

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE ASSEMBLY

FIFTY-FIFTH PARLIAMENT

FIRST SESSION

20 April 2004

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Tuesday, 20 April 2004

The SPEAKER (Hon. Judy Maddigan) took the chair at 2.04 p.m. and read the prayer.

ABSENCE OF MINISTERS

The SPEAKER — Order! Prior to commencing questions without notice I advise the house that the Minister for Manufacturing and Export; the Minister for Gaming, who is also the Minister for Tourism and the Minister for Racing; and the Minister for Police and Emergency Services will be absent from the chamber this afternoon. Questions for the Minister for Manufacturing and Export will be answered by the Treasurer. Questions for the Minister for Tourism and Minister for Racing, and the Minister for Police and Emergency Services should be directed to the Attorney-General.

QUESTIONS WITHOUT NOTICE

Land tax: *Victoria — Leading the Way*

Mr DOYLE (Leader of the Opposition) — My question is to the Premier. I refer the Premier to his economic statement and specifically — —

Honourable members interjecting.

The SPEAKER — Order! I can understand the enthusiasm of members but I ask them to be quiet and allow the Leader of the Opposition to ask his question.

Mr DOYLE — Thank you, Speaker. Just trying to help, as usual.

Honourable members interjecting.

Mr DOYLE — I was trying to get on with it, if you recall.

I refer the Premier to his economic statement and specifically to his land tax commitments. Will the Premier guarantee regular revision of land tax so that today's benefit is not swallowed up through rising property values, and will the Premier allow objections to a land tax assessment at the time of receiving that assessment?

Mr BRACKS (Premier) — First of all I welcome the question from the Leader of the Opposition. I welcome the fact that I am able to respond and say that this government is reducing land tax by \$1 billion over the next five years. That \$1 billion over the next five

years will enormously assist investors and small business in the state, as well as those who have second or third properties. Speaker, if you look at land tax combined with other key taxes, you will see that we are in a very competitive position in Victoria.

The matter raised by the member will be addressed in that land tax will be progressively reduced at the top rate over the coming financial years. That will be in future budgets and will be adjusted until we get a top rate which is reduced in future estimates periods to 3 per cent, which will make us very competitive. We should remember that we inherited a land tax system which had a very low threshold and which exempted the principal place of residence. The action we have taken is to eliminate those people from paying land tax and to reform the system and reduce the top rate. I believe this will have a specific benefit for the Victorian economy.

Economy: *Victoria — Leading the Way*

Mr HARKNESS (Frankston) — My question is to the Premier. Can the Premier inform the house about the contents of the government's business statement, *Victoria — Leading the Way*, which was launched earlier today? Can the Premier outline how Victorians will benefit from the initiatives outlined?

Mr BRACKS (Premier) — I thank the member for Frankston for his question. I am very proud that our government has delivered today the economic statement titled *Victoria — Leading the Way*. The economic statement delivered today is aimed at four clear objectives. The first objective is to lower the cost of doing business in Victoria; the second is to drive new investment in Victoria; the third is to stimulate the creation of new jobs and job growth in this state; and the fourth is to create further export opportunities for Victorians. In all those tests the economic statement has come up with an excellent result.

In relation to lowering the costs of doing business in Victoria, I can confirm that business costs in Victoria over the next five years will be reduced in aggregate by \$1.9 billion. That will include two major measures: land tax, which I have already referred to and which will be reduced by \$1 billion over the next four years; and WorkCover premiums, which will be reduced by 10 per cent to reduce the average WorkCover premium to below 2 per cent, which will mean that Victoria has the second-lowest WorkCover premium rate in Australia. If members look at the comparative position of average WorkCover premiums, they will see that after this change today Victoria's average WorkCover premiums, at under 2 per cent, will be 25 per cent less

than the New South Wales average WorkCover bill. This is a very competitive position, and it means effectively that the combination of land tax reductions of \$1 billion and WorkCover reductions aggregating in five years to \$900 million is \$1.9 billion of tax cuts to businesses in Victoria.

That is in addition to the existing measures that will be in the budget in two weeks time, where stamp duty on mortgages will be eliminated for the first and only time in any state in Australia. That will save businesses and householders in this state some \$220 million. That means if you are setting up a small business in Victoria, it will be the only state where you will not pay stamp duty on the mortgage in setting up that business. It also means if you are looking at buying an average house in Victoria costing \$300 000, you will have a benefit of more than \$1000 because of the elimination of that stamp duty. This is a great benefit.

The government is driving key initiatives around the port of Melbourne, including the deepening of the channel. We are advancing the business and feasibility study proposals for that and will introduce legislation into the house in the spring sitting; and subject to an environment effects statement we will be well prepared to start the project and finish it sooner than otherwise would be the case.

We are also announcing two other big projects: the moving of the wholesale markets and the Dynon Road rail link project, which will assist enormously in getting a continuous rail link into the port of Melbourne.

I am also pleased to announce that a new convention centre will be funded by the government, and almost \$370 million will be put into the budget in two weeks time to fund the convention centre in the future. The centre will have a 5000-seat plenary hall and will mean Victoria is competitive with the rest — —

Honourable members interjecting.

The SPEAKER — Order! The level of audible conversation is too high. I ask members to be quiet.

Mr BRACKS — It will significantly advance our tourism industry in the state. All in all the economic statement will mean a \$1.9 billion reduction in business taxes in Victoria. It will mean that 20 000 new jobs at a minimum will be created and that we are on track to achieve our target of \$30 billion in exports by 2010. It will mean we have the right settings for jobs and investment in this state over the coming years.

Food: Victoria — *Leading the Way*

Mr RYAN (Leader of The Nationals) — My question is to the Premier regarding the government's Next Generation food strategy released today. Does the strategy make provision for resolving union demarcation disputes like those that destroyed the Saizeriya project?

Mr BRACKS (Premier) — I thank the Leader of The Nationals for his question. The extra amounts released today in the food strategy includes extra funding to achieve the target we have set, which is \$12 billion in food and fibre exports for this state by 2010. The strategy provides extra resources and support to achieve that. We are on the way to achieving that. This statement will assist enormously in that task.

Economy: Victoria — *Leading the Way*

Mr HUDSON (Bentleigh) — Will the Treasurer inform the house how *Victoria — Leading the Way* significantly cuts the cost of doing business in Victoria and so builds on the Bracks government's record of reducing taxes and charges? What will be the impact of these changes on the economic health of Victoria?

Mr BRUMBY (Treasurer) — I thank the member for Bentleigh for his question, which asked about the impact on business costs in Victoria. Just to reiterate the key elements from this package: the cuts to land tax over five years will be worth \$1 billion; the cuts to WorkCover will be \$900 million in average premiums over the next five years; and as the Premier has said, if you add to that the benefits that business will get from the abolition of duty on mortgages which takes effect from 1 July this year, in aggregate over the next five years that is \$2.3 billion worth of cuts to the cost of doing business in Victoria, which will drive new jobs and new investment right across this state.

Let us be clear about this. These are measures which are unmatched by any other state in Australia. No-one has cut the cost of doing business as we have here in Victoria. The opposition often talks about cutting tax and so on, but we have done it. We have delivered; we have done what you could never do.

Honourable members interjecting.

The SPEAKER — Order! I have reminded the Treasurer many times that he must address his comments through the Chair. I do not intend to keep reminding him: I will sit him down if he does it again.

Mr BRUMBY — Speaker, I was asked about the government's record on taxes and charges. I think it is

instructive to remind the house of the reductions that have been made in business taxes and charges during the term of the Bracks government. We have cut payroll tax — —

Mr Perton interjected.

Mr BRUMBY — You would do well to listen!

We have cut payroll tax from 5.75 per cent to 5.25 per cent; that is a tax cut. We have abolished duty on non-residential leases, we have abolished financial institutions duty, we have abolished duty on unquoted marketable securities and we have abolished duty on quoted marketable securities, and from 1 July this year we are abolishing duty on mortgages. No other state and no other government can match this record. As outlined in today's statement, there will be new land tax reform from 1 July this year and average WorkCover premiums will be cut, and as part of the intergovernmental agreement, which we pay for, from 1 July next year we are abolishing debits tax, which will benefit business and consumers right across the state.

Let us go to land tax, because from the former government we inherited a system with a top rate of 5 per cent. That has been an uncompetitive rate, and it affects all sorts of business operations in Victoria. So today, as the Premier has said, we have announced that that top rate will be cut from 5 per cent to 4 per cent immediately from 1 July and thereafter by 0.25 per cent per annum, bringing the top rate down to 3 per cent — a 40 per cent cut in the top rate of land tax. Why is this important? It is important because if you are developing land in Cranbourne or Craigieburn that a first home buyer is going to buy, the holding cost each year is \$5000. We are bringing down that top rate to reduce the cost of housing and reduce the cost for first home buyers getting into the market. If you are manufacturer on a block of land, whether you are in Geelong or the outer suburbs of Melbourne you are paying land tax, and we are bringing that rate down as well.

We are also freeing 25 000 Victorians from paying land tax. We are lifting the threshold from \$150 000 to \$175 000, which means that for self-funded retirees and small investors we have the most generous land tax system anywhere in Australia. Ninety-six per cent of all Victorians pay less in land tax than they would in New South Wales. Finally on the land tax changes, in the middle bracket too — from about \$600 000 up to \$1.08 million — we are increasing the scale by 10 per cent to provide some tax relief for small and medium-sized businesses.

As the Premier has said, this cuts the costs of doing business to drive investment and jobs. Victoria's economy has performed well in recent years, but we face challenges. The higher dollar, higher interest rates and a competitive world economy mean that we need to work smarter, pedal faster and cut costs. That is exactly what we have done today. It sets Victoria out leading the way for the rest of Australia, generating new jobs and investment and providing a certain future for all Victorians.

Exports: *Victoria — Leading the Way*

Mr CLARK (Box Hill) — My question without notice is to the Premier. I refer the Premier to his previous answer, in which he repeated his economic statement target of achieving \$30 billion of exports of goods and services by 2010, and I ask: is the Premier aware that the value of goods and services exported in 2001–02 was \$29.5 billion? If so, why has the government set a target that is only 1.7 per cent above the level that Victoria achieved two years ago?

