teachers and Assistants (Leave) Act 1984. I direct the attention of honourable members to clause 8 in the bill which includes that exemption.

Many of us have had an opportunity to have our children start their scholastic lives through kindergartens. My two sons went through a marvellous kindergarten which set them up for their schooling. I think we would all agree that a kindergarten is a wonderful starting point for socialising our children.

Mr Baillieu interjected.

Mr WYNNE — The honourable member for Hawthorn considers it might be a finishing point for some!

Some kindergartens have been exempted from part 3 of the act as a result of this opposition amendment passed in the upper house. However, the amendment does not cover all kindergartens, as it only exempts those kindergartens that employ a registered preschool teacher, and in my own experience in our kindergarten the person was not trained within that regime.

The minister advised at that time that it would be best to exempt kindergartens by ministerial order to provide the flexibility needed to define them. As we know, kindergartens are quite organic places — people move in and out — and I think the concern we had was that flexibility was needed to ensure that you did not lock them into a rigid structure through this amendment. We were seeking to ensure there was some flexibility there.

The ministerial order will exempt kindergartens and child-care centres that are licensed under the Children's Services Act 1996 and receive funding from the Department of Human Services. This exemption for kindergartens includes exemption from, obviously, account and record-keeping requirements.

I believe that all in all this is a good bill, and it is one that clearly enjoys the support of both sides of the house. As I indicated earlier, Victorians should have confidence that in their extraordinary generosity in providing their hard-earned dollars for charitable purposes — as I said, Victorians and Australians generally are very generous towards worthy causes — there is in place an appropriate legislative structure that protects their end donations. So they can be confident that they are not dealing with shonky operators and fundraisers and that the dollars they seek to donate to worthy charitable organisations will go to those organisations and to the end beneficiaries.

This is an important piece of legislation. It fulfils a pre-election commitment of the government. We have gone out and consulted with the community. We have had a broad discussion around these issues. We have had advice from people in the charitable area, sporting

groups and service clubs. We have developed, I believe, a comprehensive response to this fundraising issue.

I commend the minister in the other place for her initiative with this bill. It clearly enjoys bipartisan support across the chamber, and I wish the bill a speedy passage.

Debate adjourned on motion of Mr ASHLEY (Bayswater).

Debate adjourned until later this day.

WATER (IRRIGATION FARM DAMS) BILL

Second reading

Debate resumed from 30 October; motion of Ms GARBUTT (Minister for Environment and Conservation).

Mr HOWARD (Ballarat East) — As I was saying before the adjournment debate last night, I am pleased to speak on the bill. It is perhaps one of the most significant bills I have spoken on since becoming a member of this government. We regularly hear that water is a significant resource, but it is not until there is a shortage of water that we realise how significant it is not only for urban communities but for rural communities. The bill addresses issues that relate to regional Victoria.

I have a property in regional Victoria, and I am aware of some of the concerns of property owners along the creek that runs through the valley in which I live. In recent years the water in the creek has dried up over summer, causing arguments even within my own community. Some people have said they cannot recall the creek ever being completely dry. Then they have directed attention to some of the landowners further upstream who have built large dams and used the water to irrigate their potato crops. The arguments and concerns I have heard in my local catchment area are common across the state when water is in short supply.

The bill is about the better management of the state's important water resources. It relates to the government's strong commitment to ensure that regional Victoria develops with certainty and that an ongoing water supply will be secure for those who commit themselves to land-use practices for which a sufficient water supply is vital. As I have outlined, the aims of the legislation are to avoid further fights and uncertainty in the community and to provide a sound, well-regulated system of allocating water. It recognises that water is a community resource but a limited resource.

As honourable members have heard from the honourable member for Swan Hill, in the north of Victoria the government has already recognised the need to put a cap on our use of water from the Murray–Darling Basin system. Victoria is a signatory with New South Wales to a plan to ensure there is no further uptake in usage and that no additional water will be taken out of the Murray–Darling Basin system.

Why is it particularly important for this issue to be addressed now? In recent years new technologies have come into play, especially in upper catchment areas where more and more farmers are able to harvest water. They are looking to develop new forms of agriculture or to extend forms of agriculture that have been in use in those upper catchment areas, although not nearly so intensively practised. Obviously a significant additional pressure is being put on the state's water resources.

Also, the existing water legislation contains some anomalies, one of the main ones relating to land-holders being able to store water off waterways and use it for any purpose they want. That has been a source of some concern for many. Arguments have raged about whether dams that have been built have been placed on water courses. In many cases it does not matter whether the dams are on water courses, thereby significantly affecting farmers downstream, if the water is being harvested and is not allowed to flow further downstream. The legislation will help to move the state forward and create a situation where many arguments will be avoided. Land-holders will be certain about their future water allocations and will be able to plan developments accordingly.

The concept of water being a community resource is certainly not new and in fact was first enshrined in Victorian legislation in 1886 in the Irrigation Act. So way back then water was recognised as a community resource. It was not a resource that anybody could use just as they wanted without having to take account of the overall needs within a community.

The Labor government recognised that with the pressures on our water resources hard decisions needed to be made. This government has decided it will stand up and see that the issue is dealt with in a serious manner. To do that the Bracks government has, with all pieces of legislation and all changes it has brought forward, been serious about consulting with groups across the community that have an interest in this area. I will outline how that consultation has taken place.

Honourable members would be aware that in 2000 a discussion paper was first released on the farm dams issue and then a review committee chaired by Don

Blackmore was set up. Don is the chief executive of the Murray-Darling Basin Commission. Over the time the committee has operated its members have attended over 40 public meetings and have held five significant public hearings. In the first case they received 370 written submissions, which were considered before a draft report was then released. After the release of the draft report more submissions came in, and about 4735 submissions were seriously considered before the review committee brought down the final report on farm dams.

The government has accepted all the committee's recommendations. It has accepted the view that the total water resources of a catchment need to be included in planning and that in dealing with a total catchment the community and the government need to work on a partnership basis in deciding how those resources can best be allocated.

Water service committees of the rural water authorities will be reviewed in line with some of the concerns raised by upper catchment land-holders to ensure that there is a balance of representation on those committees. It is important that there be a balance between upper and lower catchment land-holders on committees that have to resolve issues to do with water usage.

The bottom line of this legislation involves new licensing arrangements for all new irrigation and commercial dams. We have taken into account the position of existing dams. Let me again emphasise that dams that are used for domestic and stock purposes will not have to be licensed. This deals only with dams used for irrigation and commercial purposes. On existing dams land-holders will have an option; they will need to be either licensed or registered. If land-holders choose to register their dams those registrations will remain in place for five years after which time they will need to be reviewed. As an alternative to that, if they are registered the water will not be traded but they can seek annual licences which will be tradeable, and they will be renewed annually. Licence fees will be nominal and aimed to just cover the cost of the administration of the licences.

We have also taken account of other issues — for example, the needs of land-holders or farmers. Potato farmers in my electorate have said to me, 'We have many dams on our own properties, we rotate the way we use them and so on. Do we have to register every dam on our property separately?'. The advice we have received from the review committee suggests that should not be the case, that there should be one overall licence per property even if there are many dams on the

property. That is another example of the views that have come forward to the review committee being taken into account.

The other issue regarding existing dams is that the licences incur non-volumetric registration fees, but meters will be required only on new irrigation and commercial dams when the licence entitlement is less than the capacity of the dam or when it exceeds 20 megalitres.

Reuse facilities have been taken into account. The government wants to encourage farmers to build reuse dams and ensure lesser flows of contaminant chemicals into river systems. The bill ensures that farmers who have reuse dams do not have to pay for their own reuse water that comes out of those dams. If dam owners wish to trade water, they can do so. As honourable members have heard, the government will set up a trading system to allow for that.

Mr Plowman — What are the exchange rates?

Mr HOWARD — We will hear more about the exchange rates. Certainly the government is obtaining advice about the way exchange rates will be set up and a lot of more will be said about them. But they will be thoroughly vetted and the appropriate exchange rates will be put in place to ensure fairness for those land-holders who wish to trade their water. Recognising that water resources are limited we need to define limits and allocate resources within those limits. It is very important to recognise that we cannot keep using water as some land-holders would like; we need to share that out appropriately.

The bill provides for specification of permissible annual volumes (PAVs) which will be calculated for both the surface water and ground water. We have heard from previous speakers about the importance of management plans being drawn up by water supply protection committees for their areas. That will involve significant community consultation.

The water supply protection committees for ground water are already in place in some areas, and they will be expanded to cover surface water areas as well. Again consultative committees will be appointed by the minister who will be responsible for developing the management plans within each of these protection areas. We also know that stream flow management plans will be drawn up. The government supports that and is very keen to see that the community has the opportunity to feed into these stream flow management plans so that an appropriate balance is achieved in the outcomes of those plans. Almost 30 stream flow

management plans are currently under preparation, and three are currently operational. It will certainly be of great benefit to this state when all management plans are accepted and operational around the state. Ground water management plans will also be important. It is also important that those committees that are already in place and developing those plans continue their good work.

The bill also deals with transition packages. As part of the plan associated with this legislation the government is providing a significant financial package for land-holders wishing to build dams in the catchments over the next five years. The government will provide 50 per cent of the purchase price of a water entitlement, up to a maximum of \$400 per megalitre and up to the first 50 megalitres purchased. The government will provide significant assistance to people who may have been caught unawares by the legislation or by this process coming into play.

Farm planning incentives will also be provided, under which up to 50 per cent of the cost of farm planning may be provided by the government; 100 per cent of the cost of putting together an environmental assessment can be made available; and again the government may approve and pay for up to 50 per cent of the expense of the engineering design for a dam to assist land-holders improve the operation of their properties. At this stage the limit will be up to \$26 000 for individual land-holders.

There are a couple of other issues that this government has taken the opportunity to provide for in the legislation. They relate to two areas — one is state observation bores and ensuring that the government can have continued access to those bores; the other is licensed drillers and ensuring compliance with their licences in terms of bore construction.

So what is this bill all about? As we have heard from the previous two speakers, it is about providing greater security for land-holders and an opportunity for regional and rural Victoria to grow — and for investment to happen, security is a vital issue. The government recognises that this has been a vexed issue. It is one that a softer government may run away from, but this government, under this minister, is determined to push forward to ensure it supplies the very important leadership and security that land-holders require.

Clearly there is an educative role that this government must follow. I am pleased to see that many members of our community who have an understanding of this area have supported the education that is going on around their community. They have explained to land-holders

who seem to think they might be losing something under this legislation that they will not be losing but will be gaining, because they will have much greater security and support in a range of ways from the government.

I believe the farmers in my region will be very satisfied by this and will recognise those issues they have recognised for some time, that the activities of those who use water in upper catchments will affect the water supply of people in lower catchments, and so on.

There are issues which this government — not by this legislation but around this legislation — is continuing to support. It supports a more efficient use of water, whether it be with irrigation or any form of land use, and the need for people to review the practices that have been undertaken for many years to see how they can use water more wisely. We know in many other ways that the misuse of our water resources in the past has seen not only a wastage of water resources but changing water tables in many areas, and has resulted in rising salinity levels and a significant amount of soil degradation.

I am pleased that this government has been able to bring in this very important legislation. A number of amendments have been put forward by the Liberal and National parties. The government has been looking seriously at and considering how it can incorporate a number of those amendments. Clearly the amendment which seems to be the centrepiece of the Liberal Party's amendments, which relates to allowing all land-holders to keep up to 3 per cent of the water that flows onto their property, is one this government will not support.

It has looked at the effects this would have, and while initially it seems to be an innocuous type of amendment — you could argue that 3 per cent does not seem a lot for a farmer to be able to retain on his property as of right — when you look at it you can see that it would put a liability on 1.2 million megalitres of water. That would be a significant liability and would make it very difficult to then deal with the fact that there is a Murray–Darling Basin system cap. That is one of the issues we will hear more about but which this government certainly cannot support.

Overall this is an outstanding piece of legislation, on which I have been pleased to speak. It will be a real turning point for the rural community of this state. I certainly commend this bill to the house.

Sitting suspended 6.29 p.m. until 8.04 p.m.

Mr PLOWMAN (Benambra) — The Water (Irrigation Farm Dams) Bill is about a government that

is not listening to or understanding what Victorian farmers want, yet it is taking away a fundamental right that has been available to farmers for 150 years and no compensation is available for the removal of that fundamental right.

The opposition has heard from the government benches that compensation is afforded in the bill, but it is an interim package or a transitional arrangement between one system and another. The government is removing a system that has been available to farmers for 150 years, but in return farmers will receive only a meagre interim transitional package.

It is a sweetener. It is something to attract farmers to the scheme, and the Liberal Party is saying that the government cannot do this without offering something tangible by way of compensation. It needs to be something that has an equal value to what is being taken away, and that is not happening.

Having been a farmer for many years — I know there are a few here tonight, including my friend from the upper house, a member for North East Province — I can say that what farmers need more than anything else is access to water when they need it. This bill takes away access and a right that has been in place for 150 years. For 40 to 50 years governments of all persuasions have been encouraging farmers to build dams and to drought proof their farms for reasons to do with soil conservation, environmental enhancement and diversification. What does that do? It leads to regional development in those areas where dams are built. Now we have legislation that is discouraging farmers from building dams. Can honourable members imagine that? It is actually discouraging farmers from building dams! The government wants to regulate the use of all those dams and limit their use. In some cases it wants to decommission their use.

What has happened to bring good policy to bad policy? It was good policy to encourage dam building, and it is bad policy to discourage it. In 1989 the Cain government introduced legislation to bring about the control of all water in the state, including the water that falls on the roof of the honourable member for Preston.

Mr Nardella — I am the honourable member for Melton!

Mr PLOWMAN — What happened in 1989, when the Cain government tried to bring in that degree of control? The Liberal and National parties got together and said, 'We are not going to hack this sort of control', and the two parties defeated the elements of that legislation that brought about total control. It brought

about an extraordinary grab for control of the whole of the water industry.