Mr BRACKS (Premier) — I thank, first of all, the member for Box Hill for his question. It would be instructive for the member for Box Hill to check with his parliamentary leader, who said in a press conference that this target was unachievable.

Mr Doyle interjected.

Mr BRACKS — You did! So I agree with the member for Box Hill: it is achievable. We will get there, and \$30 billion by 2010 is a good target.

Port of Melbourne: *Victoria — Leading the Way*

Mr LANGUILLER (Derrimut) — My question is to the Minister for Transport. Can the minister advise the house about the initiatives announced in *Victoria — Leading the Way* to improve the efficiency of Melbourne's ports and the associated supply chain? Can the minister also inform the house about the effects of these initiatives on Victorian business and the economy?

Mr BATCHELOR (Minister for Transport) — The port of Melbourne is the lifeblood of the Victorian economy. That is why we have made this announcement today. It supports some 80 000 people and carries \$129 000 worth of trade every minute of every day.

The whole of the Victorian community, and indeed the whole of the Australian nation, benefits directly from what comes in and goes out of the port of Melbourne. That is why today we have made this very significant

announcement in *Victoria — Leading the Way* to boost the port of Melbourne.

This initiative of the Bracks government will drive investment, create jobs and make our state and our port more competitive — it will make it more competitive for farmers, for industry and for the community. Today we have announced support for deepening the shipping channels of the port of Melbourne, subject to achieving the environmental clearances at both the state and the national level. We will fast track this project because it is a priority for us.

Mr Smith — How are you going to pay for it?

Mr BATCHELOR — You can hear the opposition attacking us for wanting to keep the economy of Victoria growing strong through building and boosting our port. We have provided an additional \$14.9 million today, which will accelerate the design work of this important project for Victoria.

The government will also make an appropriate contribution, following further analysis, to the cost of relocating the utilities — the gas, sewer, oil, telecommunications and electricity services — that run under the Yarra River. We will help contribute to that once further analysis has been done.

We have to do this, because ships are getting bigger. The current size of ships means that they are constrained coming in and going out of the port of Melbourne. It means that 30 per cent of ships coming into the port of Melbourne cannot and do not load to their full capacity.

Honourable members interjecting.

The SPEAKER — Order! The level of conversation is too high. I ask members to lower their voices, particularly the Leader of the Opposition, so that the house can hear the answer from the Minister for Transport.

Mr BATCHELOR — This is good news for farmers, for industry and for the community, and you would have thought that the Victorian opposition would have been interested in hearing it and supporting it. We need to maximise the benefits that will come to the Victorian economy, and we intend to improve upon the channel deepening project by improving the landside facilities at the port of Melbourne.

Mr Smith interjected.

Mr BATCHELOR — The member asks about trains into the port, so I will tell him. We have provided

\$2.1 million today to finalise the design work for the Dynon dock link project. This project will remove the bottleneck that exists at the moment when car and truck traffic becomes congested when the freight trains seek to move from Dynon Road into our port. We will do this by grade-separating Footscray Road and other roads within the dock precinct. It will enable more trains to get into our ports. It will enable longer trains to get into our ports, and it will enable those trains that travel — —

Mr Doyle interjected.

Mr BATCHELOR — It will also mean fewer trucks congesting inner city roads. This Dynon port rail link is a project of national importance, and that is why we have already approached the commonwealth government to assist in funding this project as a key intermodal project as part of its Auslink project. So the Bracks government is prepared to work with unions, industry, farmers and the commonwealth government to improve the facilities of our port and to make sure we can continue to grow the jobs and investment here in Victoria for all Victorians.

Industrial relations: *Victoria — Leading the Way*

Mr McINTOSH (Kew) — My question is to the Premier. I refer the Premier to his promise in his economic statement to ‘develop a series of packages for new investors and smaller investors who do not typically engage government for assistance with industrial relations issues’. Given the government’s admitted inappropriate conduct in the Saizeriya fiasco, what confidence can any potential investor have in today’s empty promise?

Mr BRACKS (Premier) — I thank the member for Kew for his question. I am glad to have an opportunity to speak on some of the industrial relations matters which are included in the economic statement. There are three key matters included. The first one is a consolidation of the existing Essential Services Act, the Vital State Projects Act, the Electricity Industry Act and the Gas Industry Act into one emergency services act and in addition to the existing regime, which has fines, to have the capacity to set a rate while these matters are ultimately heard in the commission. That is fair all round and will mean a speedier resolution of some matters.

Secondly, we are seeking also as part of the plan we have in *Victoria — Leading the Way* to have the capacity to intervene and to terminate the bargaining period where it is more appropriate and easier to do it.

We are seeking that power from the commonwealth as well.

Mr McIntosh — You have got that!

Mr BRACKS — No, that's not true. The member for Kew said there is a power, but the test is so high because the Workplace Relations Act is inefficient and ineffective. We want the threshold to be lower. We are seeking that capacity to intervene.

Thirdly, we will continue to offer the advice, support and assistance of Industrial Relations Victoria in these matters.

WorkCover: Victoria — *Leading the Way*

Ms MARSHALL (Forest Hill) — My question is to the Minister for WorkCover. Can the minister inform the house of changes to the average WorkCover premium rate foreshadowed in the government's *Victoria — Leading the Way*? Can the minister also advise the house of the impact that these changes will have on employers and the economy?

The SPEAKER — Order! I am having some problems with the questions from the government today. Some of them seem to have two questions involved. In fact, only one question can be asked each time at question time, so I will allow the first question.

Mr HULLS (Minister for WorkCover) — I thank the member for her question. As the Premier has already said, Victoria's average WorkCover premium rate will reduce by 10 per cent from 1 July this year. WorkCover premiums will be fairer, they will be simpler and they will be cheaper. This premium reduction is a landmark one. It is the first time a reduction in the average WorkCover premium rate has been achieved at the same time as benefits to injured workers have improved.

The announcement foreshadowed in the business statement today will give Victorian businesses an even greater competitive advantage. The premium cut reduces the average Victorian WorkCover premium rate to below 2 per cent. This will see Victorian employers save more than \$180 million in 2004–05 and around \$900 million over the next five years.

As the Premier has already said, this means that Victoria's WorkCover premiums will be some 25 per cent below those of New South Wales. As we know, lower premiums mean lower costs to businesses. This means more investment, more jobs for workers and a brighter future for Victorian families. This is all about a better future for Victorian families. This 10 per cent

average WorkCover premium rate reduction will directly benefit local economies right around the state. Further to this, changes to the way premiums are calculated in 2004–05 will provide more incentives and more rewards to employers who actually take the health and safety of their employees seriously.

For example, the WorkCover authority estimates that in 2004–05 the City of Greater Geelong, with around 7000 workplaces, will share in savings of around \$6 million compared to 2003–04. Mildura, for instance, with around 2800 workplaces, will share in savings of around \$2 million. Bendigo, with 3200 workplaces, will save around \$2 million. The City of Casey, with over 5000 workplaces, is expected to save more than \$4.5 million. Ballarat will save more than \$4 million, and the City of Greater Dandenong, with more than 6000 workplaces, is expected to share in around \$11 million in savings.

I want to say in conclusion that we inherited a WorkCover basket case from those opposite, and we have been able to turn the scheme around.

Honourable members interjecting.

The SPEAKER — Order! The level of interjection is too high. The Attorney-General, to conclude.

Mr HULLS — In fact in the last year of the Kennett government worker insurance operations lost — I repeat, 'lost' — \$304 million. This government has actually produced positive results. Our first goal was to restore financial management to the scheme, and we have done that. We also said we would restore common-law benefits to injured workers, and we have done that. We said we would restore benefits to permanently injured workers, rights taken away by the former government, and we have done that as well. Whenever those opposite had trouble balancing the books, what did they do? They actually cut benefits to injured workers. We have improved benefits to injured workers, and we have also reduced WorkCover premiums on average by 10 per cent.

This 10 per cent cut in the average WorkCover premium rate, along with other measures foreshadowed in today's business statement, will increase the competitiveness of Victorian businesses and underscore Victoria's position as the leading location for business investment in this country.

Schools: portable classrooms

Mr PERTON (Doncaster) — My question is to the Minister for Education Services. I refer to the minister's demand that the Department of Education and Training

establish for her a comprehensive plan for media opportunities. Does that media schedule include the opportunity to advise Victorians why 50 000 students are being taught in broken-down, smelly and asbestos-ridden portable classrooms?

Ms ALLAN (Minister for Education Services) — I am certainly very proud to be part of a government that has invested an unprecedented \$3.7 billion in education since 1999! I certainly do not make any apologies for wanting to spread this good news.

Mr Cooper interjected.

Ms ALLAN — For the members of the opposition, hearing the good news in education is like scraping fingernails down a blackboard. They do not want to hear about the positive investment we are making in education.

Honourable members interjecting.

The SPEAKER — Order! I ask the Leader of the Opposition and the Deputy Leader of the Opposition to cease interjecting in that way. I ask the Minister for Education Services to address her comments through the Chair.

Ms ALLAN — If we were to look at a similar memo that may have been sent out by the Department of Education between 1992 and 1999 you would think it might say something like, ‘Due to the sacking of 9000 teachers, the closure of over 300 schools, I am sorry to report that there is no good news to report’.

Honourable members interjecting.

The SPEAKER — Order! I ask members to show some concern and consideration for other members of this house. The level of interjection on both sides of the house is unacceptable to me.

Mr Plowman — On a point of order, Speaker, I believe the Minister for Education Services has now got to the position where she is debating the question and not getting back to the actual words of the question.

The SPEAKER — Order! The question related to comprehensive plans for media opportunities and temporary classrooms. I would like the minister to address her comments to that question.

Ms ALLAN — There is certainly plenty of good news when you look at the government’s capital works program that we put in place in the last four years. The Leader of the Opposition might not want to hear the good news, and the member for Doncaster does not

want to hear the good news, but certainly there is plenty of good news — and part of that good news is the portable replacement classroom program that we are investing in. We do recognise and we are aware of some of the ageing portable stock issues that we have in Victoria. The member for Doncaster was a member of a government that for seven years did nothing in this area, but we are going to get on with the job. As well as investing \$959 million in capital works spending in schools and technical and further education institutes we have made a commitment of \$50 million to replace the oldest portable stock, and that will create 600 new classroom spaces over the next four years.

These are initiatives that I am certainly very proud of. I am proud to be a member of a government that has education as its no. 1 priority, and that is certainly something that we will continue to talk about — our commitment to education and our commitment to making a significant investment in this area.

Rural and regional Victoria: *Victoria* — *Leading the Way*

Ms DUNCAN (Macedon) — My question is to the Minister for Agriculture. Can the minister inform the house about the positive benefits that *Victoria* — *Leading the Way* will bring for provincial Victoria and rural industries.

Mr CAMERON (Minister for Agriculture) — I thank the honourable member for her question, and as one in six direct jobs are in the food and fibre sector in provincial Victoria certainly you would have to say that the statement today released by the Premier and the Treasurer will continue to make it happen as Victoria leads the way.

The Premier today set out the importance of having a good and strong fruit and vegetable market for Victoria as a vital link in the supply chain. What we want to do is to secure that industry for the future. The market at Footscray Road was first built in 1969. At the time there were only a few hundred occupants, whereas today there are 2700 registered users, of which 1800 operators work from that site. It employs 7000 people, and it is cramped and much too small.

Victoria produces 40 per cent of the nation’s horticulture, and that industry continues to grow. Just as we have seen it grow in exports, we have seen it grow at the market; we have seen it grow to the point where the market is bursting. The Melbourne Market Authority advises that you would have to spend around \$100 million within the next decade alone to get a

another decade of economic use — in other words, its economic life has come to an end.

The economic activity there has doubled in less than a decade, which highlights why we need to have a new market. The government is committed to that relocation occurring by 2010, and there will be a business case this year which will consider the site.

Dr Napthine interjected.

Mr CAMERON — Of course it needs time for businesses to be able to adapt. While the honourable member for South-West Coast shakes his head and dreams of country Victoria being the toenails once again, what we want to do is get on with the job.

There needs to be a site of between 60 and 90 hectares, and what we will see over a 20-year period are building works and investment into the site of \$1 billion. That site at Footscray will free up the area for future development at the port in the next decade. That is on top of the immediate proposal to bring forward the planning for the channel deepening and rail access to the port. The reason why that planning is important now, why that supply chain is important now, is that half the exports from the port of Melbourne are food and fibre. That is the vital link between the port and country Victoria, which wants to sell its produce to the world. That is what this is doing to help our industries and to help those 1 in 6 direct jobs in provincial Victoria.

NOTICES OF MOTION

Notices of motion given.

Mr PERTON having given notice of motion:

Mr Herbert — On a point of order, Speaker, I take offence at the member for Doncaster's comments and ask that he withdraw them.

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

Further notices of motion given.

PRIVATE SECURITY BILL

Introduction and first reading

Mr BATCHELOR (Minister for Transport) introduced a bill to provide for the licensing or registration of certain participants in the private security industry, to otherwise regulate that

industry, to amend the Private Agents Act 1966 and for other purposes.

Read first time.

ALPINE RESORTS (MANAGEMENT) (AMENDMENT) BILL

Introduction and first reading

Mr THWAITES (Minister for Environment) introduced a bill to amend the Alpine Resorts (Management) Act 1997 and for other purposes.

Read first time.

BIRTHS, DEATHS AND MARRIAGES REGISTRATION (AMENDMENT) BILL

Introduction and first reading

Mr HULLS (Attorney-General) introduced a bill to amend the Births, Deaths and Marriages Registration Act 1996 to provide for the recognition of the sex of persons who have undergone sex affirmation surgery and for other purposes.

Read first time.

JUSTICE LEGISLATION (SEXUAL OFFENCES AND BAIL) BILL

Introduction and first reading

Mr HULLS (Attorney-General) introduced a bill to amend the Crimes Act 1958, the Evidence Act 1958 and the Sentencing Act 1991 with respect to sexual offences, child pornography and sexual performances involving a minor and to amend the Bail Act 1977 and the County Court Act 1958 with respect to failure to answer bail and extension of bail and for other purposes.

Read first time.

COURTS LEGISLATION (JUDICIAL APPOINTMENTS) BILL

Introduction and first reading

Mr HULLS (Attorney-General) — I move:

That I have leave to bring in a bill to amend the Magistrates' Court Act 1989 and the Judicial Remuneration Tribunal Act 1995 to enable magistrates to work on a part-time basis, to

amend the County Court Act 1958 and the Supreme Court Act 1986 to widen the eligibility criteria for certain judicial appointments and for other purposes.

Mr McINTOSH (Kew) — I seek a brief explanation about this bill from the Attorney-General.

Mr HULLS (Attorney-General) — This bill will enable the appointments of permanent part-time magistrates, which fits in with the government's work and family balance policies. It will also enable magistrates who have been appointed on a full-time basis to work less than full-time hours.

Motion agreed to.

Read first time.

COURTS LEGISLATION (FUNDS IN COURT) BILL

Introduction and first reading

Mr HULLS (Attorney-General) introduced a bill to amend the Supreme Court Act 1986, the County Court Act 1958, the Magistrates' Court Act 1989, the Victims of Crime Assistance Act 1996 and the Trustee Act 1958 with respect to the investment and use of money held in court or by the Victims of Crime Assistance Tribunal on behalf of persons under disability and for other purposes.

Read first time.

PRIMARY INDUSTRIES LEGISLATION (MISCELLANEOUS AMENDMENTS) BILL

Introduction and first reading

Mr CAMERON (Minister for Agriculture) — I move:

That I have leave to bring in a bill to amend the Agricultural and Veterinary Chemicals (Control of Use) Act 1992, the Dairy Act 2000, the Fisheries Act 1995, the Fisheries (Further Amendment) Act 2003, the Plant Health and Plant Products Act 1995 and the Stock (Seller Liability and Declarations) Act 1993 and to repeal the Australian Food Industry Science Centre Act 1995 and for other purposes.

Dr NAPTHINE (South-West Coast) — I seek a brief explanation of the bill.

Mr CAMERON (Minister for Agriculture) — This is a collection of primary industry legislation. Among other things it will allow for testing with agricultural and veterinary chemicals to be done on other than agricultural produce — for example, weeds in the case

of spray drift. It will allow for the tabling automatically of the Gardiner Foundation annual report. It makes some changes in relation to the Stock (Seller Liability and Declarations) Act 1993 as a result of some national competition policy follow through, and it repeals the Australian Food Industry Science Centre Act 1995 because we are going into a new delivery mechanism with the CSIRO.

Motion agreed to.

Read first time.

ENERGY LEGISLATION (REGULATORY REFORM) BILL

Introduction and first reading

Mr CAMERON (Minister for Agriculture) — I move:

That I have leave to bring in a bill to further amend the Electricity Industry Act 2000, the Gas Industry Act 2001, the Electricity Industry (Residual Provisions) Act 1993, the Electricity Safety Act 1998 and other acts and for other purposes.

Mr McINTOSH (Kew) — I seek a brief explanation about this bill from the minister.

Mr CAMERON (Minister for Agriculture) — This bill brings about additional reform in the energy sector.

Motion agreed to.

Read first time.

VICTORIAN QUALIFICATIONS AUTHORITY (NATIONAL REGISTRATION) BILL

Introduction and first reading

Ms KOSKY (Minister for Education and Training) — I move:

That I have leave to bring in a bill to amend the Victorian Qualifications Authority Act 2000 to provide for a national scheme of registration of training organisations and vocational education and training and further education courses and qualifications and to make consequential amendments and for other purposes.

Mr PERTON (Doncaster) — I ask for a brief explanation.

Ms KOSKY (Minister for Education and Training) — It is essentially template legislation which

has been agreed nationally and which will ensure we have a proper national registration scheme. That will mean that where there is agreement on registration in other states that will be recognised here in Victoria and vice versa.

Motion agreed to.

Read first time.

PETITIONS

Following petitions presented to house:

Planning: rural zones

To the Legislative Assembly of Victoria:

The petition of certain citizens of the state of Victoria draws to the attention of the house that the government's proposed new rural planning zones are inadequate and should be rejected.

Prayer

The petitioners therefore request that the Legislative Assembly of Victoria urges the government to withdraw and redraft the new rural planning zones and introduce a planning system that:

- (i) strikes a fairer balance between the need to preserve prime agricultural land and acknowledgement of the rights of landowners;
- (ii) does not impinge on a landowner's rights to retire with dignity;
- (iii) encourages young people to take up farming; and
- (iv) gives local government flexibility in the determination of subdivisions and use of rural land.

By Mr RYAN (Gippsland South) (329 signatures)

Central Health Interpreter Service: future

To the Legislative Assembly of Victoria:

The petition of members of the Victorian community draws to the attention of the house the importance of level 3 NAATI health specialists, interpreters and translators being available on a continuing basis within health settings.

Prayer

The petitioners therefore request that the Legislative Assembly of Victoria urge the health minister and the government to reverse the decision to close the Central Health Interpreter Service and that the existing Central Health Interpreter Service, which has been operating for over 20 years, be maintained.

By Mr THOMPSON (Sandringham) (61 signatures)

Tabled.

SCRUTINY OF ACTS AND REGULATIONS COMMITTEE

Alert Digest No. 3

Ms D'AMBROSIO (Mill Park) presented *Alert Digest No. 3* of 2004 on:

- Control of Genetically Modified Crops Bill**
- Crimes (Assumed Identities) Bill**
- Crimes (Controlled Operations) Bill**
- Health Services (Supported Residential Services) Bill**
- Heritage (Further Amendment) Bill**
- Land (Miscellaneous) Bill**
- Land Tax (Amendment) Bill**
- Monetary Units Bill**
- Surveillance Devices (Amendment) Bill**
- Transfer of Land (Electronic Transactions) Bill**

together with appendices.

Tabled.

Ordered to be printed.

COUNTY COURT JUDGES

Annual report

Mr HULLS (Attorney-General) presented, by command of the Governor, report for 2001–02.

Tabled.