This time there is a rather veiled and clever disguise of the same thing under what is supposed to be a good environmental management plan. There are some good, sound management policies in the bill, and I would be the last to discount that. I believe the intent of the bill is good, but I cannot hack what the bill does to farmers to achieve that good management policy. The bill brings in water supply protection areas, which have the opportunity to protect those areas where a catchment is stressed. Nobody from either side of the house would deny that that is a good idea, but should it be done at the cost of farmers who have had a right for 150 years without replacing that right? I say no, and the Liberal Party says no. You cannot take away a fundamental right without giving something in return.

One has to ask why the government needs to do this? It is about a bureaucracy which was here in 1989 and which is trying to do in 2001 what it failed to achieve in 1989. It is the same bureaucracy; it is the same people wanting to achieve the same ends. In this case it is under the guise of the Murray-Darling Basin Commission cap. I was delighted to hear my friend the honourable member for Swan Hill give us so much of his knowledge about the cap because he knows more about this issue than anyone else in Australia.

Mr Helper — Listen to him!

Mr PLOWMAN — I listened very intently to what he said and I admire the fact that he gave us his views about something that he knows more about than anyone else. I was delighted to listen. But I have to say that one part that he did not talk about was the flexibility that sales water affords within the cap. Sales water is the buffer of water available to irrigators to purchase after the entitlement which is due to them has been delivered. In the past, who has had access to that buffer of water? Not only have the irrigators had the opportunity to buy that water but also the catchment farmers have been able to build dams and use water that otherwise would have been part of that sales water. I would have more admired the speech of my friend the honourable member for Swan Hill had he dwelt a bit on that sales water and acknowledged that it is the water that catchment farmers store in their dams.

In 1995 when the cap was introduced in the Murray-Darling Basin, the 1993 consumption figure was used as the base for the cap on the whole Murray-Darling system. How many states are in that? We have Queensland, New South Wales, Victoria and South Australia. Guess which state is the only one

coming near to meeting its requirement on the cap? Victoria is the only state, because when in government the opposition made sure it would do so. We made sure we had a system that allows two years delivery of an entitlement.

Mr Nardella — Give it away!

Mr PLOWMAN — The honourable member for Melton says give it away. I do not want to give it away. It is the best system in Australia. The last thing I want to do is give it away.

The ACTING SPEAKER (Mr Seitz) — Order! The honourable member for Benambra will address his remarks through the Chair. On the government side, interjections are disorderly.

Mr PLOWMAN — It is the envy of all Australia. Every state recognises that we have a management system that is the envy of all. That is in complete contrast to a Labor government that, in trying to buy the vote of the honourable member for Gippsland East, said it would give him a 28 per cent increased flow in the Snowy River. Imagine the amount of water that is! Even the honourable member for Melton can work that one out!

What it means is that we are taking away from a river that only delivers 20 per cent to the sea and giving it to another river that delivers 60 per cent to the sea. That is like taking away from the poor and giving to the rich — and I thought members of the government were the socialists! I thought they were the people looking after the poor. It is an unbelievable decision! It is the worst environmental decision I have seen in my lifetime, and in my political lifetime I hope never to see another decision as stupid as that one. A decision made by the government that was conned into doing it by way of winning the vote of the honourable member for Gippsland East — what a price to pay!

So what has happened since 1995? Since then we have got an authority north of the Divide that is discouraging people from building dams. It is deliberately restricting the areas available for dams to be built. That happens in all those areas north of the Divide. It is ironic that if you stand on the top of Mount Bogong you can look across an area that supplies more than 50 per cent of the water running into the whole of the Murray–Darling Basin from four states.

Mr Vogels interjected.

Mr PLOWMAN — As my dear friend the honourable member for Warrnambool points out, it is all forest land. He is another farmer member and he

knows what he is talking about. How many farmers over the other side of the house know what they are talking about? Not one. We have farmers on this side who know what this argument is all about. The water authority that operates north of the Divide has been forcing farmers to buy their own water — the water that runs off their own farms — from an irrigation area hundreds of kilometres away. The injustice of that is unbelievable.

It is almost unbelievable that a right which has been available for 150 years is being taken away by this bill. What is worse is that no attempt has been made to overcome the major problem we face north of the Divide — that is, the definition of a waterway. The opposition has asked by way of amendment that the waterways be defined on a map. That way when someone comes on to your farm and says, ‘You cannot build a dam there because it is a waterway’, and you say, ‘Why not?’ and they say, ‘Because we say it is a waterway’, you will be able to have a map in your hand and say, ‘That is where the waterway starts and I have the right to build a dam’. It is a commonsense approach to overcoming an intolerable situation. We have many amendments before the chamber tonight and every one of them is just as important, sensible and necessary as that amendment.

Of all the things I have felt disappointment about for my farmers, the worst is the fact that they want to develop their country and they are restricted from doing so because the government has a bureaucracy that says, ‘You cannot build a dam there; that is a waterway’. Who determines what a waterway is? They do. It is the case of the bad cop. It is the case of the policeman with the authority to look after the water industry not only making that decision to be the policeman but also having a beneficial interest in it. That is something I cannot have.

There is so much in this bill that worries me. It has enormous implications. We have felt them north of the Divide, and I hope this message is heard loud and clear right across Victoria. Farmers in the rest of Victoria do not yet know what is about to strike them. I see my friend one of the honourable members for Gippsland Province in the other place in the gallery. Might I say that the farmers in Gippsland and in south-western Victoria will face things that they unfortunately will not be happy with.

The points that I think are important in this debate are the four points raised by the Victorian Farmers Federation members who live in the northern part of the state and understand the implications of this bill. First, 3 per cent of the rainfall that falls on a farmer’s land

should be available for use for whatever purpose. My friend the honourable member for Swan Hill suggested something like 300 000 megalitres — I cannot quite remember the figure, but whatever that figure was he suggested it would take away all of the water from the Goulburn Valley and the permanent plantings and so on.

It is nonsense! Why is it nonsense? Because that right is now available to those farmers. The amendments take away the right that exists. The amendments provide that the right be reduced to 3 per cent of rainfall. In round terms it equates to 10 per cent of the run-off, which means that 90 per cent of water runs off their farms and goes downstream to a neighbour or into the environment. We say that is fair and that we would like to give you 100 per cent, but the government is hell-bent on taking it away. We are asking for only 3 per cent of the rainfall. Do you think we will get it, and do you think that the minister understands how important it is to catchment farmers? We are faced with a minister who is not prepared to listen and does not understand.

The second point that is most important is one that I made before, that every farmer needs to know where the waterways are on his farm, about which there should be no argument. You should be able to say to anyone, 'This is a waterway and that is not a waterway'.

Ms Duncan interjected.

Mr PLOWMAN — I am delighted that the honourable member for Gisborne is interjecting, because it shows that she does not understand the importance of knowing what is a waterway and what is not a waterway. It is important that farmers know.

The third point is that when a water supply protection area is declared by the minister it will affect all those farmers in that water supply protection area. All we are asking for is that the matter go before both houses of Parliament for approval for public scrutiny. The honourable member for Melton shakes his head because he does not understand the topic. I feel for him! For all of those farmers who will be affected by a water supply protection area, the least we can offer them is for that plan to go before both houses of Parliament for approval.

The fourth important point is that we need a water trading regime which gives to farmers at least an exchange rate of two for one. I say that because if there are catchment farmers who have to buy water from an irrigation area, the irrigation area gets the water

delivered on a 97 per cent security basis. The catchment farmer has to hope that he gets enough water from the rain to fill his dam. He has to have the ability to buy from a market that appropriates the same value of the water that he is storing in his own dam. He does not get that water delivered to him; he has to pay for the dam infrastructure and then he is asked to buy out of a market that has that water delivered.

It also means that if you get 1 megalitre you pay for 1 megalitre and get another megalitre free, 60 to 70 years out of 100. This government is taking away a right that has been in place for 150 years. If ever I have been disgraced by the actions of a government it is now. The Liberal opposition says, 'We can't stop you, you're the government, but we need to ask you to replace it with something that is tangible, something that will give our farmers a benefit'.

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

Debate interrupted.

DISTINGUISHED VISITOR

The ACTING SPEAKER (Mr Seitz) — Order! The Chair welcomes to the gallery a distinguished visitor from Cambodia, Ms Tioulong Saumura, a member of Parliament for Phnom Penh and a shadow cabinet spokesperson for foreign affairs and international cooperation. Welcome to the Parliament of Victoria. I hope you enjoy your stay in the state.

Debate resumed.

Mr HELPER (Ripon) — It gives me a great deal of pleasure to support this historic legislation, the Water (Irrigation Farm Dams) Bill, because it certainly affects my electorate. It also gives me pleasure to follow immediately my parliamentary colleague the honourable member for Benambra.

Points the honourable member missed include the fact that for years, irrespective of the colour of the government in power or of the goodwill everybody in this chamber at the time no doubt contributed towards the matter, we have not been able to define a waterway. Now the honourable member wants us to map them all and table the maps in Parliament. Would that make them legitimate? Would it remove the argy-bargy that exists about what is and what is not a waterway?

Mr Plowman interjected.

Mr HELPER — My answer to the point thrown at me from across the chamber is to remove the definition of a waterway from the water management regime in Victoria, and that is what this bill does successfully and in a way that is fair not only to irrigators but also, for once, to upper catchment farmers. It is the first opportunity that my upper catchment farmers have had to have water certainty and to be able to build their dams in such a way that other farmers downstream do not miss out on their water. That gets rid of local wars between upstream viticulture properties and properties downstream that wish to develop their properties for viticulture. That is what the bill is about.

The presentation of the honourable member for Benambra was not lacking in passion. All honourable members appreciate that he feels passionately about the issue and that a number of people in his part of the world — I do not know that I would call them a majority — also feel passionate about it.

The honourable member talked about the taking away of a right. What an absolute pile of rot! What about the rights of the person who lives downstream from an upper catchment farmer? What about the rights of an adjoining property owner? Under the current regime what protects their rights? Absolutely nothing! The bill introduces, for once, protection of water rights between farmers in a particular catchment and others downstream.

I admit I expressed my cynicism at the outset of the process, which started in April last year. I was sceptical about whether the rights of downstream irrigators and upstream farmers could be reconciled. In my own mind I could not form a view about how that could be achieved. I was concerned that either the upper catchment farmers in my electorate would miss out or that irrigators downstream would miss out. I did not know how it was going to be reconciled. I pay absolute credit to the farm dams review committee for coming up with a set of outcomes that genuinely balance the rights of both upper catchment and lower catchment farmers and landowners — and it does it for the first time in the history of Victoria.

I have not been a member of this place for a great deal of time but I have a sneaking suspicion that every Parliament will have wrestled with this issue and tried to find a genuine and positive way forward to steer through the issue of water allocation. We have come to a point of coming up with something that is a good starting point. We are already a long way down the track towards ensuring that the rights of lower catchment and upper catchment farmers are balanced. I again congratulate the farm dams review committee.

The other comment I would like to make while praising the farm dams review panel is about the very positive way consultation has taken place on this landmark piece of legislation. I remember earlier on in the piece — it would have been about April last year — going to a meeting at Navarre where an incredible amount of cynicism was expressed about what the government was trying — in inverted commas — to do. That took place shortly after the release of a discussion paper which was misinterpreted by some, but thank heavens those who saw the importance of this issue and who saw that at long last we had to come up with a solution that balanced the rights of farmers up and down catchments prevailed.

It was a constructive meeting at which a lot of the issues were aired and where, for the first time, I saw creeping into the debate a recognition by upper catchment farmers of irrigators' concerns and vice versa. That recognition was a reflection of what was happening at the 40 public meetings held to help bring about this piece of legislation. Not only were 40 public meetings and 5 public hearings held, but 375 written submissions were received. That is a reflection of the importance of this issue to Victorian agricultural sectors. The farm dams review committee then launched the draft committee report, and a further 469 submissions were received. That was a further expression of the incredible amount of interest that existed in the community in having a positive outcome to this process.

I will reflect briefly upon the enormous effort that a lot of people went to in my electorate and I am sure in the electorates of other honourable members to have an input into this exercise. The vigneron in my area put in a huge amount of effort to develop a policy position and to absorb the arguments that were put forward in the draft discussion papers. I know an enormous effort was put in by lower catchment irrigators in the electorate of my parliamentary colleague the honourable member for Swan Hill, for example, to put forward a set of views that came up with a genuine solution.

It is a credit to this chamber that not many of its members played politics with this issue. Not many honourable members ignored the reality that we have to come up with a real answer to this problem, that we have to come up with an answer that takes us forward in a genuine way and that we have to come up with an answer that recognises that water is a finite resource and that rights have to be balanced. Not many members in this chamber played politics with that issue. Most honourable members genuinely tried to make a positive and constructive contribution to that debate.

I have very much enjoyed the contributions so far, but I must say that the two locations in the state of Victoria — I do not wish to name the members concerned — where politics was regrettably played with this issue were in the south-west and the north-east.

Mr Mulder — And we are proud of it!

Mr HELPER — You may well be proud of your destructive role. If you think you can be proud of playing politics with something as important as this, you ought to be ashamed of yourself!

The aspects of the bill that I will briefly dwell on — I know many other honourable members wish to contribute to this debate, and I look forward to listening to their contributions — are some of the fundamentals. One of those fundamentals is the sustainable resource management regime that can be achieved through stream flow management plans. How can we possibly have resource management if we do not know how big the resource is, if we do not know how much of the resource is used, if we do not know how the resource is used and if we do not know what the impact will be of using the resource and denying the resource that flows down streams to either downstream landowners or the environment?

Clause 10, which facilitates the establishment of committees to oversee stream flow management, should be highly commended. Quite rightly it is required that 50 per cent of landowners in a particular catchment area should be represented on a stream flow management committee, and the minister of the day needs to consult with the Victorian Farmers Federation when selecting or receiving recommendations on who the farmer representatives on a committee should be. It is a very good outcome and one that I believe will work very positively in my electorate; I know it will work well in other electorates. It is another of the many positive initiatives in the bill that deserve much commendation.