DOCUMENTS

Tabled by Clerk:

Ballarat University — Report for the year 2003 (two documents)

Commonwealth Games Arrangements Act 2001 — Orders under s 18 (5 orders)

Deakin University — Report for the year 2003

Essential Services Commission — Special Investigation — Proposed Retail Tariff Amendments

Financial Management Act 1994 — Budget Update for the year 2003–04

La Trobe University — Report for the year 2003

Melbourne University — Report for the year 2003

Melbourne University Private Pty Ltd — Report for the year 2003

Monash University — Report for the year 2003

Planning and Environment Act 1987 — Amendment No C66 to the Casey Planning Scheme

Planning and Environment Act 1987 — Notices of approval of amendments to the following Planning Schemes:

- Ballarat Planning Scheme — No C66
- Bass Coast Planning Scheme — No C30 Part 2
- Brimbank Planning Scheme — Nos C62, C74
- Casey Planning Scheme — No C56
- Colac Otway Planning Scheme — No C24
- Greater Bendigo Planning Scheme — Nos C29, C53
- Greater Dandenong Planning Scheme — No C31 Part 1
- Hume Planning Scheme — Nos C19 Part 2, C21
- Kingston Planning Scheme — No C37
- Knox Planning Scheme — No C21
- Manningham Planning Scheme — No C32
- Mansfield Planning Scheme — Nos C2, C3
- Maribyrnong Planning Scheme — No C40
- Melton Planning Scheme — No C35
- Mildura Planning Scheme — No C21
- Mitchell Planning Scheme — No C28
- Moorabool Planning Scheme — No C3 Part 1
- Moyne Planning Scheme — No C12
- Towong Planning Scheme — No C5 Part 1
- Warmambool Planning Scheme — No C18
- Whittlesea Planning Scheme — No C55

RMIT University — Report for the year 2003 (two documents)

Statutory Rules under the following Acts:

- Electricity Safety Act 1998* — SR No 24
- Fisheries Act 1995* — SR Nos 26, 27
- Tobacco Act 1987* — SR No 25
- Transport Act 1983* — SR No 28

Subordinate Legislation Act 1994:

- Ministers' exemption certificates in relation to Statutory Rule Nos 19, 26

Swinburne University of Technology — Report for the year 2003

Victoria University of Technology — Report for the year 2003.

The following proclamations fixing operative dates were tabled by the Clerk in accordance with an order of the house dated 26 February 2003:

Fisheries (Further Amendment) Act 2003 — Section 5 on 8 April 2004 (*Gazette G15*, 8 April 2004)

Port Services (Port Management Reform) Act 2003 — Sections 10, 24, 26(2), 30, 31, 32, 33, 34(2) and 35 on 1 April 2004 (*Gazette G14*, 1 April 2004).

ROYAL ASSENT

Message read advising royal assent on 6 April to Nurses (Amendment) Bill.

APPROPRIATION MESSAGES

Message read recommending appropriations for:

- Control of Genetically Modified Crops Bill**
- Crimes (Assumed Identities) Bill**
- Crimes (Controlled Operations) Bill**
- Health Services (Supported Residential Services) Bill**
- Heritage (Further Amendment) Bill**
- Transfer of Land (Electronic Transactions) Bill.**

BUSINESS OF THE HOUSE

Program

Mr BATCHELOR (Minister for Transport) — I move:

That, under standing order 94(2) the orders of the day, government business, relating to the following bills be considered and completed by 4.00 p.m. on Thursday, 22 April 2004:

- Control of Genetically Modified Crops Bill
- Corrections (Further Amendment) Bill
- Estate Agents and Travel Agents Acts (Amendment) Bill
- Health Services (Supported Residential Services) Bill
- Heritage (Further Amendment) Bill
- Land (Miscellaneous) Bill
- Land Tax (Amendment) Bill
- Transfer of Land (Electronic Transactions) Bill.

Mr RYAN (Leader of The Nationals) — While The Nationals do not oppose the government business program, I want to make the observation to Parliament that there is a glaring omission from the program this week. It should contain a ministerial statement. There should be a statement by the Premier of the state — or, indeed, he who sees himself as the would-be Premier of the state, the Treasurer. That ministerial statement

should reflect the statement made outside Parliament this day, entitled *Victoria — Leading the Way*. It should be debated in Parliament as part of the business program, because the statement, or action plan, purports to relate to 19 issues that are fundamental to the future of this state and touches upon a number of matters that are pertinent to the interests of country Victorians.

Apart from anything else, and without going through all 19 of them, the principle of this is abhorrent in the sense of parliamentary practice. We have seen an event undertaken outside the precincts of this place whereby the government has announced a series of proposals in the public domain that incorporate the appropriation of significant amounts of money. There are also elements to do with the delivery of those proposals, including both time and the mechanics of how they will be done — all matters that quite properly should be the subject of debate in this house.

Historically it has been the case that matters of this magnitude are brought before the Parliament. The government lays out what its proposals are for the future of Victorians, and this Parliament, as part of its important role as the house of the people of the state, has the opportunity to consider those proposals. That includes considering their implications for the people and certainly the budgetary implications of what the government is setting out to do. All of that is most important, particularly since it was only in November last year that the Auditor-General reported to this place on the fact that since 1999 the government income had increased by 21 per cent while at the same time its expenditure had gone up by 35 per cent — a situation which obviously translates into the government spending about 50 per cent more money than it is receiving. Now we have a series of proposals set out in this statement made by the Premier beyond the walls of the Parliament, and we need to know how it is that the government intends to go through the funding processes of bringing these things to fruition.

We also need the opportunity to examine how it is that these proposals set out in the document differ from so many of the other promises made by the government which to this day remain unfulfilled. This government business program is patently deficient in its form.

The SPEAKER — Order! In speaking to the motion and arguing that something should be included in the government business program, members do not have the opportunity to debate the issue that the Leader of The Nationals seems to be debating at the moment. I ask him to come back to his proposition about what should be included in the government business program for this week.

Mr RYAN — I thank you for your guidance, Speaker, but I was seeking to highlight the fact that in not incorporating today's economic statement in the government business program the government has bypassed the proper functions of the Parliament. Today's announcement should be incorporated in this week's program and be dealt with this week. In failing to do that the government has abrogated its duty to the people of Victoria. It has enabled these announcements today to be made without appropriate scrutiny by this place.

That scrutiny should properly be applied by the minister — or the Premier, if he so chooses — making a ministerial statement so that those of us on this side of the house, whether it is The Nationals, the Liberal Party or the Independents, are afforded the opportunity to comment on these important matters. It is by the wonderful, historic and long-accepted means of people being able to contribute in this place that we get a proper examination of the issues set out in this document.

It is a sad day for Victoria when the Premier seeks to circumvent processes that, properly applied, are given effect by the government business program each week, and it is why — —

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

Mr HONEYWOOD (Warrandyte) — In speaking on the proposed government business program I note that when the government desires to make radical changes to what has already been listed it is the first to rush to the opposition parties to try and have those changes accommodated. The Transfer of Land (Electronic Transactions) Bill is just one in a whole litany of examples on which this government has sought accommodation from the opposition parties in terms of expediting debate. The land tax legislation is another example of the government having come to the opposition and said, 'We need a hand here. We need to rush this through both houses to meet our particular political agenda'. The government is very quick to ask favours, but when it comes, as the Leader of The Nationals has said, to the other side of the equation and to the right to debate something fundamental to Parliament — namely, a key economic statement, if that is what it turns out to be in the wash — then, true to form, there is no accommodation by this government.

Further to the contribution of the Leader of The Nationals, having a debate about a key economic statement means that the government's plans and spending proposals are in *Hansard* for all time. That

means the government can be held accountable, rather than it being left to the media to buy the government spin and there being no fundamental debate about the plans the government has afoot.

When they were in opposition I well recall Labor Party members carping and complaining constantly about how few speakers they were entitled to have in debating an economic statement. In this case we do not even have a debate! It is another example of how this Parliament is held in contempt by the government and how, when it suits the government to seek accommodations from the opposition parties, it is the first to run and request them. Yet again this week we have the standard arrangement of lead speakers only on a range of bills, with other members coming back to debate them later. Whether it be the Control of Genetically Modified Crops Bill or the Estate Agents and Travel Agents Acts (Amendment) Bill, clearly the flow of debate is very much hamstrung when you have only the lead speaker and then move on to another bill, maybe getting back to the legislation later in the week.

There is an abrogation of respect for Parliament by the current government, and as the Leader of The Nationals so eloquently explained, the economic statement is just another chink in the armour of this government when it claims to make Parliament work more often and be more open and transparent. It is a sham!

Mr MAUGHAN (Rodney) — As the Leader of The Nationals has indicated, members of The Nationals will not oppose the government's business program, but I wish to make two points which support what the Leader of The Nationals and the member for Warrandyte have said — namely, that with regard to the business program itself there is now insufficient opportunity for members to have that flow of debate because of the habit that we have now got into to facilitate the government's business program of hearing lead speakers and then coming back. I agree with the member for Warrandyte that this does not facilitate a good flow of reasonable debate. But I really want to concentrate on the point made so well by the Leader of the National Party — —

Mr Smith interjected.

Mr MAUGHAN — The Leader of The Nationals, thank you.

This government has shown its contempt for the Parliament and for the people of Victoria by making this very significant statement outside the confines of this house so we are not able to debate it. It is an insult

to Victorians — and there are a lot of good things in the economic statement — —

Ms Beattie — Hear, hear!

Mr MAUGHAN — I acknowledge that. How about you acknowledge that we should have the opportunity here, as representatives — —

The SPEAKER — Order! The member for Rodney should address his remarks through the Chair, not across the chamber to the member for Yuroke.

Mr MAUGHAN — I apologise, Speaker. The member for Yuroke makes the point that we acknowledge there are some good things in the economic statement, but they are only promises. We need to debate how they are going to be implemented, what the cost to the state will be and all those sorts of issues, but we have been denied the opportunity of being able to do that, because the statement has been made outside the house.

The Land Tax (Amendment) Bill is the first bill listed on today's government business program motion, but again the government has not been able to get itself organised to get this bill passed in time without the cooperation of the parties on this side of the house. We are prepared to give that cooperation, but it would be nice if the government were to respond to the goodwill shown on this side of the house on many occasions in facilitating the passage of important legislation like the land tax legislation that will pass today by giving opposition members the opportunity to debate its very significant economic statement.