In my experience representing an electorate that is predominantly an upper catchment area I know we can never underestimate the importance of water and of irrigation to regional development and, in my area, to the viticulture industry. Until now we have not been able to trade water from lower catchments to upper catchments when water from the upper catchments can be used to deliver a greater economic and social benefit than when used from the lower catchments. The bill allows water to be traded from the lower catchments to the upper catchments in irrigation districts. I have no

doubt that water is as precious in the lower catchment areas as it is in the upper catchment areas.

I remember being very impressed when I recently visited the electorate of the honourable member for Swan Hill during the Pick Fresh festival in Swan Hill. I was privileged to have the opportunity to be shown over some of the incredible irrigation developments there. I have no doubt an enormous amount of economic activity comes from those investments and the world best practice irrigation initiatives that are happening there, but at the same time I have landowners and development proponents knocking on my door and wanting to establish viticulture developments in the upper catchments of my electorate. They are equally enthusiastic and equally will have an enormous return from every megalitre of water invested there, so why should we not have a regime that allows us to trade from lower catchments to upper catchments? Let reality prevail and have the water used so that it returns the best economic and social outcome.

I understand a number of other honourable members wish to make a contribution to debate on the bill, and I look forward to hearing their contributions. It gives me enormous pleasure to be able to support this landmark legislation that generations from now will look back on as a significant milestone — I should not say the first milestone — in water resource management in the state. I commend the bill to the house.

Mr MULDER (Polwarth) — I rise to contribute to debate on the Water (Irrigation Farm Dams) Bill. Since my election to this house I do not think I have been involved with a piece of legislation that has caused so much debate, angst and anxiety among constituents of my electorate.

The bill's contents were the subject of about four reports before its introduction in this place. On a number of occasions I had the pleasure of being briefed by Don Blackmore in Parliament House and in Canberra on water and salinity issues throughout the state. I have no doubt that the committee has done a tremendous and invaluable amount of work for Victoria; I commend the committee.

I support the thrust of the legislation. During a bill's preparation and before its introduction honourable members work with a number of committees. I remind the house that the Water Act is a very complicated piece of legislation, and in the preparation of this bill honourable members representing rural areas worked closely and tirelessly over numerous weeks with opposition members who have legal backgrounds to arrive at a consensus among the opposition parties on

how this bill should be handled. I commend opposition members for their work on the bill.

I pick up where the honourable member for Ripon left off when he said the legislation removes the definition of 'waterway'. I find his statement extraordinary, because if the bill did that the house would not be debating the bill. If it removes the definition of 'waterway' why do we have two sets of rules — one for dams built on a waterway and another for dams built off a waterway? The opposition is asking for waterways to be mapped, because someone from an authority is able to walk onto a property and say, 'That is on a waterway, you can't build a dam there'. It is incorrect for the honourable member to suggest that the definition of 'waterway' is removed. The opposition has gone to the trouble of preparing amendments to the legislation to try to deal with that issue. The bill does not remove from the act the definition of 'waterway'.

All honourable members understand the importance of dealing with the conservation of water not only in the Murray–Darling Basin but also in the south-west of the state. Over the last six years people who work at carting water and dairy farmers have marched into our electorate offices and told honourable members how farmers have turned their stock out or been forced to remove the stock from their properties. We all know and understand the need to conserve water, which is one of our most precious resources. In the past the abundance of water supplies has not affected an electorate such as mine, but over the last six years the impact of very dry seasons has thrown an entirely different emphasis on the availability of water. The large supplies of water have disappeared. The opposition believes all parties should be catered for in the context of the legislation.

The Murray–Darling Basin cap has delivered for farmers in that area the security of having water delivered to their doors and an easy access to water. I can understand the sentiments of the honourable members who represent irrigators in the north-west, but there is more to life than irrigators in the north-east. We are looking at the interests of catchment farmers.

Mr Vogels interjected.

Mr MULDER — Yes, I thank the honourable member for Warrnambool — I should have said farmers in the north-west. We have to remember the farmers in the upper catchments and those south of the Great Dividing Range. Thousands of farmers in those areas will be affected enormously by this piece of legislation.

Put simply, for over 150 years farmers have had a statutory right to harvest the water that falls on their land and use it as they wish. People have had that incredible right for a very long time, and the bill removes that right. Even the Prime Minister and the Deputy Prime Minister have said that any government that removes a right to water should compensate affected farmers. They know and understand the value of water and what has happened over a long period. No-one is putting up their hands and asking for money for a right that has been taken from them. They are asking for a fair and reasonable deal.

We in the Liberal Party are prepared to stand up for the people in our electorates and say, 'Take away 100 per cent of what falls on our land, but give us back 3 per cent. Keep the 97 per cent, but give us back 3 per cent to deal with the issues that affect us on a day-to-day basis'.

This will deal with the issues we discussed in relation to dairy wash-downs to a farmer who wants to water a summer crop or to a farmer who wants to use water for some other form of activity. But for the farmers out there today to have a right removed and not be putting up their hands and saying, 'Get us the money. We want money for this! You have taken away a right we have had for 150 years!', has been an extraordinary step for catchment farmers, because they are prepared — and no-one understands the situation the state is in with its water at this point in time — and know and understand the issue with streams and rivers — that is, unless they have that resource they will not be able to develop their farms or hand their properties on to their children. They know and understand that water needs to be protected and managed and handled in a very even manner.

The simple fact that we are asking for 3 per cent of what falls on their land and are prepared to hand back 97 per cent without a cent, without money, without asking for anything, is not an awful lot for this Parliament to consider. The Liberal Party is asking this Parliament to consider Victorian Farmers Federation policy — to have a look at the dot points in the VFF policy and at what it has asked for for farmers. That is the basis of the amendments we propose to the legislation. We are the party standing up for farmers. Where are the rest?

Where are the Independents, who represent farmers? Where is the honourable member for Ripon? He has ducked out the door. Where are they? Out he goes, Mr Snowy River himself, with his arms in the air. What about the catchment farmers? All we are asking for is a miserable 3 per cent. This is a very complex piece of legislation. You will understand when your farmers

realise what you have sold them down the drain on. That is when your day of reckoning will come, because you will have to explain to them, 'I knew and understood what I was doing, but you did not. I did not go out and sell it because it was a very complex and tough piece of legislation. I did not want to represent my farmers'. The Liberal Party will go down as the only party that was prepared to stand up for farmers when they lost the greatest right they had had for 150 years. A right was removed. And who stood up in Parliament? The Liberals did!

I am very proud to stand here alongside my parliamentary colleague the honourable member for Warrnambool who has fought this from day one. What a great supporter the honourable member for Benambra is of his farming community and how well he has fought this battle for them! When the implications of this legislation bed themselves down, when people understand what they have given up and what they could have asked for, that is when people will understand what it means to have a party in rural Victoria that is prepared to stand up and fight for its farmers. That is exactly what has taken place here today. I commend the honourable member for Benambra for an absolutely spot-on delivery. He knows what his farmers are about. The honourable member for Warrnambool will expand on some of the issues I have raised in terms of the south-west.

Our catchment farmers — for example, the Parkers who grow potatoes south-west of the highway — know and understand what this legislation is about. We have sat down and explained it to them. They had no idea until they sat down around the table and we said, 'This is what you are giving up. Don't fall for the Labor government. Don't fall for the organisations that are supposed to represent you. Listen to what you are losing'. They know and understand, and the only reason they do is that the Liberal Party — Liberal members in south-west Victoria, the Liberal member for Benambra and other country Liberal members — have stood up and fought for them and their rights. When they finally understand what they have given up they will think we should have asked a bigger price.

I will just touch on some of the amendments in the bill. One which really concerns me is an amendment I put forward. I hope and trust that I would get support from the National Party, the Independents and the government on this. The amendment relates to the set-up of the consultative committee. A provision in the amendment states that where an area is wholly and predominantly a farming area the minister — not the Minister for Agriculture but the Minister for Environment and Conservation — will consult with the

VFF and ensure that 50 per cent of those people are from farming communities.

I do not trust her, and I do not believe that she would do that. I will tell you what will happen south of the highway out to the Otway Ranges. The minister will say, 'Hang on a minute! There are a couple of old Labor lap-dogs out there who have retired into the bush. We'll bang them on the committee. That is not wholly and predominantly farming area — it's forestry and tourism'. So a couple of these guys go onto the committee. They are stuck out there in the bush living on an acre and a half with a half-starved goat, a donkey and 2 acres of ragwort and thistles, and they will find their way on to a consultative committee. In this amendment I am asking that the farmers who have given up their statutory rights be represented on these committees. Any non-urban area outside that area should have 50 per cent farmer representation.

Mr Plowman — Must have!

Mr MULDER — The honourable member for Benambra says, 'Must have!'. They must have 50 per cent farmer representation. I trust that the minister will see that that is a very reasonable ask, because it is not the man with a half-starved goat, a donkey and a couple of acres of ragwort and thistles — —

Mr Vogels interjected.

Mr MULDER — He could have it, too; I'm not sure. That could be his farm. The people who deserve to be on these consultative committees are the people who have given up the statutory rights: the farmers in catchment areas are the people who should and must be on the consultative committees. They must negotiate at the table, because it must be remembered that they are the people who have lost a statutory right. I ask the Independents if we have their votes. There is one hand up; is there a second? The National Party in its own right has been a bit quiet on the issue, and I can understand that. They live in the irrigation areas, and I understand that, too. I am not saying a word, but please understand that unless you have a position at the table you cannot vote. I ask them to support that important amendment.

I understand that there are other honourable members who wish to contribute to this debate. The honourable member for Gisborne is very toey.

I move to a couple of the clauses which relate to the issue of guidelines for the consultative committee. Heaven help us! What are these guidelines going to be? We have not even seen them yet. The consultative committees get a guideline, and I have seen these

committees set up. The Glen Aire River was a great example when the people who owned all the pastureland there had to apply to get the mouth of the river opened. They owned all the land and were told, 'Sure, you can open the mouth of the river — when you get 24 inches of rain over three months at the top and when the temperature is X degrees and we take on board all the social activities, with the water temperature flowing one way equalling the tide going the other way. In the meantime your land is getting flooded and your pasture is rotten, but we will start talking about it next week'. Those are the sorts of guidelines these people are going to have to operate under. Believe you me, that is the issue that is going to affect how consultative committees can and cannot operate. I ask the minister not to shake her head because she knows that I am right.

The honourable member for Warrnambool has a better example than that. He will speak soon and will tell the house how the guidelines operate for a consultative committee. The honourable member for Warrnambool is almost at the starting blocks and is very keen to get up on his feet. I know that honourable members on the other side would like to make a contribution. I support the thrust of the legislation, but as is always the case, it is not the thrust of the legislation that is important; it is the ability of the government of the day to get involved and manipulate the situation. The opposition is not asking for much in its amendments, which will tidy up what is basically reasonable legislation.

Doug Chant, the chairman of the Victorian Farmers Federation's water policy group, has been working hard on this issue. He has put a tremendous amount of work into it and I have had discussions with him. As I have said, this legislation is 95 per cent down the line with only 5 per cent to go and that 5 per cent belongs to the Liberal Party members because we are the ones putting up our hands for the 3 per cent. We are trying to tidy this up for the farmers and make sure that they do not get rolled in a huge way. You cannot turn this legislation around. Once it is in place you will not be able to reinstate those rights.

Believe you me, catchment farmers are giving up an enormous amount. The honourable member for Benambra knows they are giving up an enormous amount. There is no money up front. But just consider 3 per cent. That is all we are asking for. I commend the bill to the house.

Mr HARDMAN (Seymour) — I too represent an upper catchment area and have spent quite a lot of time in consultation with a number of farmers in the area. I also have to thank sincerely the Minister for

Environment and Conservation for taking so much time to speak personally with the people from my area who are affected by this bill. They include the Murrindindi shire, which has made representations, the Yea and King Parrot stream flow management planning committees and Alan Plunkett, who is a viticulturist of some renown who produces a great wine from Avenel just north of Seymour.

Obviously I come to this legislation with some trepidation. As you can imagine, a lot of facts and figures have been thrown at us that confuse the issue. It is a matter of being able to sort through them and take advice from the people out there who really do know what is going on. I think the 3 per cent area that the Liberal Party has proposed in its amendments has to be looked at rather seriously because the Liberal Party knows it is not going to force it through this house, and then in the upper house it has to make a decision. The opposition can carry on as much as it likes down here, but when it gets up there, that is when the Liberal Party has to make a decision whether or not it is full of wind or actually serious about what it is saying. We will wait and see about that. I think the proof of the pudding will be in the eating.

Most people know that this legislation is groundbreaking and very important. The Labor government believes — and I know that even the opposition now believes — in growing the whole of the state and making sure that the whole of the state has the opportunity to grow and develop right across our regions, no matter where they are. That means we have to have in place a fair system, especially in regard to water, because, as everyone knows, water is our most important resource.

As to the 3 per cent, as I have been sitting here I have had quite a few facts and figures thrown at me from advisers and from the gallery. What it comes down to is that basically 90 per cent of the water that falls on most farms stays there, so only 10 per cent flows on. That means that farmers will be keeping 3 per cent of the total of the 10 per cent that flows on, or 30 per cent of the water that flows into our streams. That means there is not going to be enough to be able to sustain the agriculture or irrigation further downstream.

It is very easy to get up and filibuster, grandstand and make yourself look good — all that sort of stuff — and to go out and say, 'I fought for you in the Parliament', but when it comes down to it, we will wait and see what happens in the upper house when the bill gets up there. The opposition can make the decision. It has the power. It has blocked industrial relations legislation. It has blocked constitutional reform in the upper house. It has

the choice again to use its gerrymander to stop this legislation going through up there. We will wait and see. I believe this is a very important point.

Honourable members interjecting.

The ACTING SPEAKER (Mr Seitz) — Order!
The honourable member for Seymour, without assistance.