Yet again we will facilitate the adoption of the government's business program, but the government is taking members of this house, particularly members of the opposition parties, for granted, and in this instance it is treating them and the people they represent with contempt, because we will not have the opportunity to comment on and debate this very significant statement.

Mr PLOWMAN (Benambra) — The opposition supports the government's business program motion because it reflects the eight bills which it is possible to have passed by 4.00 p.m. on Thursday. It is important that the opposition parties are properly informed, but in our determining whether we would support the program we were disappointed to be given no indication until very late as to whether the economic statement was to be debated or not. Therefore we were not able to organise ourselves on the business program because we did not have the information that needed to be available to us.

The economic statement is a most important issue that ideally should come before the Parliament. The member for Rodney said the statement might have some good news in it, but if it does it certainly should be debated so we can make sure that anything in it gets the scrutiny it deserves. As many members have said, it is unfortunate that the statement has not been brought before the Parliament, as is usually the case.

I would also like to say that the passage of the Land Tax (Amendment) Bill is being accommodated by the opposition, and we are happy to do that to get it through in order that the government can complete its business program.

Motion agreed to.

MEMBERS STATEMENTS

Multicultural affairs: round table

Mr PERERA (Cranbourne) — I wish to inform the house of the success of the recent round table on multicultural affairs held in my electorate of Cranbourne. The south-eastern suburbs contain significant communities from Sri Lanka, New Zealand, India and Mauritius, with major languages spoken being Italian, Spanish, Sinhalese, Tamil, Greek and French. There are also people from the Philippines, Croatia, China, Rumania, Afghanistan, Bosnia, Cambodia and Lebanese communities. The meeting was attended by the Minister assisting the Premier on Multicultural Affairs, John Pandazopoulos; Commissioner George Lekakis, chair of the Victorian Multicultural Commission (VMC); Peter Spyker, Centrelink multicultural services officer; Jannette Green and Kathleen McAleer from the City of Casey; Louis Kotsiras from the Cranbourne and District Greek Senior Citizens Club; Val Motta from the Cranbourne Italian Senior Citizens Club; Bandu Dissanayake of the Welfare Foundation of Sri Lankans in Australia; Petra Neeleman from Dutchcare Ltd, and Geraldina Alvarez-Poblete from Women's Health in the South East.

Among other things the round table discussed the following: the VMC grants program under which the Bracks government has increased funding from \$750 000 to \$2.85 million; language services, which have received an additional \$2 million funding over four years; the program to encourage skilled and business migrants to settle in areas of need which has been allocated \$6 million; and the Victorian Foundation of the Survivors of Torture which has been allocated \$5 million. I commend — —

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

Police: resources

Mr WELLS (Scoresby) — This statement condemns the Bracks government for failing to honour its election promises on police resources. The police stations that were promised to be operational 24 hours a day are opening for only 16 hours a day due to the lack of police numbers available to staff them. Only last week, with great fanfare and bluster the Minister for Police and Emergency Services opened the new Gisborne and Kilmore police stations. However, everyone conveniently failed to mention to the local communities that the stations will now only be operational for 16 hours a day instead of 24 hours a day, as promised, because of a shortage of police.

In 1999 the Labor government promised to open new 24-hour stations at Gisborne and Kilmore. It has failed to fulfil this key promise. I call on the police minister to give a clear commitment to the communities of Gisborne and Kilmore that current police hours will not be cut.

But it does not stop with Gisborne and Kilmore. Belgrave police station was promised as a 24-hour station but lo and behold, it now only operates 16 hours a day due to a lack of police. When someone shows up at the front door at 11.00 p.m. they communicate with the Knox police some 12 kilometres away via an intercom. Later this year the long-delayed Rowville police station will again be open for 16 hours a day because there are simply not enough police to fill the new station. To make matters worse, Knox police station will lose half of its police in order to resource the new Rowville station. Minister Haermeyer needs to immediately spell out when he will ensure that the police stations that have been promised to operate for 24 hours a day actually open for 24 hours, not a lesser number of hours because of insufficient police resources.

Antonio Passarelli

Ms MUNT (Mordialloc) — I rise today to pay tribute to the life of Antonio Passarelli. Antonio was born on 3 October 1918 in Italy and died on 3 April, aged 86 years. He migrated to Australia in 1950, married his great love, Carmelina, in 1958 and was blessed with the birth of four children — Greg, Tina, Linda and Michael — and his grandchildren Bianca, Julie and Anthony.

The family owned a wholesale fruit and vegetable business. Antonio loved a punt and a game of cards and belonged to three card groups. He loved the Labor Party and in the words of his son, Greg, 'He never lost an argument'. Along with the Premier, last year I was present when Antonio was presented with his 40-year medallion, although Antonio said that it was really closer to 60 years as a proud member of the Labor Party — the records just did not go back that far.

It was a proud moment for Antonio to receive life membership from the Labor Party from our Premier, and I would like to honour him today as one of our true believers.

Antonio's funeral was held at Our Lady of Assumption in Cheltenham. The eulogy and service were moving and beautiful. My deepest respects and condolences to his family. Antonio was a much loved member of his family, his community and the Labor Party. He lived a life of which he should be proud. Antonio Passarelli will be deeply missed.

Sale: air force training facility

Mr RYAN (Leader of The Nationals) — A great evening was had by all in Sale last Wednesday, 14 April, to mark the occasion when Colonel Darren Naumann, who is the director of the defence force project development team, came to Sale to talk about the Royal Australian Air Force base expansion at East Sale. What a fantastic initiative this is on the part of the federal coalition government. This will see tens of millions of dollars expended on this magnificent project, and it will reap many benefits for our community, not only in Sale, but in the general Gippsland region.

More than 100 business proprietors were there the other night to hear Colonel Naumann go through the various aspects of the development. It will see the relocation of the RAAF headquarters, the officer training school and the school of postgraduate studies — all of those coming to East Sale from Point Cook. More than 100 permanent staff plus about 600 students will come through each year, which will equate to an additional 150 people being on the base and around town throughout the time of their training. This will be a magnificent development.

We now want to see the state Labor government get behind this project. Minister Brumby has been playing cheap politics with this for literally years. We now need him to step up to the plate and support us — put all that stuff behind us. He got done; we got the whole

initiative up. It is fantastic for Victoria. Let us see the state of Victoria get in there and support it.

Australian Ex-Prisoners of War Memorial, Ballarat

Ms OVERINGTON (Ballarat West) — On 6 February this year I was privileged to attend the opening of the Australian Ex-Prisoners of War Memorial in the Ballarat Botanic Gardens. More than 10 000 people from across Australia attended, including 1300 former prisoners of war, their families, carers and friends. It was an emotionally charged service with many who could not hide their tears. The opening was conducted by General Peter Cosgrove with the Governor-General, Major General Michael Jeffery, and the Premier, Steve Bracks, delivering emotional addresses.

The wall, which is 130 metres of black granite, is etched with almost 37 000 names of Australian servicemen and women who were captured during the Boer War, the Korean War, World War I and World War II. The organising committee worked extremely hard, and I particularly want to acknowledge the founding members: David Baird, Les Kennedy, Frank Pebbles and Jim Newman, who had a passionate belief that this memorial should be built in Ballarat. I would also like to congratulate Liz Heagney, who for the past two years has compiled the names of the 37 000 prisoners of war (POW). It was an enormous task but one that I know she found extremely satisfying. I also want to congratulate the local sculptor, Peter Blizzard, who made a design to honour the journey of our prisoner of war servicemen and servicewomen, and who has done a great job. This is a quiet area. It is a quiet, serene place of reflection, and that is reflected in the area around the POW memorial.

Rural and regional Victoria: *Victoria — Leading the Way*

Dr NAPTHINE (South-West Coast) — I wish to express my disappointment that today's economic statement provides nothing for rural and regional Victoria. During the late 1990s the Labor Party wooed country Victoria with more promises than a David Beckham text message but now, five years later, country Victoria certainly has grounds to sue the Bracks Labor government for breach of promise.

One example is that in May 2001 the Bracks Labor government promised \$96 million for rail standardisation. Now, four years later, nothing has been done to progress that important economic project. In 2002 the Labor Party promised natural gas would be

connected to towns the length and breadth of Victoria, including Myrtleford, Bright, Wandong, Yea, Alexandra, and a myriad of other towns. We want the government to stop delivering hot-air promises and actually walk the walk and deliver the promises. The government should connect Phillip Island, Wonthaggi, Korumburra and Leongatha to natural gas to boost industry and investment in those areas. It should connect Port Fairy and Swan Hill, as well as the towns it promised in November 2002.

In the 1990s the Labor Party promised to consult with country communities, but there has been no consultation with country communities on the decision to put toxic waste dumps potentially at Pittong, Tiega and Violet Town. There has been no consultation on the withdrawal of tenancy and consumer advice services and replacement of the 1300 telephone number. Today's economic statement was big on hot air and again will be low on delivery.

Cranbourne-Frankston Road, Langwarrin: duplication

Ms BUCHANAN (Hastings) — I rise to pay a tribute to the patience and tolerance of Langwarrin residents and businesses and all commuters while the extensive roadwork enhancements have been undertaken along the Cranbourne-Frankston Road in Langwarrin. The duplication of this stretch of single-lane road in Langwarrin along with the construction of service roads will greatly enhance traffic movements in this high-growth area. This major infrastructure project, costing around \$11 million, will make commuting in the Langwarrin region so much easier, quicker and safer. I commend VicRoads and all the road crews for their hard-working commitment to this road duplication project.

The road duplication paves the way for greater investment in services and outlets in the Frankston, Karingal and Cranbourne regions, which will bring greater job opportunities for residents of Langwarrin, who have waited patiently for this stretch of the Cranbourne-Frankston Road, which the previous coalition government promised but did not deliver. The Bracks Labor government has listened, acted and led the way in delivering this vital infrastructure not only to Langwarrin residents but to all Victorians. Again I thank all Langwarrin residents and businesses for putting up with the temporary inconvenience of the construction and for their positive feedback on the quality of the roadworks undertaken in Langwarrin to date.

Kew War Memorial: relocation

Mr McINTOSH (Kew) — I wish to place on record my opposition to any proposal to relocate the Kew War Memorial from its current site at Kew Junction. My upper house colleagues David Davis and Richard Dalla-Riva, the members for East Yarra Province, are, like me, implacably opposed to any suggestion that the war memorial be relocated.

The Kew War Memorial is dedicated to 523 Kew citizens — soldiers, sailors and nurses — who served their country during World War I, 147 of whom unfortunately made the ultimate sacrifice. The battles they were engaged in are etched into the country's history — Gallipoli, France, Palestine and the North Sea. The memorial was unveiled by the Governor of Victoria in 1925 in front of thousands of people. I have a photograph in my electorate office, provided by the local historical society, which shows High Street and Cotham Road clogged with thousands of people paying their respects. The war memorial has remained a landmark at the corner of High Street and Cotham Road ever since. Twice a year veterans, families and friends and Kew citizens still gather to pay their respects to those men and women who served this country so bravely in all wars our nation was involved in. The view from Kew Junction up towards the war memorial is quintessentially Kew, therefore the war memorial is very much an icon of the Kew area. It simply cannot and must not be moved to any other location; to do so would be completely unacceptable.

Anzac Day: Pascoe Vale

Ms CAMPBELL (Pascoe Vale) — Reflecting on the Anzac Day commemorative services in the Pascoe Vale electorate and within the Moreland council boundaries, I congratulate the members of local RSLs — Pascoe Vale, Coburg and Glenroy — the Anglican Men's Society and what was known as the Catholic War Veterans Association, Brunswick-Coburg. Much of Pascoe Vale was developed with war service loans and homes post the Second World War. When ex-service personnel were struggling with their own home mortgages and young families they dug deep and established the Pascoe Vale RSL, and a similar big-hearted approach built the Glenroy RSL.

Local Anzac Day services begin at St Albans Church, with an annual communion service and breakfast, a tradition of remembrance and fellowship since 1932, thanks to the work of Wal Appleby, honorary secretary of the Anglican Men's Society in the parish of Coburg West and Pascoe Vale South and his able team of

helpers. They have arranged an outstanding guest speaker, Reverend Bill Beagley, who is vicar and Anglican chaplain at Port Phillip Prison.

I also want to congratulate those who have been involved with the Catholic War Veterans Association, which after more than 60 years of service has had to reluctantly close one chapter of our local Anzac services. Thanks to those who made the final service so special — Wally Ryland, Frank Drever, Reg Whiting, Bob Gill, Jack Lamb, Leo Walsh, Les Beriman and Charles Ryan.

Waste management: draft policy

Mr INGRAM (Gippsland East) — I raise an issue on behalf of the East Gippsland Shire Council in relation to the draft *Waste Management Policy — Siting, Design and Management of Landfills*, which was recently released by the Environment Protection Authority. The East Gippsland Shire Council has expressed extreme concern about the impact of this draft waste management policy, which is under review by the EPA.

East Gippsland shire, as many members would know, is 10 per cent of the area of the state and has a population of only 40 000, yet because of that extreme size it has to operate 14 landfills, 7 transfer stations and 9 transfer trailers.

The annual budget for those sites is 15 per cent of the entire operating budget that the council has spent on operating waste management facilities. I would like to quote from the submission by the East Gippsland Shire Council, particularly the section on the siting of new landfills under the EPA guidelines policy:

In simple terms, if the draft policy is implemented in its current form then council will not be able to develop any new landfills or extend any existing landfills, as the majority of East Gippsland's area contains segment A ground water ...

or comes under the definition of 'gully' or 'valley' in the map. The council has expressed absolute concern over this.

I ask the government to again look at and carefully consider the issue, because this will have a devastating financial impact on the council.

Outer Eastern Local Learning and Employment Network

Ms BEARD (Kilsyth) — I am pleased to bring to the attention of the house the Outer Eastern Local Learning and Employment Network, which I recently visited at the Swinburne TAFE campus at Croydon.

OELLEN is an organisation consisting of a network of partners working towards a goal of better training, education and employment in Melbourne's outer east. It covers the geographical area made up of the cities of Maroondah and Knox and the Shire of Yarra Ranges, and it receives state government funding. Local education providers, local employers, local councils and other interested people in the community come together as a group that has a significant impact and assists young people to make the transition to further education, training or employment and identifies possible problem areas and shortfalls. There are over 29 000 young people aged 15 to 19 in the region; 1125 are completing apprenticeships and 1196 are completing traineeships.

I was impressed by the wonderful and dedicated people I met at OELLEN. Fiona Purcell, the executive manager, is keen to build on initiatives and research commenced in 2003. There are five new Victorian Certificate of Applied Learning providers offering more options for young people in years 11 and 12. Over 300 young people are participants in the school-based apprenticeship programs coordinated by Fiona Mawson. Rachael Dalgleish, the new industry liaison project officer, is looking at ways to address local skills shortages and is keenly supported by local industry. Marie Holmes, the youth transitions project worker, coordinates the On Track program, a state government initiative assisting young people who leave school —

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

Government: performance

Mr SMITH (Bass) — What the hell is this government up to? What is it doing to the people of Victoria? After nearly four years in office the government, which is in turmoil, needs to make an economic statement away from the scrutiny of this house, as it did today, to soften up the next bad-news budget that is coming soon. It deserves condemnation.

Treasurer Brumby is faced with the need to cut funding in most areas of government administration. Our health system is in turmoil: nurses are threatening to strike; patients are on waiting lists much longer than they have ever been before; hospital beds are closing; ambulance bypasses are increasing; waiting lists are growing longer; and ambulances on code 1 are taking longer than 26 minutes to get to patients. Lives are being lost.

Our education system is a shambles with school maintenance being ignored by the government. Portable classrooms are rotting and the roofs leaking, and there

are holes in walls; there has been no PRIMS money for the past four years. It is like the Kirner government all over again. Do not say that we are looking towards another \$600 million black hole again while the minister tries to establish a media profile. I can tell the minister that she has a profile, and it stinks. She should ask the kids and the teachers out there what they think.

Public transport is also a shambles, with a monopoly starting to develop in trams and trains — —

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

Yarra Ranges: child care

Mr MERLINO (Monbulk) — At a time when there is a clear shortfall of child-care providers in my local community I am disappointed that the Shire of Yarra Ranges has flagged its intention to close its community-based services in Sherbrooke and Kilsyth. The two facilities will close before 2009 if the shire is satisfied that the private sector can meet the demand or in 2009 regardless of whether local demand has been met or not.

I find this position extremely concerning. This comes at a time when the federal coalition government is clearly disadvantaging families in Victoria with an unfair allocation of children's services places in programs outside school hours and family day care, and is failing to provide sufficient capital to extend or develop community-based long day-care or occasional-care places.

I am also concerned because the Sherbrooke child-care centre is the only not-for-profit child-care centre providing long-day care in the electorate of Monbulk. There is only one other private child-care centre in my electorate that provides a long-day-care service. Both facilities are servicing an electorate of over 450 square kilometres, and both have significant waiting lists. The Sherbrooke centre alone has 90 families and 105 children currently on a waiting list. Indeed, in discussing this issue with other child-care providers in the region they are telling me they are advising parents to enrol their children before they are born. There are alternatives.

I urge the shire to recognise and value the role of the two council-owned child-care centres in the community building and to set standards which contribute to maintaining the quality of care provided across the municipality.

The Nationals: state conference

Mr MAUGHAN (Rodney) — I take this opportunity to express my thanks to the Minister for Tourism and the Minister for Employment and Youth Affairs for their assistance through their ill-informed and intemperate comments in promoting the 88th conference of the Victorian Nationals.

The conference, held in the Murray River town of Echuca–Moama, was an outstanding success, as the front page of yesterday's *Riverine Herald* very clearly demonstrates. What Ministers Pandazopoulos and Allan need to appreciate is that Echuca–Moama is essentially one community and that any conference or major event staged in one town certainly benefits the other, as was the case in this instance, when 200-plus delegates were accommodated in Echuca and the conference dinner, business breakfast and Saturday evening function were all held in Echuca.

Minister Allan's intemperate comments attracted criticism from the chief executive officer of the Moama Bowling Club, Paul Barnes, who said that these sorts of comments do not assist border towns and their efforts in trying to create a joint community. The president of Echuca Moama Tourism, Ron Pope, said that the minister obviously does not work and live within the limits of a border community and that she needs to come up and talk to people involved in tourism.

The editor of the *Riverine Herald*, Annette Gregson, said that the minister was apparently not capable of understanding how Echuca–Moama worked in spite of a recent visit to Echuca. I thank the ministers for their free publicity — —

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

Royal Women's Hospital: school projects

Ms BEATTIE (Yuroke) — On 6 April it was my great pleasure to launch two major fundraising projects for the Royal Women's Hospital — namely, Pyjama Day and Bad Hair Day. These projects will take place in schools on 11 June. Pyjama Day will be for the primary schools and Bad Hair Day will be for the participating secondary schools.

I would like to take this opportunity to acknowledge all those involved in the project. My warmest congratulations to Associate Professor Michael Quinn, clinical director of the oncology unit, and Associate Professor Greg Rice, scientific director of the Gynaecological Cancer Research Centre. The students will pay their \$2 to aid research into developing a blood

test for ovarian cancer in women. Members might know that by the time ovarian cancer is discovered usually only 20 per cent of the women affected live beyond five years.

This is an important project. All those involved have done a wonderful job, and I would like to congratulate them on the tremendous accomplishments they consistently achieve at the Royal Women's Hospital. Pyjama Day will be great fun for the primary school students, and Bad Hair Day will be great fun for the secondary school students.

Schools: bullying

Mr PERTON (Doncaster) — While the Minister for Education Services has been wasting her time and the time of her department in seeking a public relations strategy, this week's *Sunday Herald Sun* contains shocking revelations. It says that the education department will be employing a schoolyard bodyguard for an 11-year-old boy in Ballarat. This is a shocking admission of a system that is out of control. Principals, teachers and the teachers union tell us that bullying and violence are on the increase in Victorian schools, with many children taunted and assaulted beyond their ability to cope. A nearby regional principal has told me that there is little education department support for principals, who find it almost impossible to expel the perpetrators of this sort of violence.