Mr HARDMAN — The purpose of the bill which I should come back to is to make sure we can provide our farmers with a secure future. I believe this bill does that. If you look at amendments that the minister has been prepared to accept and allow to flow on, and the way the minister has listened to the upper catchment farmers, you will see that the minister is very concerned for everybody to make sure we get this legislation right.

Seymour is basically all upper catchment areas. There are many areas that are still developing. Viticulture and olive groves are coming up in the area. The grazing of sheep and cattle in the area is becoming less and less common, although we have developed through various systems some great grazing systems as well. I am sure other honourable members are aware of those.

In the upper catchments farming practices such as grazing sheep have changed. We are moving to viticulture and also crops such as blueberries and strawberries being grown in irrigated areas. Places such as Healesville, Kinglake and Toolangi, especially Kinglake and Toolangi which are the upper catchment or recharge areas for the Yea River and the King Parrot Creek, have developed stream flow management plans. That was done before the introduction of the legislation, which is fantastic.

I have a brochure containing the King Parrot Creek stream flow management plan. The King Parrot Creek runs through Flowerdale. Honourable members know that I was the principal of Flowerdale Primary School. We did a lot of work along the King Parrot Creek measuring salinity and water quality under some great programs run by the catchment management authority. It is great to see that this has been done.

The minister came to Yea about two days after the initial report was released. She consulted with the farmers and the people on the committee.

Mr Howard interjected.

Mr HARDMAN — She has been fantastic on this issue. The minister wants the bill to go through Parliament and to make sure that our farming districts and our environment are sustainable and thrive in the

future. That seems to be something the Liberal Party has forgotten. It seems to be representing a proportion of farmers and forgetting about the rest. I am sure it will cop it from its constituents later on. The opposition parties are not representing everyone; they are only representing a small proportion.

I also attended that meeting with the minister. People were impressed with the report and were pleased with the strength that management planning committees would have with a 50 per cent or greater representation from farmers. They were also pleased that there would still be on those committees people representing the environment and the water authorities to provide some balance and some educated reasons about stream flow management needing to be set at a reasonable level. I congratulate those dedicated individuals on the work they have done to bring that together.

The transitional package needs to be mentioned. I have listened to contributions from opposition members and they seem to have forgotten about the transitional package because they have not spoken about it. The minister has given quite a bit of ground on the transitional package. I will be corrected if I am wrong, but it was apparently to be set at five years or 10 000 megalitres, whichever was the greater for farmers, but now 10 000 megalitres may be looked at in the longer term. That seems to be a suggestion from the other side. Those kinds of things would be well looked into.

I was talking to Alan Plunkett, a vigneron and viticulturist from Avenel. He gave the example of a family farmer who has already invested \$2 million or so by way of loans into his property and who does not really have the money within the next five years to further invest in dams and any equipment that is needed. It may be that he will be able to do that in the future. Corporations may have benefited from the way it was, but with a longer outlook family farmers might have a bit of a chance to continue to grow their own businesses.

Mr Howard — It is a sound transition.

Mr HARDMAN — It is a sound transition, and I am pleased the minister has listened to my constituents on this issue.

It is also important to make sure that we emphasise — and it may be forgotten because there have been a few amendments — that the stock and domestic supplies have been enshrined in this legislation. That is very important to many of the farmers in the Seymour electorate.

An honourable member interjected.

Mr HARDMAN — It really is. I have received several calls from people living in the upper catchments of my electorate who do not have the water to look after their own stock and domestic supplies because people on properties living just above them have been a little bit greedy and decided to keep all that water to themselves. That is something that really needs to be looked at.

Honourable members interjecting.

Mr HARDMAN — Some members opposite obviously think that by being intimidating and asking me to name someone will somehow prove that it is not true. In your cloistered world over there things may be that way, but I do not make things up. I tell it the way my constituents express these things to me. They come to me in my office and I protect their confidentiality as I do the confidentiality of all my constituents. Members opposite should not expect me to do anything less and I do not expect them to do that either, so I ask them to please stop those interjections.

Water is obviously a finite resource, and this bill encourages sustainable development. Obviously the Seymour electorate relies on water for its future development. The Seymour electorate is growing and improving all the time. In the last two years of the Bracks Labor government vast improvements can be seen in towns like Yea and Heathcote. There is a real confidence as communities have got themselves back together after the amalgamations of shires that ripped the hearts out of towns. The people are now developing great chambers of commerce and tourism bodies. They are looking to the future and saying, 'We have to do this now for ourselves because there is no longer a particular local government body there to do it'. That is happening and it is fantastic to see.

But a lot of it still comes back to relying on water for that regional development and growth. You can see it in the areas of Yea, Heathcote and Healesville where so much development is happening right now. It is great to see the confidence people now have. I think that confidence has come back during the two years since the Bracks government was elected, because the Bracks government is willing to invest in local communities and say, 'Yes, Yea, you do need your hospital upgraded; you do need a new police station', or, 'Yes, Healesville, you do need a new primary school', or 'Yes, Seymour, you do need a heated indoor pool'. The government has said, 'We recognise your needs. We recognise your community is important'. But again it comes back to the government saying, 'Yes, but your most important resource is still water because that is a major industry in your area, it is a major growth

industry and it is the major employer'. It all comes from water.

I congratulate the minister. Obviously I still have my doubts. I know the minister's advisers are appointed and I hope and trust they will be right. I know that the National Party and the Victorian Farmers Federation do that, and that deep down Liberal Party members do too. In the end they will see that this legislation will set up the state of Victoria for a prosperous future. I congratulate the minister on this bill and all those who worked on it — Don Blackmore and his committee — and I commend the bill to the house.

Mr VOGELS (Warrnambool) — I am pleased the honourable member for Gippsland East is here because this bill is all about matters of equity. I actually have the paper that was put together to get the government to support him, as an Independent, to get some water down the Snowy River.

This bill is about matters of equity as well. It is interesting to remember what the former chairman of the Murray-Darling Basin Commission, John Lovering, said when the government needed the support of the Independents to form government. He said that the water needed for the Snowy can come from efficiency savings in irrigation, that just a 10 per cent improvement in irrigation of farm management practices could deliver to irrigators 1 million megalitres of extra water.

I was listening to the ABC today and I heard Don Blackmore, the now chairman of the Murray-Darling Basin Commission, say that if the greedy farmers, the high catchment farmers, got their 3 per cent they would want about 1 million megalitres of extra water. Where will it come from? The water is there if they do a bit of saving. The commission is prepared to increase the flow down the Snowy but it is not prepared to allocate more water to farmers.

We all know that the 3 per cent in the upper catchment area will never be taken up — not in a million years! The minister says the primary purpose of the bill is to better manage Victoria's water supplies or resources. Nobody can argue with that. However, I have many concerns with the proposed legislation and fully support the amendments being put forward by the opposition.

What is the policy of the Victorian Farmers Federation? In fact, I have with me a copy of the VFF's policy, which was delivered by Clay Manners, general manager of policy, to the VFF meeting in Wodonga six weeks ago. I shall read just the dot points. It states that the rights to stock and domestic water must be

protected. The VFF opposes the removal of existing private rights to harvest water for irrigation and commercial use of waterways — the opposition also opposes that. The VFF is concerned about the problem of waterway definitions and proposes that the private right be expressed as a percentage of run-off. The VFF indicates that it would accept more stringent controls on dams in stressed catchments where there was agreement from the surface water catchment committees, with a majority of farmers appointed in a similar way to the appointment of the ground water supply protection area committees.

The VFF is very concerned about charges for farm dams and about ensuring that any change is not used by the rural water authority as an opportunity to gain revenue. The VFF argues that a one-off registration fee should apply to private right dams and metering of farm irrigation dams in stressed catchments only. Basically that is exactly what the opposition is saying in its amendments: it is actually supporting the VFF's policy. It appears — and it is sad to say — that only the Liberal Party is prepared to stand up and support this position in this Parliament, which I hope will be noted by the vast majority of farmers out there in rural Victoria.

Of all the problems facing Australia the most challenging is how we manage our water. There is no doubt in my mind that the whole community, not just those involved in primary industry, should pay for environmental improvements. At present if this bill goes through unamended catchment farmers will have the burden of that responsibility. This bill will over time actually give the Department of Natural Resources and Environment control over every drop of water in this state. It also attempts to pick the winners and losers. In effect, it could set neighbour against neighbour. I will expand on that later.

In general the argument that farm dams are detrimental to the environment is fallacious. That argument is being used to support and justify this bill and is being pushed by the same department which for the past 50 years has been encouraging the building of dams for conservation purposes and to drought-proof our farms. It must be said that dams also have provided a great environmental place for native animals, and especially bird life.

Mr Ingram — Wood ducks!

Mr VOGELS — And wood ducks — a couple of them are sitting around here!

Many aspects of the bill should be supported. However, many clauses also need further clarification. In my

contribution to the debate I intend to concentrate on the south-west of Victoria, and particularly on how this legislation could affect the farmers down there.

As I said before, the argument that farm dams are detrimental to the environment is rubbish. If every farm dam in catchment areas in the south-west were decommissioned tomorrow, in the summer when the run-off stopped there would be no more water in the Hopkins, Moyne, Merri, Curdies and Gellibrand waterways — the water would be long gone out to sea.

That extra water — which in quantity is actually the equivalent of a drop in the bucket — is nothing. What we should be promoting — and hopefully this will occur if we get local management stream committees — is larger dams upstream, which can be filled when excess water is around in the winter time, as happens in the northern part of Victoria with the Hume Weir and the Dartmouth Dam, et cetera, and the water then flows down when the run-off stops. As I said, that happens in the north-east now, and as we know the water goes down the Murray.

In the Wimmera–Mallee we should be promoting, as is Liberal Party policy, the construction of the Wimmera–Mallee pipeline system, which would save 85 cent of the water now lost through seepage and evaporation. There would be no problem with farm dams in the Grampians or in the electorates of the honourable members for Ripon, Seymour or other areas. There would be tonnes of water for vineyards, olive groves or whatever. At the moment the water is being absolutely wasted.

This bill is called the Water (Irrigation Farm Dams) Bill. I believe this first stage is designed to make sure the irrigators along the Murray get surety of supply. The honourable member for Benambra understands and discussed these issues very well, so I do not need to expand on them.

Currently the total flow of water in the Murray–Darling system is 14 million megalitres. Of that, 12 million megalitres is used by our irrigators but 3 million megalitres is wasted or lost through inefficient use. Just in that area, even if the upper catchment farmers took up the whole 3 per cent, it would be only a third of what is wasted, and they would never do that; it is not possible. With all these pressures for water at the moment you do not have to be Einstein to work out where it will go. The meek and mild will not inherit the earth — they never have — and unless their concerns can be addressed in this place they will be sold down the drain.

Our catchment farmers are hardworking, but they do not have much political clout. They are faced with a dilemma about when and where their next drop of water is coming from. We in the south-west know very well that in the last five years we have had three years of no run-off at all. As the honourable member for Polwarth has said, many farmers have had to spend thousands of dollars on carting water.

Last night I listened to the honourable member for Swan Hill with interest. He stated, correctly, that governments of the future will introduce caps for all the rivers and streams throughout the state. That will follow. That is why the Liberal Party amendments are so important for our catchment farmers. We have heard from the government that everything will be hunky-dory and that stock and domestic dams are sacrosanct — ‘So don’t worry, catchment farmers, what you are using in your dams now will always be there’. That is not true.

Once a water supply protection area is declared the following procedures will take place. The minister will appoint a consultative committee. It will provide a stream flow management plan for the area. Permissible annual volumes will be set, which is the amount of water that will be allowed to be harvested. That could be a reduction or an increase, but we know that the only reason a water protection area would ever be set up would be that there needed to be a reduction — otherwise, why bother? So don’t think that stock and domestic dams will never be affected.

I would like to explain a bit about farmers. I hear people talking about stock and domestic dams. They seem to still think about *Rawhide* and believe cattle actually stand around dams and drink out of and do lots of other things in the water. But on modern farms stock do not drink out of dams. If you come to our dairy farms you will notice — as it is at most dairy farms now — that most of the small turkey’s-nest dams, as they used to be called — which were a waste of water because it evaporated very quickly — have been decommissioned. Farmers have put in big dams which hold 40 or 50 megalitres and which actually catch some water, which saves a lot of evaporation. You will notice that on the bank of the dam there is a pump or windmill that pumps the water up the hill to a 20 000, 30 000 or 40 000-litre tank. That water is then dispersed to troughs in all sorts of paddocks, to the dairy, to the house, to a calving pad, to a barn or whatever. So those dams are commercial; they are not stock and domestic. Under this legislation they are actually commercial dams.

The government says, ‘That is all grandfathered. Don’t worry about it’, but we also know that in the last 10 years dairying production has doubled and that it is expected to do so again in the next 10 years.

If dairy production doubles — and the industry is the biggest value-adding employer in the whole of rural Victoria — additional water will be required for stock. Farmers will have larger herds that require more water. It means new dams will have to be built. That is why it is so important to have a definition of ‘waterway’. Farmers have no right to build commercial dams, so they apply to the department and speak to some shiny bumpkin just out of Deakin University. He says, ‘Hang on a minute, you cannot put a dam there because it is a waterway’. That is what is happening in the high country. Everything is a waterway!

Mr Steggall interjected.

Mr VOGELS — Just listen to me. Most of the people who support the legislation have lots of options. In my electorate around Warrnambool and the Nullawarre area people have dams, underground water and mains water from South West Water, so they have options. They may also be able to pump out of the Merri River. Around the Heytesbury settlement area or north of Warrnambool around Mortlake, Caramut and the western plain there is no underground water. They rely 100 per cent on rainfall. It is good enough for the people of Melbourne to have the Thomson Dam with five years water in it to look after them, yet the government says, ‘No, sorry, mate, you can’t have that much water. You are greedy’. That is ludicrous. Farmers need surety of supply. You cannot go to a bank and borrow money to increase the size of your farm or develop a big business if you do not have sufficient water, because without water you have nothing.

The government forecasts, as did the Kennett government, \$12 billion worth of food exports by 2010. Probably more than half of that will come from the dairy industry.

Mr Steggall interjected.

Mr VOGELS — A lot will come from the south-west; I am not saying most will come from there. I think it is about a third from Gippsland, a third from the Western District and a third from northern Victoria. Northern Victoria basically relies on irrigation, and the people in that area support the bill because they want irrigation water, and they are getting plenty of it. They want a bit more, but they want to take it from the high catchment farmers who eventually will not get it.

As I said before, the legislation has some good points, but the opposition's amendments will make it an excellent bill, because the provisions will look after all the people throughout Victoria and not just a certain sector.

I believe this typical socialist government is on about permits, licences, registrations and controls so it can charge for everything. This is a high-taxing government with even higher spending. It likes to control things. The government is taking away a statutory right, as mentioned before, that farmers have had for more than 150 years to build a dam off the waterway and use that water for whatever purpose they thought necessary.

Honourable members interjecting.

Mr VOGELS — Sadly, over that 150 years there have also been Labor governments. We are asking for farmers to be allowed to use 3 per cent of the rainwater that falls on their property for any purpose. As I have already said, if we really meant business we would go around looking at how we could save water. Professor Lovering told the honourable member for Gippsland East that 1 million megalitres or 10 per cent of the irrigation water would be saved by a 10 per cent improvement in irrigation practices. That is the way to go, because it would allow everyone to share in the benefit.

If a water supply protection area is set up and the water is not there, the stream flow management committee would say that the water is not available and the farmer cannot have it. Nobody disagrees with that. There is no risk at all. I heard the honourable member for Swan Hill last night talk about 350 000 megalitres no longer being available.

An Honourable Member — To the north-east.

Mr VOGELS — To the north-east — if the 3 per cent amendment is accepted. I have not got a calculator on me, but even if I did, if I multiplied 350 000 megalitres by the 97 per cent which would still be left, the screen on my calculator would not have enough digits on it to show the answer.

In conclusion I therefore ask that the Bracks government — —

An honourable member interjected.

Mr VOGELS — Read *Hansard* tomorrow and you will understand it!

Honourable members interjecting.

The ACTING SPEAKER (Ms Davies) — Order! I think the honourable member for Warrnambool can manage his contribution on his own.

Mr VOGELS — I ask the Bracks government, the National Party and the Independents to support our amendments, which are just and fair by any reasonable assessment. Like the honourable member for Polwarth, my electorate also has a stream flow management committee at Warrnambool which looks after the Hopkins River. Every year the Hopkins River mouth is blocked by sand and the stream flow management committee has to meet to decide when it will be opened.

An Honourable Member — What are its guidelines?

Mr VOGELS — It has met over many years and has great guidelines. The trigger point is a mark on a post at Proudfoot's Boathouse, and when it reaches that point — —

An Honourable Member — Very scientific, then!

Mr VOGELS — But it should work. That is when the mouth is opened, but of course it never happens because well-meaning people like the people from Deakin University say that the fish will die because of oxygenation or something in the water. As the honourable member for Polwarth said, the tide is not in or the tide is not out, or it is not a full moon or something, and six weeks later Proudfoot's Boathouse, including the restaurant and boatshed, is knee deep in water. Every year it is flooded out and every year you read in the *Standard* in Warrnambool that the mouth of the Hopkins River has been illegally opened. Somebody who has had enough has gone out with a shovel in the middle of the night and opened it. It happens year in and year out.

The stream flow management committee comprises well-meaning, good people, but I am really concerned that the committee never works, even when 50 per cent of its members are farmers. By the time it meets and consults with bodies, including the catchment management authority, the Environment Protection Authority and anybody else who has a voice, it takes too long and we are in trouble. I commend the amendments to the house.

Mr INGRAM (Gippsland East) — Thank you, Madam Acting Speaker.

Mr Steggall interjected.

Mr INGRAM — Thank you to the honourable member for Swan Hill for recognising me as a National Party member!

Honourable members interjecting.

Mr INGRAM — It is amazing that as soon as honourable members rise to discuss water, passions run high. Hopefully it is not just because we are still here at 9.30 in the evening and everyone has been at the bar all night!

A number of amendments have been passed around. I also have an amendment that I will be submitting when the house is in the committee stage. Unfortunately sessional orders do not allow me to do it now unless I move to do it by leave.

A number of interesting matters have been raised tonight and I will take up some of them, particularly the issues raised by the honourable member for Warrnambool about why we have to open estuaries. It is a pity that we have to build all our towns along estuaries because it is natural for the systems to close over. A classic case is the Mallacoota estuary. It has a number of lake systems, including Barracouta Lake up the coast. They are landlocked lakes and the only way they are replenished with fish by the brood stock coming down to breed is when the entrance closes and the river floods up onto the 100 acres or so of tea-tree swamps. It is part of the natural system. We build our houses right down on the water because it is the best place to be. Then we end up in conflict with nature.

The other conflict is that the honourable member for Swan Hill recognised that the Murray system is pretty well stretched with irrigation use. There is an issue now with the upper catchment farmers and lower catchment farmers. I will correct the honourable member for Swan Hill, and I hope he does not take offence.

An honourable member interjected.

Mr INGRAM — He said he did not mention the Snowy River in his speech, but he did mention the Snowy once in his contribution. It was pretty hard for him not to mention the Snowy!

He mentioned end-of-system flows, and that is not a good way to describe the health of rivers. It is basically a figure at the end of the system, but he keeps mentioning them — and it is a common mistake by a number of people who work on the Murray River. The end-of-system flows he mentions compare mean annual flows with median flows. The figure often used for the Murray mouth is a median flow, and that is 21 per cent.

The figure quoted for the Snowy is a mean annual flow or an average natural flow and — —

An honourable member interjected.

Mr INGRAM — I will do them both. The mean annual flow for the Snowy mouth is 55 per cent. The mean annual flow at the Murray mouth is 38.5 per cent. If we compare median flows the Snowy mouth is 30 per cent and the Murray is 21 per cent. I hope we have corrected that and do not make that mistake again.

The South Australians tend to use this argument.

Honourable members interjecting.

Mr INGRAM — I thought that might get them a bit excited.

The ACTING SPEAKER (Ms Davies) — Order! The honourable member for Gippsland East, on the bill.

Mr INGRAM — So if we are using scientific or mathematical measurements we should use either mean flows or median flows. You should not compare the two.

The consultation process that has taken place on the bill has been lengthy, and it started under the previous government, which recognised the need for reform. There is a real conflict out there, not only in the Murray River area. In my area there is the classic case of the Valencia Creek, which is a small system with a couple of large irrigation dams. It has gained a little bit of media coverage and it really is an issue of farmer against farmer — not environmentalist against farmer but farmer against farmer — and the inequities create divisions within the community and spill over.

A stream flow management plan process has been undertaken on that system. The issues pitting farmer against farmer have been dragged on to the committee and it has been a long drawn-out process which has not solved anything. We need to find an easier way to sort out these upper catchment-lower catchment issues so that in the future we do not get into the problems where we have really big winners and big losers at the other end. That is what is going on now.

Whenever we start allocating resources differently and change the statutory rights of people — whatever the resource issue — there will be conflict and people who are not happy or who believe they are being hard done by. The bottom line is that the bill came into the house with everyone saying, 'Yes, we support it'. We may not support everything, and I think there has been a bit of politics at play.

Honourable members interjecting.

Mr INGRAM — In the middle of the federal election campaign! I would hate to think that an amendment has been put forward just to store up support in Indi because the Liberal Party has put up a candidate from the city.

Mr Plowman — On a point of order, the honourable member for Gippsland East is impugning my reputation, and I ask him to withdraw those remarks.

The ACTING SPEAKER (Ms Davies) — Order! I do not remember the honourable member for Gippsland East mentioning the honourable member for Benambra in any way, shape or form. Would the honourable member like to explain?

Mr INGRAM — If the honourable member takes offence, I withdraw.

The ACTING SPEAKER (Ms Davies) — Order! The honourable member for Gippsland East has withdrawn the remark.

Mr INGRAM — It has been a lengthy process and a number of amendments have been put forward, and I will outline some of them. The opposition has put up an amendment about 3 per cent of rainfall. Personally, I do not support that. For once I agree with Don Blackmore. We have discussions about a few things. He is on the record on the radio today making a comment — —

Mr Maclellan — Now, don't be political!

Mr INGRAM — I am not being political; I would not be political.

I will summarise what Don Blackmore said. He said he thought that the 3 per cent proposition would not be helpful for farmers in Victoria because it creates uncertainty, not certainty. It would create huge uncertainty for the current irrigation community. Whether we like the way we allocated water in the past is irrelevant. Don Blackmore also indicated that imposing the 3 per cent rule as outlined in the amendment put forward by the Liberal Party would create great difficulties for Victoria in abiding by the Murray-Darling Basin Commission cap.

Mr Mulder interjected.

The ACTING SPEAKER (Ms Davies) — Order! The honourable member for Polwarth is out of his place and is disorderly.

Mr Plowman interjected.

The ACTING SPEAKER (Ms Davies) — Order! The honourable member for Benambra!

Mr INGRAM — I am sure the honourable member for Benambra would like to read the rest of the Don Blackmore's comments and I will be happy to give him a copy later.

We are talking about the sustainable use of resources. A lot of our catchments are overcommitted. That is a problem we have gotten ourselves into — we have overallocated the resource. If you look at river systems like those in Gippsland, you see that a fair chunk of the Thomson River goes to Melbourne but the irrigation use, like that of the Avon River, is fully committed. We have hugely variable river systems in this country. We have huge flows at particular times of the year, but the base flow is normally very low and the ability to harvest water from unregulated catchments is limited.

Farmers have begun to build bigger and bigger storages on farms. That has an impact on the river system, because when you do get rain it runs into the dams. I think the stream flow management process is a good way to go.

I do not agree with the definition of a waterway. I think it is very complicated and has been very divisive within the community. If we remove ourselves from that process and set up a system whereby existing users of irrigation or commercial water can license or register that use, it can be recognised and put into the stream flow management plan. Those plans are binding and hopefully we would end up without that division in the community.

Mr Plowman — What about future dams, though?

Mr INGRAM — In my view where we have overstressed catchments we cannot continue to build more and more dams. The issue is we need licences to regulate what we do.

I note that in his contribution the honourable member for Swan Hill said that in the upper catchment of the Murray River down to the South Australian border there are about 90 000 stock and domestic dams. That has a huge impact on a system like that. If honourable members get into an aeroplane and fly over the state they will see how many dams are scattered around. It is my view that in the future we will be back in this Parliament talking about the impact of stock and domestic dams. We may not like that but the combined impact of stock and domestic dams can be — —

Mr Plowman — Is that a promise?

Mr INGRAM — I will not take that one up. The combined impact of the 90 000 stock and domestic dams in the system would be the same as that of a few large storages in the upper catchment. We are looking at piping the water from the Wimmera–Mallee channel and moving from open storages which evaporate to a piping and tank system. It is a very good project. When I was up there with the honourable member for Wimmera and a couple of fairly high level members of Parliament — —

Honourable members interjecting.

The ACTING SPEAKER (Ms Davies) — Order! The honourable member for Gippsland East should not respond to interjections.

Mr INGRAM — And I will not. That system will remove the need for stock and domestic storages and put in tanks which are much more efficient and will stop the waste. In the future we will find that a lot of farmers will move to that. Maybe they could put in one reasonably large storage in hilly country, especially up the top, pipe water through gravity-fed pipes down to the farm and then store the water in tanks.

In that way the water is not fouled but is conserved on the farm so that there is no need to have dams for stock and domestic use. The National Party amendment expands the definition of ‘stock and domestic’. That becomes a difficult matter for me, because that stock and domestic right is being expanded. It is a small increase, but I would be disappointed if the definition were extended to ground water and stock and domestic licences. It is a matter that should be raised.

I acknowledge that the minister has today issued draft stream flow management plan principles. Most honourable members would agree it is a good outcome.

Mr Maclellan — On a point of order, Acting Speaker, it appears that the honourable member for Gippsland East has quoted from the document. Will he make it available at the end of his contribution?

The ACTING SPEAKER (Ms Davies) — Order! Did the honourable member for Gippsland East quote from a document?

Mr INGRAM — I have not quoted from a document.

The ACTING SPEAKER (Ms Davies) — Order! The honourable member for Gippsland East is saying that he did not quote from a document.

Mr Maclellan — On a further point of order, I inquire of you, Acting Speaker, whether the honourable member for Gippsland East is saying he will not make it available.

The ACTING SPEAKER (Ms Davies) — Order! The honourable member for Gippsland East was asked if he was quoting from a document, and he said he was not.

Mr INGRAM — I am happy to table it, but I was not quoting from it.

An honourable member interjected.

Mr INGRAM — So I am allowed to refer to it still and table it at the end. Very good!

The ACTING SPEAKER (Ms Davies) — Order! The honourable member for Gippsland East is undertaking to table the document from which he did not quote!

Mr INGRAM — A proposed Liberal Party amendment allows for registration of licences for an unlimited term instead of the five years provided for in the bill. One of the arguments is that there would be an increase in costs, and the government may see that as a form of revenue raising. I propose to move an amendment that would insert a prescribed fee. That matter would have to go before the Scrutiny of Acts and Regulations Committee, and then every five years amendments would need be introduced into this place.

The issue of the cost and profit in water has been raised. This week the Melbourne Water *Business Review 2000/01* shows that profits generated by Melbourne Water are extraordinary. It shows \$176.3 million going this year to consolidated revenue. Over the past five years profits of \$267.8 million in 1997, \$242.5 million in 1998, \$166.9 million in 1999 and \$204 million last year were achieved. It would be pleasing to see some of that money going back into urgent infrastructure needs for rural water, to repair rivers and put into place some of the recommendations made by the stream flow management plans. That would be a good outcome. I hope we can get some long-term commitment, considering that the Melbourne retail companies have also made similar profits. The combined profit over a number of years is extraordinary.

Piped irrigation systems are very expensive, so there is a little equity in some of these systems. It will be good if we can return some water back to streams designated as overstretched.