This is not an isolated case in Victoria. In November 2001 a Ballarat jury awarded a boy \$60 000 in damages for having been bullied at school. He had been treated as a human punching bag and had been verbally taunted by bullies at the Ballarat school. Last year a girl who had been sexually assaulted in a western suburbs state secondary school was told to move schools as the principal could not guarantee her safety. Last year I asked the Ombudsman to help the parents of a 15-year-old girl bullied in a nearby regional school. A few weeks ago in Shepparton a father told me of his daughter, who has been classified a 'school refuser' because for two years she has not returned to school because of bullying.

There is no doubt that this problem is out of control. It deserves the attention of a minister dedicated to fixing the problem.

Frankston: government initiatives

Mr HARKNESS (Frankston) — A new, state-of-the-art Puffin pedestrian crossing was switched on outside Frankston Hospital last Thursday by the Minister for Transport and me. This \$171 000 Bracks

Labor government initiative will result in improved safety for pedestrians who frequently cross Hastings Road to access the medical suites opposite the hospital. As a member of the parliamentary Road Safety Committee I recognised the urgent need for the crossing. I am delighted that the crossing was made a priority. We listened to the concerns of the local community about the site, and now we are getting on with the job of increasing road safety for residents, staff, patients and visitors to Frankston Hospital.

There are now also 150 more reasons for Frankston residents to use the Frankston train station, with the Bracks government's upgrade of the car park. A further 150 sealed car parking spaces are being made available. A kiss-and-ride facility and the new bus interchange opened earlier this year. Work has been completed on 350 car parking spaces, and this will grow to 500 spaces over the next few months. The \$1.4 million project to upgrade the car park and bus interchange also includes improved lighting and closed-circuit TV surveillance, which will increase safety for commuters. The refurbished car park will help ease traffic congestion around Frankston by making it easier and safer for commuters to catch the train.

Other Bracks government-funded initiatives include the widening of Moorooduc Highway, the duplication of Cranbourne Road, the revitalisation of Wells Street and the widening of the Frankston-Flinders road. As the local member I am standing up for Frankston and am very proud of these local improvements. I repeat my calls to the Howard government to follow the Labor Party's lead and invest more money in Frankston instead of Sydney, which receives a grossly disproportionate share of federal road funding. Every time we fill up with petrol in Frankston we are footing the bill for the construction of three new tollways in Sydney. It is just not fair.

Bob Hook

Mr ROBINSON (Mitcham) — I would like to pay tribute to recently retired Antonio Park Primary School teacher Bob Hook. Bob commenced teaching in Victoria in 1969 at Traralgon Primary School. His career took him into a variety of schools, including Granite Rock, Doncaster, Donburn, Waverley North, Essex Heights, Box Hill South and Antonia Park. Bob specialised in music teaching, and countless young Victorians learnt the essential ingredients of the recorder and the guitar in his classroom. His work on Antonio Park's Indonesian program, as well as the singing group, was hugely valued. Bob's contribution over more than 30 years is greatly appreciated, and I wish him and his wife, Trish, a very happy and productive retirement.

Brooke Hanson

While I have the opportunity I also want to congratulate the outstanding young Victorian swimmer, Brooke Hanson. I quote from an *Australian* article of 30 March by Nicole Jeffery:

She tried and tried again, and finally at her third attempt in eight years Brooke Hanson qualified for the Olympic Games by defeating the world record-holder Leisel Jones in the 100 metres breaststroke at the national titles last night.

The always-smiling Hanson is the poster girl for persistence after missing the last two Olympic teams by a combined total of less than a second. At 26 she is one of the oldest swimmers in Australian history to qualify for her first Olympics.

She is greatly admired by all those who have met her, and she is a tremendous ambassador for the Nunawading Swimming Club.

St Francis Xavier Primary School, Montmorency: leadership

Mr HERBERT (Eltham) — Earlier this year I was invited to present the school leaderships badges at St Francis Xavier Primary School, Montmorency. I also had the rare opportunity to present prizes to three students who had won the competition run by the school for researching their local state politician — who of course is me! The winners were all smiles, with pizza and pasta vouchers in hand.

St Francis Xavier is a high-quality Catholic school which offers excellent educational programs and is an asset to its local community. The school has two school captains and eight house captains, who were taken through a leadership course which includes learning public speaking, writing speeches and addressing parents. This year the eight house captains are James Molinaro, Georgia Maloney, Ben Ridout, Catherine McCrohan, Callum Daley, Stephanie Lipinski, Christian McKinley and Laura Geary. The school captains are Matthew Lane and Stephanie Lane. I would like to congratulate these students for their achievements and thank the school principal, Michael O'Reilly, for inviting me to be part of the presentation.

Disability services: self-determination initiative

Mr DONNELLAN (Narre Warren North) — On 16 March this year the Minister for Community Services and I were fortunate enough to be involved in the launch of the support and choice disability services growth funding initiative, which was done at Windermere Child and Family Services. I would like to thank Ray Canobie, Laurie Harkin, Ian Richie and Dorothy Wee from the department. This initiative

provides \$2.59 million for 204 people in the south-east region. It helps people to self-determine their style of living. It is about person-directed planning. It gives great dignity and pride to people in the way they live. It is a great initiative, and I would like to say thank you.

LAND TAX (AMENDMENT) BILL

Second reading

Debate resumed from 1 April; motion of Mr BRUMBY (Treasurer).

Government amendments circulated by Mr CAMERON (Minister for Agriculture).

Mr CLARK (Box Hill) — I desire to move:

That all the words after 'That' be omitted with the view of inserting in place thereof the words 'this bill be withdrawn and redrafted to put in place measures to ensure that the legislation does not operate as a hidden new tax passed on to electricity consumers'.

The key question relating to this bill is whether it should be called the Land Tax (Amendment) Bill or the Electricity Tax (Imposition) Bill. The general structure of the bill is well known to the house. As put forward by the government it seeks to impose land tax on the electricity easements of transmission companies. There is a power for the government to grant exemptions, and I understand it is intended to grant exemptions for all transmission companies other than the main transmission company operating in Victoria — namely SPI PowerNet. It is expected that SPI PowerNet will apply to the Australian Competition and Consumer Commission for permission to have this new tax included or reflected in the charges that it is entitled to make for transmission, and it is expected that in due course that charge in turn will flow through to retailers and then to the customers of retailers.

In parallel with this bill the government has announced, and it is reflected in the Treasurer's second-reading remarks on the bill, that it has formed the intention to cease the collection of the smelter reduction amount from 30 June 2004. The government acknowledges that there has been a funding shortfall caused by this decision and states that under these conditions the changes to the Land Tax Act made in the bill are fiscally responsible and provide an appropriate and equitable source of revenue.

There are two ways in which this bill can be taken. The innocent and understandable way is that the government has made these two policy decisions. Firstly, the government intends to fund its policy

decision in relation to the smelter reduction amount, which it has made in the context of High Court litigation, by the measure that is put forward in this bill. Secondly, the government is not seeking by this bill to raise any more revenue than may have been raised under existing arrangements, but the bill will provide an offsetting source of funds to the government in light of the fact that with the end of the smelter reduction amount the government will become responsible for making subsidy payments to the State Electricity Commission in relation to the losses being incurred by the SEC under the contracts with Alcoa in relation to the Portland and Point Henry smelters.

Of course the primary villain in all of this is the Cain government, which way back in the mid-1980s entered into a deal to attract Alcoa to construct the Portland smelter but entered into that deal on a basis which, as one of my colleagues has put it, was punting on futures contracts in electricity. That punt by the Cain government went very badly wrong because the punt was that aluminium prices would rise steadily during the course of the agreement. But those prices did not rise in that way, and because the electricity price paid by Alcoa is linked to the price of aluminium that punt on aluminium futures has been unsuccessful. That piece of modern financial management, as former Treasurer Rob Jolly no doubt would have liked to have referred to it, has proved enormously expensive for the taxpayers and electricity consumers of Victoria.

When the electricity industry was privatised under the previous government arrangements were put in place to fund the losses being incurred by the SEC by means of the smelter reduction amount. It is that amount which the current government has decided to discontinue, and the opposition does not question its decision to do so. However, having said all of that in outline of what I might call the innocent interpretation of this legislation, the real worry about it and the less-than-innocent interpretation is that this bill will set the government up not just to get a revenue source which will more or less cover the impact on the state's finances of the decision to discontinue the smelter reduction amount but also, whether by intent or otherwise, to get a massive new source of revenue. At the same time that the government is telling the community it is reducing land tax under its economic statement it is clobbering SPI PowerNet, and through SPI PowerNet electricity retailers and other customers and through them ordinary consumers, with a tax burden that is going to rise steadily over time as land values increase. That is not just a concern of the opposition; it is a concern that has been expressed to us by various parties who have contacted us.

I refer to a letter dated 15 April 2004 that I have received from the Victorian Farmers Federation (VFF). In part it states:

Our main concern regarding the legislation is to ensure that farmers, as landowners, are not to be affected by the government's decision to obtain revenue from the electricity industry via land tax on transmission easements as opposed to the smelter reduction levy which has been abolished.

And later on, having referred to some protections in the legislation, the letter states:

While the above protections for farmers as landowners are welcome, the VFF has a concern that the government, or a future government, may in future consider the current decision to apply a specific land tax on electricity transmission easements as a precedent to apply further land taxes on easements for other specific purposes. Any future decisions building on the precedent of the current proposal may not contain the same protections for farm-owning landowners.

The opposition has also received a letter from TXU, one of the distribution companies operating in Victoria. It talks about risks to retailers. I will quote from a letter dated 15 April which was written to my colleague the Honourable Bill Forwood, a member for Templestowe Province in the other place. The letter states:

Consequences of the bill include:

valuation of the easements will increase over time, leading to increased land taxes and subsequently higher energy costs

further, the government has power to increase the land tax rates at their discretion. If the government exercises this discretion, higher land taxes will result and subsequently higher energy costs.

Later on the letter states:

TXU considers that the underlying increase in the value of transmission easements and the ability of the government to revise the amount of land tax will place a significant burden on energy costs and ultimately consumers.