I support this long-needed legislation. We need to do a number of additional things with ground water management. Another contentious issue in Gippsland is the interaction between streams, surface water and ground water. Also, more work needs to be done on determining volumes of ground water that can be extracted from systems.

I support the amendment proposing that at least 50 per cent of people on stream flow management plan committees need to come from farming backgrounds, but I also think there needs to be a balance. There are different types of farmers. Farmer representation on the committees should not come from only one part of the industry or from farmers who are big users of water. We should have a balance between the types of water users within a catchment. We should try to push for that.

Mr Mulder — A reasonable amendment?

Mr INGRAM — Yes, it is a reasonable amendment. Honourable members should recognise that this has been a lengthy and difficult consultation process, and it will continue to be difficult whenever we attempt to allocate resources. Some of the issues the house has dealt with recently, such as the marine parks issue, are very controversial. The discussions on the timber industry to be held in the near future will also be controversial. The farm dams issue has been controversial, but the balance has come out just about right. Almost all honourable members have come together.

An honourable member interjected.

Mr INGRAM — Yes, there are still some hot spots where people are not completely happy with the system proposed, but we must recognise that the sustainable use of the resource — that is, leaving enough of the resource in the system to sustain biodiversity and so on — is an important benchmark and a point to start from. Where we have overstretched catchments we must make the adjustments, and do it in an equitable way that leaves no big losers or big winners. That is the message we should take to the people.

The ACTING SPEAKER (Ms Davies) — Order! I call the honourable member for Benalla.

Mr Maclellan — On a point of order, Acting Speaker, the call should be from this side, as I understand it.

The ACTING SPEAKER (Ms Davies) — Order! I am sorry, there is no list in front of me as to which way the call goes.

Mr Maclellan — Perhaps if you could consult the Clerk you might get confirmation that the call is now from this side.

The ACTING SPEAKER (Ms Davies) — Order! My apologies to the honourable member for Benalla. I call the honourable member for Pakenham.

Ms Duncan interjected.

Mr MACLELLAN (Pakenham) — Acting Speaker, this is framework legislation. I can understand that the honourable member does not like me checking with the Clerks to see what the order of the call is and she does not like abiding by the rules of Parliament, but that is her problem, not mine.

Ms Duncan interjected.

The ACTING SPEAKER (Ms Davies) — Order! The honourable member for Pakenham, without assistance!

Mr MACLELLAN — The honourable member still interjects in a loudmouthed way. If she has a problem about my having something to say on this legislation she might like to go and have some refreshment somewhere else where she can perhaps recover her usual good humour.

Mr Helper — On a point of order, Acting Speaker, I urge you to encourage the honourable member for Pakenham to speak on the bill.

Mr Rowe interjected.

The ACTING SPEAKER (Ms Davies) — Order! There is no point of order, but I ask the honourable member to speak on the bill, and without assistance from the honourable member for Cranbourne.

Mr MACLELLAN — It is framework legislation, but its difficulty or downside is that it attempts to make one size fit all — that is, one framework piece of legislation apply to all districts, all climates and all environments in the state.

Ms Duncan interjected.

Mr MACLELLAN — The loudmouth from Gisborne is interjecting again and unfortunately is not making much sense.

The ACTING SPEAKER (Ms Davies) — Order! The honourable member for Gisborne!

Ms Allan interjected.

The ACTING SPEAKER (Ms Davies) — Order! Government members should refrain from interjecting.

Mr MACLELLAN — The heroic member for Ripon showed his ignorance in the course of the debate by saying that the definition of waterway was no longer of any significance to the legislation.

The ACTING SPEAKER (Ms Davies) — Order! The honourable member for Pakenham, on the bill.

Mr MACLELLAN — Certainly. The honourable member for Ripon said the definition of waterway was no longer of significance. I speak on behalf of the many agricultural people in my electorate who divert water from rivers. I do not have any argument against the need for controls on those who divert from rivers and streams. I do not have any quarrel with there being severe rules in relation to those who take water from bores, which could have an influence and impact on other people's bores and cause them to lose supply or to have to drill much further and reline their bores and experience all the other difficulties which our constituents have shared in that Koo Wee Rup area, Acting Speaker, where the first restrictions on bore water were introduced.

However, the opposition amendments will seek to maintain parliamentary control over the further working out of the framework legislation, and I do not hear anyone arguing against that. I do not know whether the amendments will be accepted or not, but I have not heard anyone saying in the course of the debate that there is something wrong with Parliament having control over the further detailed working out of the legislation.

Mr Helper interjected.

Mr MACLELLAN — We immediately get the interjection, Acting Speaker, from the loudmouth who has already had his say. I did not interject on you and I ask that you give me the same courtesy. If you have a problem, perhaps you would like to leave the house.

The ACTING SPEAKER (Ms Davies) — Order! The honourable member for Pakenham knows he should refer to other honourable members through the Chair.

Mr MACLELLAN — The honourable member for Ripon obviously has a problem. Perhaps he is tired and emotional; I do not know. He certainly does not want me to have a say on behalf of the people I represent.

I represent people who will be in difficulty under this legislation, and I can now illustrate for my colleague

the honourable member for Narracan and other West Gippsland representatives in this Parliament exactly what farmers in our area will have to do. They will have to register their farm once. That is perhaps not a matter of great significance or difficulty. Once the paperwork is out of the way that is that until there is a sale, until there is an amalgamation or until there is a further process down the track when the requisitions will come in on the sale. The Leader of the National Party will know exactly what I am referring to. When the sale of the farm property occurs one will have to answer the question, 'What character did the dams on that property have back when it was registered?', and that information will have to be carried on down the chain of sales and resales.

I am in the position with other members of my family of having a small interest in perhaps 22 dams, big and small — perhaps not so big and certainly some of them are very small — and at some stage in the past few years every one of them would have been used for purposes beyond stock and domestic purposes — that is, beyond simply animals drinking from them or a household getting household water from them. In other words, they have been used for washing down dairies, they have been used for irrigation or they have been used for fish growing. They have been used in ways which, under this legislation, would be for commercial purposes.

So I and hundreds of other farmers in our area of West Gippsland, which is not notable for having overcommitted its resources or having abused nature, if I can put it that way for the benefit of the honourable member for Gippsland East — we have not done that — will have to try to calculate, first of all, how much water is in the dams, and then what percentage of that might have been used for stock and domestic purposes and what percentage might have been used for commercial or irrigation purposes.

And for what purpose, I ask? Because nobody, as far as I know, even under this framework legislation, is intending to have an intense restriction on the area I represent — that is, a restriction beyond the existing restrictions on diverters from rivers and streams and those who use underground water. In other words, we are using the water that falls out of the heavens or drains into our properties off the roads, and we have been using it wisely and sensibly for years.

If I can become more personal about the issue, the only use that occurs regarding a property in which I have an interest on the parliamentary register — the only party betwixt me and the salt water — is nothing! In other words, as soon as the rainwater leaves my property it

goes into Western Port. For heaven's sake, who is concerned about that? Is it an environmental flow issue? No. Is it a downstream use issue? No. Is it a high-principled argument between those in the headwaters and those in the irrigation districts, like northern Victoria? No. It is just another amount of paperwork that is going to have to be done within 12 months to satisfy a framework bill that one day may have some rules in relation to — —

An honourable member interjected.

Mr MACLELLAN — Yes, I have to say that waterways are important, but are any of them waterways? The area I am talking about is notable for having small waters called rivers, such as the Bunyip and Lang Lang rivers. They are not major rivers, and in other parts of the world they would certainly not be given more than the title of 'creek'. We do not have huge waterways; we have hundreds of small creeks and flows, and under this legislation we do not have any idea of whether they will be regarded as waterways. It is significant.

Ms Duncan — It does not matter.

Mr MACLELLAN — It does matter.

Ms Duncan interjected.

The ACTING SPEAKER (Ms Davies) — Order!
The honourable member for Gisborne!

Mr MACLELLAN — The honourable member for Gisborne is having a crisis in her life again.

Ms Duncan interjected.

The ACTING SPEAKER (Ms Davies) — Order!
The honourable member for Gisborne will have her turn tomorrow.

Mr MACLELLAN — Her first crisis tonight was to shout more or less continually, although not while Madam Acting Speaker was in the chair. She continually asked, 'Three per cent of what? Three per cent of what?'. I hope she can satisfy herself at some time. I kept thinking, 'Cocky have a cracker'. It's probably just another thing you teach your cockatoo!

Ms Duncan interjected.

Mr MACLELLAN — Perhaps the honourable member would like to leave and have a cup of coffee and a quiet time to recover herself to be ready for her speech. Let me assure her that when she is on her feet and wanting to address the house I will give her the courtesy of listening, and I will give her the courtesy of

not interjecting. Unfortunately she thinks that loudness represents good sense, and she has a problem.

The farmers in my area are going to be presented with a nightmare of compliance in relation to the rivers, streams and flows of water for no apparent good reason. I certainly support the amendments that say that parliamentary control over the process is important and ought to be approved. If 3 per cent is unacceptable to the minister and unsupportable by the honourable member for Gippsland East, why not some other percentage? I do not mind; I am not dedicated to its being 3 per cent in my area. In fact, I would not mind if the advisory committees were asked to recommend a percentage as part of their management of the water resources of a stressed or managed area. It makes good sense, and I offer that to the minister as perhaps an attempt to try to bridge the divide.

If it is argued or thought that 3 per cent is inappropriate in some area, some district, some environment, why can't the advisory committee recommend what percentage it ought to be? For heaven's sake, don't landowners and land — —

Debate interrupted pursuant to sessional orders.

The ACTING SPEAKER (Mr Savage) — Order!
The time has arrived under sessional orders for me to interrupt the business of the house.

Mr Maclellan — On a point of order, Mr Acting Speaker, I understand that the words are that at the resumption of the debate I would have the call. I do not want to have another fracas with our friends on the other side.

The ACTING SPEAKER (Mr Savage) — Order!
The honourable member for Pakenham will have the call at the resumption of the debate.

ADJOURNMENT

The ACTING SPEAKER (Mr Savage) — Order!
Under sessional orders it is time for the adjournment of the house.

Scoresby: integrated transport corridor

Mr WELLS (Wantirna) — I ask the Minister for Transport to take immediate action and release a timetable for the tramline along the Burwood Highway that is supposed to get to Knox City. This is a crucial point with the outer east with a federal election looming, and it goes to the point of credibility for state Labor and federal Labor.

The minister, prior to the last election, promised that Labor will commit \$19 million to extend the East Burwood tram route through to the Knox City shopping centre. That is what Labor promised, and it set out a funding timetable on how it was going to achieve it. To make the point even more precise, the Premier and the Minister for Transport letterboxed every house along the Scoresby corridor saying very clearly in the first paragraph of their letter:

We are also committed to improving public transport in the Scoresby corridor — including the extension of tram services to Knox and a possible light rail link to Rowville.

This was further justified when the Minister for Transport signed off on a memorandum of understanding with the federal Liberal government that says:

Victoria agrees that all public transport improvements associated with the Scoresby transport corridor, and costs of land already acquired, are solely a Victorian funding responsibility.

That is why we were quite surprised when last weekend the Minister for Transport and the Labor shadow federal transport minister put out a press release saying that the extension of the tram service will go only as far as Vermont South shopping centre, which is approximately halfway.

I remind the house that the promise at the last state election was that Labor would deliver the tram service all the way to Knox City in this term of government. Now we have a press release by the shadow federal transport minister and the state Minister for Transport saying that the service will go only as far as Vermont South and that it is conditional on a federal Labor government being elected.

You can understand why people in the outer east do not believe Labor any more. I quote a headline from the *Knox-Sherbrooke News*, 'Light rail to city in four years'. It is accompanied by a picture of the local members of Parliament saying that the light rail will go from Burwood to Knox City in four years. The problem is that the date is Tuesday, 20 September 1988!

Schools: head lice

Mr KILGOUR (Shepparton) — I refer the Minister for Education to the issue of head lice in schools. I do not want to be nitpicking about this, but I would like to inform the minister that we have some major problems in schools. Some might say that this is a problem for the Minister for Health, however — and as the Minister for Finance scratches her head — as many honourable members would be aware, the Minister for Health has

issued edicts about it, but information has come from the Minister for Education, including messages that say:

It is now no longer permitted for environmental health officers employed by the council to inspect children for head lice without the written consent of parents.

Also:

Schools may use parents, volunteers or paid personnel to undertake head lice inspections provided that they have the written consent of parents.

And from the Minister for Health:

Some schools and councils have raised the issue of obtaining consent from parents for head lice inspections. There is no statutory requirement ... to obtain such consent for head lice inspections. The Department of Human Services recommends however that gaining consent should form part of any inspection program involving children ...

That is all very well, but what we find is that schools have now put out forms for parents to sign to give consent for their children to be inspected for head lice. Naturally what you find is that the very children whose parents do not give permission are the children who have head lice, and who are causing head lice to be spread around the school and pupils to lose many days of schooling because they cannot go back until the head lice have disappeared. Often parents who withhold consent do not check their children for head lice and the children cannot be inspected at school.

I ask the minister if she will bring forward information to school councils that will allow the schools, which very often have a code of conduct that has to be signed and provides, for example, that children will wear a uniform, to require as part of their code of conduct that parents allow their children to have their hair inspected for head lice. This is going to get worse. We are going to have more children infected who have been inspected, but the kids who have the head lice often have parents who will not allow inspection to take place. It is causing problems in schools, and it is a major worry for principals and parents. I ask the minister to do something to allow schools to inspect for head lice without consent.

Aged care: Geelong

Mr TREZISE (Geelong) — I raise a matter for action by the Minister for Aged Care. Today the Bracks government and mayors from across Victoria signed a joint communiqué calling on the federal government to increase funding for aged care. The rally on the steps of Parliament condemned the current levels of federal funding for home and community care programs for

elderly people. Sadly the Greater Geelong mayor, Cr Stretch Kontelj, today turned his back on the city's frail aged by not attending the aged care rally.