Further, it also raises concerns about the pass-on arrangements:

The question of whether or not retailers will be permitted to pass through these costs to consumers is not yet clear. Retailers may not be able to pass the costs through to consumers, given that government and three incumbent retailers in Victoria have recently reached in-principle agreement on a fixed four-year price path which can only be reopened in the event of significant events.

They are, in effect saying that in the long term any increase in the tax burden can flow through to consumers and that in the short term it may be the retailers that get hit because they recently entered into

an agreement with the government for a fixed price path.

Of course these issues will not arise if the revenue to be raised by this bill is only designed to fill the shortfall created by the government's policy decision to cease the collection of this smelter reduction amount. I would certainly hope that in the course of the debate government members could indicate, and at the closing of the debate the Treasurer should put on the record, the government's position in this regard and that other measures can be sorted out and canvassed between the government and the opposition that may lay these fears to rest. If those fears could be laid to rest and adequate assurances could be put on the public record, then the opposition, understanding the concepts, objectives and policy reasoning underlying the legislation, would not have objection to it.

The opposition also understands that there are constraints under which the government and the other parties involved need to operate in order to get the policy decisions reflected in this bill up and running on the time lines the government has set. I await the Treasurer's assurances and discussion on that, because on their outcome will hinge the position that the opposition takes when this bill comes to the vote. I have moved a reasoned amendment at this stage, given that these matters have not been resolved, calling on the bill to be withdrawn and redrafted in order to put in place measures to ensure that this does not operate as a hidden new tax to be passed on to electricity consumers. I hope that those measures can be worked out before this bill comes to the vote.

However, before concluding my remarks I want to raise a second aspect of the legislation which I also hope can be satisfactorily resolved so that the bill can be speedily passed through this place and another place. That aspect relates to the risks that may be imposed on parties in the electricity industry by the way in which this legislation operates and by the potential gaps in what the government repeatedly assures us is its policy intention — namely, that SPI PowerNet, other transmission companies and the other parties in the electricity industry will not be out of pocket as a result of this. So there are those assurances on the one hand. But on the other hand, in the world of commerce and business I regret to say that the word of government is not necessarily regarded as enough to give comfort, either to the parties directly involved or even more so to the financiers and others who may have advanced funds based on particular assumptions about gearing ratios, risk exposures and cash flows, only to find that the assumptions under which they have operated are thrown into disarray because of measures such as this.

In terms of the operating budget, revenue and expenses of SPI PowerNet, this is a very significant imposition. I understand that SPI PowerNet's annual turnover is somewhere between \$200 million and \$300 million. This legislation will impose upwards of \$70 million of land tax liability per annum on SPI PowerNet at first instance. Clearly SPI PowerNet will be very seriously exposed if there is any potential gap and any lack of assurance or lack of complete confidence that whatever amounts it has to pay by way of the remission of land tax can and will be recouped through the additional charges that it is expected the Australian Competition and Consumer Commission will permit it to impose on the users of its services, therefore generating the cash flow that it needs to pay the land tax bill.

It is intended, I understand, that to facilitate this there will be an agreement entered into between the State Revenue Office and SPI PowerNet relating to the cash flow and the timing by which SPI PowerNet makes its payments of land tax in order to ensure a proper matching so that it is not left out of pocket. The government has circulated the house amendments in this regard, which I am now seeing for the first time as I address the house. These amendments provide that the commissioner may enter into an agreement with the transmission easement holder in relation to the payment of tax to be assessed, charged, levied and collected under the relevant part and that the agreement may permit the tax to be paid by instalments and must not be for a period exceeding five years.

I do not know at this stage of the debate whether SPI PowerNet and other potentially affected parties are satisfied that this meets their legitimate concerns. That matter needs to be resolved before opposition members can form a view on this legislation, because we would not want to see this legislation creating anything that comes anywhere near a sovereign risk perception as far as the state of Victoria is concerned.

It would be ironic if on the very day the government comes out with a glossy economic statement by which it seeks to promote the virtues of Victoria as a place to invest, it at the same time sends the very bad signal to participants in the electricity industry that they are likely to be clobbered out of left field with massive burdens like this and that all the government's fine assurances do not scrub up in reality.

This measure was announced on very short notice, and, I understand, after virtually no prior consultation with and very little prior warning to the industry. I repeat: it is one thing to have a policy and conceptual framework for an exercise such as the present one, but it is another thing altogether to make sure that such a policy and

framework translates into implementation in a way that does not leave investors in Victoria angry, frustrated, confused, disillusioned and financially disadvantaged.

If we start sending those messages, and if the power industry gets this latest message on top of the past difficulties it has had in getting approvals for expanded generation capacity, in getting decisions about a greenhouse gas emissions policy out of the government and in having constant industrial relations disruptions when it is trying to build a new generation plant, sooner or later it is going to be the last straw, and the state will find it increasingly difficult to attract the investment it is going to need in future to build its generating, transmission and distribution capacity as the state grows.

So it is important that these matters are handled effectively, not just in policy and in concept but in the actual execution of detail. As I said, at this stage of the debate the opposition is not satisfied; we hope to be convinced before the legislation comes to the vote that these matters have been satisfactorily resolved.

In conclusion, the opposition can see that this legislation has been framed to reflect reasonable policy objectives. If that is the case, and if the matters I have referred to can be resolved, then the opposition would be willing to cooperate with the government in expediting the speedy passage of the bill in order to meet the tight time lines that apply. Conversely, however, if we cannot be reassured on these matters, we will feel forced to reach the conclusion that this legislation is in fact opening up the potential, if not the actuality, of being a hidden new tax on electricity consumers. If that is the case, we would certainly be opposed to it.

Mr RYAN (Leader of The Nationals) — From the perspective of The Nationals, we are not prepared to take the chance: we are opposing this legislation because we think it has a number of elements that are very uncertain in their content. Should it be that the government addresses some or all of these matters, we might rethink it, but certainly insofar as the position of the legislation before the house is concerned, The Nationals are opposed to it.

We have taken that position after careful consideration and for a number of reasons. Before going to those I cannot help but reflect on the fact we are debating land tax legislation on a day when the government has announced to the world at large various initiatives in its statement *Victoria — Leading the Way*. One of those is termed action 13, and is headed 'More tax cuts for business'. Within the body of the commentary, which

occurs on page 22 of the inevitable glossy document produced by the government to make its case on all of this, there is reference to the cuts in land tax. They are said to be \$1 billion over the next five years. It is but one element of what I consider to be an extraordinary affront to the Parliament in that we are debating a land tax bill when the topic of land tax, and its massive implications, have been the subject of extensive commentary by the government outside the Parliament this very day. Land tax was but one of a series of topics referred to in the statement, but none of that has been brought into Parliament.

I understand that the situation is made all the more objectionable by the fact that apparently tomorrow there will be some debate regarding elements of the measures announced today by the government. In that structure it is very obvious that the Parliament is being used as an afterthought for the consideration of matters that are vital to the future of the state. That is highly objectionable, and I take that position on behalf of Victorians at large, which I believe I am justified in doing under the circumstances.

The bill relates to one of those Cain and Kirner deals for which the government of that era became famous and for which the government of this era is fast becoming famous. The history of all this has been set out by the member for Box Hill. It has reached a point now where the charge levied under the current arrangements, which as I understand it equates to \$2.45 per megawatt hour, is now the subject of a proceeding in the High Court. The Australian Steel Company (Operations) Pty Ltd, otherwise known as TASCOS and which is part of the Smorgon Steel Group, has commenced proceedings in the High Court to challenge a levy that has been imposed on Victorian electricity industry customers. The levy, which is known as the smelter reduction amount, in turn relates to losses made by the State Electricity Commission of Victoria (SECV) under an agreement to supply electricity to the Portland aluminium smelter. As we know, that agreement was entered into in the 1980s.

Now it appears the government is faced with the prospect of losing the case, so it wants to introduce this legislation. The intention is ultimately to do a swap; the intention is said to be that the moneys raised through the existing structure and arrangement will be replaced by those proposed under the terms of this bill.

In addressing all of this, from the start I would like to know from the government what is going to happen to the court case that is presently on foot. I understand the case was instituted in 2003. Is the government going to permit that case to proceed? If it is going to pull out of

the case, on what terms does it propose to do so? Will it be taking appropriate action in relation to that case upon the promulgation of this legislation? Are there going to be costs matters that flow from the government withdrawing from the case if that is what it is proposing to do? If it is proposing to proceed with the case, what happens if it wins it? What happens if the government is able to establish that the existing structure and arrangements are in fact legal? What will it then do in relation to this legislation now before the house?

They are all matters — just off the top of the head — that come to my mind; they are matters that I think the government needs to address, because prospectively what it could do is double-dip. It could win the High Court proceedings, maintain the structure which is then in place pursuant to the challenge being mounted in that jurisdiction, and also it could have this legislation, which is now before the house, continuing to run. It cannot double-dip; and as a matter of general commentary the government needs to tell us what it is going to do with the proceedings that are now on foot in the High Court.

Insofar as other elements of this bill are concerned, there are other options that the government needs to consider for the purposes of its action on this issue. An historical background needs to be put into this whole discussion. The privatisation of the power industry produced about \$23 billion worth of funds, which were taken down to the bank to pay off the accumulated debt of the former Labor government of Victoria. To this day that \$23 billion returns about \$800 million net of the dividend which used to be paid. That \$800 million is paid to Treasury year after year. Accordingly the government is receiving on an ongoing basis enormous amounts of money arising from the privatisation process.

Furthermore, at the time of the former government the winter power bonus was instituted. It saw payments of \$120 million for each of three years, for a total of \$360 million. That structure was abandoned by this government when it assumed power in Victoria — pardon the pun! — or ‘assumed the reins of government’ in Victoria might be a better expression. Therefore massive savings have fallen to the government arising from the abolition of those former programs.

Then we had the farce of the \$119 million power subsidy which was implemented by this government when it came into being and which has gradually been eroded over the years to next to nothing. If my memory serves me correctly, they took \$60 million out of it a couple of years ago and now another \$30 million, so

that power subsidy has virtually gone with a net impact upon all Victorians, particularly those of us in rural and regional