The action I seek from the minister is that she take steps to ensure that the voices of Geelong's aged and senior citizens are heard on this issue in Canberra by the federal government. Despite mayors from as far away as Wangaratta, Wodonga and Gippsland attending today's rally, Cr Kontelj decided to stay home. Forty mayors representing 2 million Victorians signed the joint communiqué with the Bracks government calling on the federal government to end aged care funding discrimination against older Victorians.

Despite the Municipal Association of Victoria having contacted each council in Victoria about the rally, Cr Kontelj did not bother to show his support for Geelong's elderly ratepayers and did not even bother to send a representative from the City of Greater Geelong. Frail aged residents in Geelong deserve better advocacy from the mayor on this issue. Geelong's home and community care services are under severe demand pressure, and the mayor knows it. I call on Cr Kontelj to sign the joint communiqué if he supports better funding deals for our elderly ratepayers.

The Howard government has refused to match the additional \$41 million the Bracks government has committed to home and community care. Victoria is 5000 aged care beds short of the commonwealth benchmark, and mayors are rightly saying this is putting enormous pressure on public hospitals and the services provided by home and community care programs.

The ACTING SPEAKER (Mr Savage) — Order! The honourable member must ask for some action.

Mr TREZISE — I have asked for action, Mr Acting Speaker. I have asked for the minister to take steps to ensure the voices of Geelong's senior citizens are heard on this issue in Canberra by the federal government.

As I was saying, by refusing to provide adequate numbers of hostel and nursing home beds the Howard government is forcing older people in Geelong to wait in hospital or at home until a nursing home bed becomes available. That is a disgrace. This problem is compounded by the Howard government's refusal to adequately fund home care programs such as Meals on Wheels and adult day programs. People aged 70 and over in Victoria receive less aged care funding than those over 70 in any other state.

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

Melbourne: convention centre

Ms ASHER (Brighton) — I raise an issue for the attention of the Minister for Major Projects and Tourism, and the action I ask of him is to immediately commence construction of a 5000-seat convention centre in Melbourne. The Liberal Party has a strong record on this issue and on business events. We built the Melbourne Exhibition Centre and extended the convention centre. We built the footbridge, and we left the government with a number of design options available at a range of sites.

It is very important to mention this because the annual report of the Melbourne Convention and Exhibition Centre Trust has been released today. For the first time since 1996 revenue for the trust has decreased. It is down to \$37.4 million from \$38.9 million. For the first time since records were kept in 1996, revenue has gone down. While the government has announced a \$10 million tourism policy in the face of the international crisis, what the government ought to do is look at the issue of business event funding.

The Melbourne Convention and Exhibition Centre Trust has done the government's work for it. I refer honourable members to page 13 of the report, where the trust has indicated that since 1999, when a number of design drawings were already available, it has prepared a precinct master plan, conducted a competitor and market analysis, and got KPMG to do a range of financing options, including a public-private partnership option — given that the government cannot do it itself. KPMG has also provided an economic impact assessment to show how valuable a convention centre can be for Melbourne. It is most unusual for a trust to give its views on such matters, but it has indicated in its annual report that Melbourne 'requires' — that is the word it has chosen to use — the development of an integrated convention and exhibition facility for 5000 delegates with up to 48 000 square metres of exhibition space.

Furthermore, the trust has indicated that the proposal is before government now. Again, it is extraordinary for a trust to indicate that, and of course the government is doing nothing about it and has done nothing about the preliminary drawings for two years while the trust has had to proceed with its work.

The chairman of the trust, Bob Annells, has also lent his personal support in the annual report for the building of a 5000-seat convention centre and has indicated how

important it would be to the economic future of tourism in Melbourne. I call on the minister to actually start a major project of his own, and this is the best example of such a project.

Fitzroy High School

Mr WYNNE (Richmond) — I raise a matter for the attention of the Minister for Education. On a lovely Sunday morning about two weeks ago in North Fitzroy she made the magnificent announcement that she intends to reopen the Fitzroy High School that was so cruelly closed in the dark days of the Kennett government. The action I seek from the minister is to explain how she proposes to implement this important decision so that I will be in a position to advise people in my community how they can appropriately interact with the education department to achieve this outcome.

As honourable members are already aware, it is important to remember the history of the closure of Fitzroy High School, along with the infamous closure of Richmond Girls High School. People will well remember the disgraceful performance of the Kennett government in the closure of Richmond Girls and Fitzroy High schools. The community of Fitzroy and North Fitzroy was not prepared to stand by and let that action go unanswered.

As people will recall, the Fitzroy community blockaded the school for more than 14 months to protect a major community asset. People were not prepared to give up on public education. They withstood those dark days of the Kennett government when it closed two major schools in my electorate. Until two weeks ago, when it was announced that the government intends to reopen Fitzroy High School, if you were a boy living in the seat of Richmond you had limited options of a high school to go to.

It is important that the community is aware of the actions the minister will be taking to implement this decision to reopen the Fitzroy High School. I note that the shadow Minister for Education has just walked into the house. This decision has been widely applauded by everybody in the community except the honourable member for Warrandyte, who got out in the media and bagged the opening of the school. What a disgrace!

I very much look forward to the minister's action on this matter. This is a fantastic decision for the people of my electorate, and I look forward to her response.

Gas: Gippsland supply

Mr INGRAM (Gippsland East) — I direct an issue to the attention of the Premier. The action I seek is that

the Premier investigate the contractual arrangements that the government, the Office of the Regulator-General and the East Gippsland shire entered into with the proponents of the eastern gas pipeline.

The eastern gas pipeline cuts through East Gippsland on its way from Longford up to Sydney. One of the proponents was Duke Energy, and it had other contractors. TXU or Eastern Energy entered into arrangements for the reticulation of industrial and domestic gas for some of our towns.

An honourable member interjected.

Mr INGRAM — Of course I would not be reading!

The eastern gas pipeline had to go up to Sydney and be there on time for the Sydney Olympics, because the Olympic flame was lit with Gippsland gas that came out of Bass Strait. The pipeline has gone all the way through East Gippsland. As yet the towns of Bairnsdale, Lakes Entrance, Paynesville, Orbost and Metung have not been reticulated.

The company that originally entered into a tendering process with the Office of the Regulator-General and the East Gippsland shire to reticulate the gas into Gippsland sold its stake to a New South Wales company called Country Energy. That company has recently informed us that it is now trying to sell that contract and is reneging on the arrangement. Businesses in Gippsland like Patties have had long-term contracts for liquefied petroleum gas (LPG). Patties has had a price increase over 12 months of a quarter of a million dollars. So one company — one of the largest employers in Bairnsdale — has had a gas price increase of \$225 600 a year. The shire itself has had a \$70 000 increase, because the distributors of LPG have raised their prices.

I ask the Premier to ensure that the people of East Gippsland do not have to sit and watch the gas go out from Bass Strait while they do not have reticulated gas. I also ask him to ensure that the companies that have contracts with the government or the shire honour them so that East Gippsland is reticulated and does not have to rely on LPG, with its ever-increasing price diminishing our economic opportunities in East Gippsland. This has a major cost impact on people who rely totally on bottled gas or delivered LPG.

Scoresby freeway: funding

Dr NAPTHINE (Leader of the Opposition) — I ask the Premier to table all documents relating to the land which has been purchased by the Bracks Labor government for the construction of the Scoresby

freeway. The reason we want these documents tabled is to test the veracity of a news statement released by the federal Labor Party on 28 October 2001. In that news statement the federal Labor Party said:

In addition, a Beazley Labor government will contribute \$55 million towards the \$110 million that the Bracks government has spent on land resumption in the corridor.

The federal Labor government asserts in that statement that the Bracks Labor government has already spent \$110 million on purchasing land in the Scoresby corridor. It is my understanding that the Bracks Labor government has spent nothing on land purchase in the Scoresby corridor, but that this land has been owned by the Victorian government and the people of Victoria for many years. This statement by the federal Labor Party is simply another Labor lie. Labor is desperately trying to deceive the people of Victoria and especially the people in the eastern and outer eastern suburbs of Melbourne. Clearly Labor simply cannot be trusted on what it says about the Scoresby freeway and the Scoresby transport corridor, and it cannot be trusted to build this important freeway network.

I ask the Premier to table all the documents to show whether his government has spent anything on purchasing land in the Scoresby corridor, because I believe the Bracks Labor government has spent nothing on such purchases. What has been put out by the federal Labor Party, by Mr Crean, the shadow federal Treasurer, and by Mr Ferguson, the shadow federal transport minister, are more lies. Labor cannot be trusted federally, it cannot be trusted in Victoria, and it certainly cannot be trusted to deliver the Scoresby freeway.

Aged care: places

Mr HELPER (Ripon) — I raise for action by the Minister for Aged Care a matter that causes me great concern, and that is the lack of aged care beds in my electorate of Ripon. According to the commonwealth's own figures from the Australian Bureau of Statistics data for 2001 the Shire of Central Goldfields has a commonwealth nursing home bed shortfall of 23 places and 39 hostel places. The lack of nursing homes and hostels in the Ripon electorate gravely affects not only those who require those beds but also their families, friends and the whole community. This nursing home bed shortfall affects every member of the community in the Loddon–Mallee region and the Grampians region.

Our hospital wards are becoming de facto nursing homes, with frail elderly people unable to leave hospitals because there are simply no beds available for them. The stress on the hospital system affects in this

very direct way the number of patients able to be treated in our hospital system. Other municipalities in my electorate are also underbedded. According to the commonwealth's own figures, Ararat council has a deficit of 12 nursing home beds and Pyrenees shire has a deficit of 17 hostel beds and 2 nursing home beds.

Further evidence of the poor treatment being received by the frail aged in regional and rural Victoria was revealed in a document released by the Australian Medical Association last week. The AMA released information detailing the availability of aged care beds in each Victorian electorate compared to the commonwealth government's own benchmark. The AMA figures reveal that in the federal electorate of Bendigo, which takes in part of my electorate of Ripon, there is a shortfall of 46 aged care beds compared with the federal government's own benchmark figures.

I ask the Minister for Aged Care to reassure the community of Ripon and indeed Victorians by outlining the government's actions to address and improve aged care accommodation and support options for our frail aged and to show that at least the state government cares for our aged. Across Victoria the Howard government's aged care policies have left our state with an aged care bed shortfall of more than 5000 beds, according to the commonwealth government's own figures. The Howard government is saving around \$170 million per annum.

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

Students: literacy and numeracy testing

Mr THOMPSON (Sandringham) — I refer the Minister for Education specifically to the lack of attention given to the benchmarking of students in Victorian schools, particularly in schools in the Sandringham electorate, and the inappropriate allocation of educational resources in this state.

When I first came to this chamber 10 years ago one of the great scandals I came across was the inadequate attention being given to education infrastructure in this state. You would walk into school after school, not just in the Sandringham electorate but in the eastern and northern suburbs, and what did you find? After a decade of Labor, you would see school walls smashed in, weeds growing out of spouting that was rotten and a degraded level of infrastructure.

The coalition government had the responsibility of rebuilding educational infrastructure in this state. I had the misfortune recently to visit a school which was in need of maintenance funding. It had been told that that

was a long way down the track. In the last financial period the increase in the education state budget was only 1.4 per cent. This might be contrasted with the commonwealth increase in budget expenditure of 5.4 per cent. If the Minister for Education had followed the lead of the commonwealth an extra \$144 million would have been allocated to the improvement of education in Victoria.

It is interesting to note that Victoria is the only state in Australia which does not provide benchmarking for year 7 students. As a result of the testing programs introduced in this state that is available only at primary school level. Literacy and numeracy are the key indicators of future employability, yet no feedback is being provided to parents, and there is a refusal to test year 7 students. More is being promised but less is being delivered on the part of the Labor Party.

I call upon the minister to seriously evaluate these issues and to take into account the advice of her senior departmental advisers, who could give her indications about the serious run-down in the education department infrastructure that occurred between 1982 and 1992. Mark my words, I can see it all happening again. The long-term teachers know it, and it is time the education minister assumed full responsibility to ensure that the budget does not get out of hand and Victorian students have a fair go.

Sunbury Industrial School

Ms BEATTIE (Tullamarine) — I ask the Minister for Community Services what action she will take to ensure that the lives of the children of the Sunbury Industrial School are recognised. The Sunbury Family History Society have long wished to honour the children who worked in the Sunbury Industrial School. These children lie in unmarked graves in the Sunbury cemetery. Honourable members will understand that these children lived at a time when the lives of many unfortunate children were not as valued as they are now. Many children who were orphaned — perhaps their parents could not afford to keep them or simply did not want them — were sent to an industrial school. Many children were just picked up off the streets.

The ACTING SPEAKER (Mr Savage) — Order! The honourable member for Warrandyte is clapping. I remind the honourable member that clapping is disorderly.

Ms BEATTIE — It is offensive that honourable members are clapping when I am talking about these poor children.

Mr Honeywood — On a point of order, Mr Acting Speaker, I would like the house to note that the Minister for Education has arrived for the adjournment debate for the first time — —

Honourable members interjecting.

The ACTING SPEAKER (Mr Savage) — Order! The honourable member for Warrandyte knows that is not a point of order.

Ms BEATTIE — Children who died at the industrial school were buried in unmarked graves and seemingly nobody cared that they had even lived. However, the dedicated members of the Sunbury Family History Society, led by Elizabeth Wilson, care and would like to acknowledge the lives of the children in some way.

The minister will recall that on a recent visit to my electorate she attended the Sunbury and Macedon Ranges Specialist School. Some of the buildings around that area form part of the original industrial school. Later these buildings were part of the women's prison which was so poignantly portrayed in the *Women's Jail Project* by that wonderful playwright and producer, Karen Martin. I am happy to report to honourable members that Karen has recently returned from Ireland where the *Women's Jail Project* played to packed houses and standing ovations.

The women's prison will be transformed into the Melbourne conservatorium for music, as the Bracks government has financed this important project with the Victoria University of Technology. The lives of the children were an important part of Victoria's history. Even though the federal minister, Amanda Vanstone, would not share my concern about the lack of acknowledgment of these children's lives — because, after all, these children only died once — I ask the Minister for Community Services what action she will take to honour these children.

Ms Asher — On a point of order, Mr Acting Speaker, I waited for this moment because I did not want to use the time of the house. On two occasions in her presentation the honourable member for Tullamarine asked, 'What action will the minister take?', rather than calling for specific action, as required by the rules for the adjournment debate. I ask that you rule her matter out of order. On two occasions, in her opening remarks and in her conclusion — I have taken notes — she said specifically, 'What action will the minister take?'. At no stage in her 3-minute presentation did she ask for action from the minister.

The ACTING SPEAKER (Mr Savage) — Order! The issue is now being dealt with by the honourable member. I am not in a position to rule; I was not actually listening.

Ms Asher — You are the Chair.

The ACTING SPEAKER (Mr Savage) — Order! As the Chair I was talking to the Clerk at the time. I did query that, but I am not in a position to rule on it. I think there is an issue of semantics, and I am not prepared to uphold the point of order.

Responses

Ms DELAHUNTY (Minister for Education) — The honourable member for Shepparton was obviously very irritated by the issue of head lice. He was concerned that the Department of Human Services has instructed that municipal council nurses should not now inspect young heads without parental permission. The honourable member seemed to be arguing that parents who will not give their consent for their children's heads to be examined for head lice are those causing the spread of head lice. I am sure he did not mean that, because it is a difficult proposition to sustain.

It certainly means that children's and parents' rights are protected when parental consent is sought before children are touched. However, we give detailed support to individual schools about the management of head lice, including detailed information about treatment and supervision and information to stop the spread of head lice. It is important to respect the rights of students and parents.

The honourable member for Sandringham raised a series of matters, I think. He began by asking about benchmarking but then moved on to somewhat of a history lesson about facilities. He may not have been listening to my answer in the house today, but I said that as part of the Bracks government's investment one in three of Victoria's 1631 schools are on a building program as we speak — one in three schools are being improved. This is an investment of \$283 million over three years.

Mr Honeywood interjected.

Ms DELAHUNTY — I can hear the chirping from the honourable member for Warrandyte. He obviously does not want to see any improvements in our schools. He wants them closed and privatised.

Certainly the Bracks government has provided for 13 new schools and 3 replacement schools. The honourable member for Sandringham then popped back

to benchmarking and made the extraordinary and fallacious remark that we are not testing in year 7. We are the first government in Victoria — —

Mr Thompson interjected.

Ms DELAHUNTY — No, that is not what you said. The honourable member cannot repeat the question. He made the allegation that we are not testing in year 7. I have to inform the house that the honourable member is absolutely wrong. We are testing in year 7.

Mr Thompson — On a point of order, Mr Acting Speaker, the issue I raised related to sampling of year 7 students, as opposed to the benchmarking of year 7 students.

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

Ms DELAHUNTY — Unfortunately the precision was lacking in the original comment. We are testing in year 7. We are the first government in Victoria to test in year 7. The honourable member for Warrandyte would remember that he represented Victoria at the Ministerial Council on Education, Employment, Training and Youth Affairs two years ago when he was a minister, when he put his hand up and said, 'Yes, Victoria will test in year 7'. What happened? The Kennett government sat on its hands. It is the Bracks government — —

Mr Honeywood — You are a liar.

Ms DELAHUNTY — You had better withdraw that again. This is very dreary.

Honourable members interjecting.

Ms DELAHUNTY — I am sorry; the shadow Minister for Education has made an offensive remark. I ask him to withdraw.

The ACTING SPEAKER (Mr Savage) — Order! There has been a suggestion that the honourable member for Warrandyte made a remark — —

Mr Honeywood — Mr Acting Speaker, I was never at the conference the minister alleges. She is lying again.

Honourable members interjecting.

The ACTING SPEAKER (Mr Savage) — Order! The Minister for Education has asked — —

Mr Honeywood — Out of respect to you, Mr Acting Speaker, I withdraw, despite the minister lying.

Ms DELAHUNTY — Thank you, Acting Speaker. We are testing in year 7, and the testing has been completed; it was done in August. It is providing us with some very revealing data about some improvements that need to be made in year 7, particularly in literacy.

The honourable member for Richmond — that great warrior for public education — raised a matter concerning the continuing process of reopening the Fitzroy Secondary College. The honourable member for Richmond is absolutely right; what a stunning day it was a couple of Sundays ago when, on behalf of the Bracks government, on behalf of the great believers in public education, I handed back the keys to the Fitzroy Secondary College. It was very pleasing, because these parents had literally laid their bodies on the line. They impeded the bulldozers and they stopped the privatisation of our public schools under the Kennett agenda — and some of the ministers are sitting here today, and they are very, very embarrassed. Some of those opposition members who were ministers in that government should be ashamed of their closure of 380 schools.

I recall as a journalist on the *7.30 Report* presenting stories about the fine believers in public education who day and night refused to leave that site. Unlike so many of the inner suburban sites that were closed by the Kennett government, they refused to let that land be sold off. Thus the land was kept for public education. As a result of some hard work by the honourable member for Richmond and others — the former Minister for Education, the Honourable Barry Pullen, in particular, who led a very inspired panel of locals — the need for a secondary college in the inner suburbs was examined.

The plan is to open for year 7 in 2003. But this is a very ambitious time line, as there has to be some renovation of that school — for example, it has to be cabled for computers. It has not been a school for 10 years, and schools have moved on. But to facilitate that I am delighted to announce today that a planning committee will be formed and that the architect for the site will be appointed in the next two weeks. I have specifically requested that the regional director include on that planning committee community representatives including Antony McPhee, David Brant and Claire Hargreaves, who were part of that broad group that fought so hard to reopen the school. It will also include parents, principals from the other local secondary

colleges, local government and a representative of the universities.

As the honourable member for Richmond has said, it is true that this decision has been widely applauded, not only for the people of Fitzroy but for those right across the state whose communities' hearts were broken when 380 schools were so cruelly and callously closed under the Kennett government. Of course the only person who did not applaud it was the shadow minister, and he has been yabbering away over there this evening.

Mr Pandazopoulos interjected.

Ms DELAHUNTY — That is right, he does not want any school opened; he wants to see them closed. He is obviously quite unaware — I do not know whether he was asleep or it was his self-righteousness — because today in question time he ignored the fact that we are not only reopening a school, Fitzroy Secondary College, but we are also building new schools in the growth corridors. The government is looking after the inner suburbs, because the students in those suburbs have a right to public education, but it is also building new schools in the growth corridors and in regional Victoria. The government is building 13 new schools and 3 replacement schools.

The honourable member for Warrandyte referred to the number of schools in Berwick. How many schools does the government have to build in Berwick? When will the honourable member get his facts right? On Monday the government announced the names of four new principals for four new schools in the south-eastern growth corridor. For heaven sake, keep up with it Phil! The schools are Cranbourne Special School, Berwick Secondary School, Narre Warren South Primary School and Aspendale Gardens Primary School, which is just the beginning of the Bracks government's reinvestment in public education.

Mr PANDAZOPOULOS (Minister for Major Projects and Tourism) — The honourable member for Brighton asked about tourism. One of the advantages of being in government is that you get to know what the former government was doing when in government. There has been a lot of grandstanding about a plenary hall. The honourable member for Brighton referred to the Melbourne Exhibition and Convention Centre Trust annual report and how unusual it is that it contains comments and presents new information about a plenary facility and refers to the work already done. It may be unusual under the Kennett government, but under this government organisations are allowed to

report on issues they think should be reported on. The government is working on everything reported on.

The opposition is so lazy that it gets its information from the publicly available information that agencies make available because the government asks them to disclose more information. How embarrassing is that?

Ms Asher interjected.

Mr PANDAZOPOULOS — What did they say about me? I could tell the house what they say about the honourable member, but it is not appropriate in a public place. The honourable member refers to the Melbourne Exhibition and Convention Centre Trust, but was the honourable member the minister responsible at the time, like me, as the Minister for Tourism? No, the Honourable Mark Birrell was the responsible minister. The honourable member for Brighton is excited about the importance of a plenary, convention and exhibition facility for tourism and the image of the state, but she was not even the minister at the time and has never had responsibility for it. I am pleased to have that responsibility. The government believes it fits in well with tourism.

Opposition members ask when the government will build it or start a new project. Opposition members are asleep. They have been going to the lunches that the Attorney-General was talking about today, discussing what they may do rather than learning about what is going on. Are new projects being built? What about the Malthouse Plaza and the Melbourne Sports and Aquatic Centre stage 2? Was money available for that? No. What about the Commonwealth Games village? That is just to name a few.

Honourable members interjecting.

Mr PANDAZOPOULOS — Just keep waiting. The opposition says, ‘What about them? We won them!’. Was money allocated for them? How will they be built unless the government facilitates them, funds them and makes them happen? Of course the former government left black holes in projects like Federation Square. The government could build more major projects if it did not have to find extra money for those things.

Let us look at what the government is doing. The annual report refers to things the government is doing. The opposition is now trying to rewrite history when it says that it supports this project. The Liberal policy was to ‘facilitate the extension of the exhibition centre and a new plenary facility in the next decade’. Did the then government commit funding for it? No. Did it have a site? No. Did it have architectural plans agreed on? No.

Before funding a major project the government must undertake concept planning on different sites so it can see how the project can be delivered financially.

The opposition’s talk is cheap. It did not do the work in government, yet it wants the Bracks government to deliver these things overnight. The former government was planning to deliver them over the next decade. The government will continue to do the work and the proper assessments. Of course the government is aware of the importance of such a facility.

Ms CAMPBELL (Minister for Community Services) — The honourable member for Tullamarine raised a very touching subject, particularly given the significant history of the Sunbury Industrial School around Sunbury. As the honourable member outlined, she proudly showed me around the Sunbury and Macedon Ranges Specialist School when I had the opportunity to visit it. It is at an historic site and there is an interesting but tragic history related to it of the lives of the children who worked at the Sunbury Industrial School.

It is reassuring to find such community spirit still alive and active in the honourable member’s electorate. The honourable member outlined to me the fact that many of the children are buried in the Sunbury cemetery in unmarked graves. I pay great tribute to the Sunbury Family History Society for its initiative in undertaking to remember and honour these children.

There is a range of options available, but it is important that these children are honoured sensitively and quickly, and to that end I am happy to support the Sunbury Family History Society to the tune of \$1000 towards that project. On behalf of those of us who treasure the lives of children, the government wants to say thank you to the Sunbury Family History Society and wish it luck in this venture. With the society, the government honours the lives of those children, albeit belatedly.

Ms PIKE (Minister for Housing) — The honourable member for Geelong raised with me in my capacity as Minister for Aged Care the matter of ongoing funding for frail aged people in his community. Today we were joined by mayors from all political persuasions from right across Victoria who came to Parliament to protest about the lack of federal aged care funding.

Unfortunately on this occasion the mayor from Geelong was missing. He was not here to sign the joint communiqué that identified the fact that the massive shortage of funding for 5000 beds in Victoria is affecting older people right across the state. He was not

here to identify the \$170 million by which Victorians are being short-changed or to identify the massive pressures on our public hospital system or to call for matching funding of the Bracks government's \$41 million commitment.

I will ask the Municipal Association of Victoria to make the joint communiqué available to the City of Greater Geelong so that the mayor can represent his people and add his signature to the list of the 40 other mayors who have shown their support by calling on the Howard government to meet its financial responsibilities to frail aged people in Victoria.

The honourable member for Ripon raised with me the very concerning matter of the shortage of residential aged care beds in his — —

Honourable members interjecting.

The ACTING SPEAKER (Mr Savage) — Order! The honourable members for Mordialloc and Geelong and the Leader of the Opposition will cease interjecting.

Ms PIKE — Recently I tabled a report entitled *Underfunding of Aged Care in Victoria*. The honourable member for Mordialloc may not find this matter very riveting, but I can assure him — —

The ACTING SPEAKER (Mr Savage) — Order! The Chair is becoming increasingly tired of the honourable member for Mordialloc and his inane interjections. He will cease to interject across the table and let the minister conclude her remarks.

Ms PIKE — I can assure the house and assure the — —

The ACTING SPEAKER (Mr Savage) — Order! The honourable member for Mordialloc is defying the Chair, and the Chair has had enough.

Mr Leigh interjected.

The ACTING SPEAKER (Mr Savage) — Order! The honourable member for Mordialloc will withdraw that remark. Do you want me to call the Speaker?

Mr Leigh — I'll leave the chamber before I apologise to you, period.

Honourable member for Mordialloc withdrew from chamber.

Honourable members interjecting.

Ms PIKE — Not only did the report identify that there is significant underfunding for aged care in

Victoria but recently the health minister released the latest hospital snapshot, which also identified the number of older people in our hospital system requiring residential aged care facilities. We know that the concerns of the honourable member for Ripon are particularly for residents within his local community. In September 12 patients in Ballarat, adjacent to his community, waited 878 bed days. That is an average of 73.17 days for an aged care bed.

Clearly this is an unacceptable situation, and the Bracks government is doing what it can to try to assist people in these communities: lobbying the federal government to provide additional beds, reopening beds that were closed by the previous government and providing additional capital funding. I have already announced that Dunolly and Avoca in his community have received additional funding as part of the broader Maryborough health service, and the government is working closely with that community to identify further ways that we can assist it in its provision of aged care.

The honourable member for Wantirna raised a matter with the Minister for Transport requesting the release of the timetable for the construction of the tramline along the Burwood line to Knox City, and I will forward that request to the minister.

The honourable member for Gippsland East raised a matter for the attention of the Premier asking for an investigation into the contractual arrangements for the eastern gas pipeline. Again I shall request a response from the Premier.

The Leader of the Opposition raised another matter with the Premier regarding the identification of land purchased for the construction of the Scoresby freeway, and I will request that the matter be responded to by the Premier.

The ACTING SPEAKER (Mr Savage) — Order! The house stands adjourned.

House adjourned 10.53 p.m.

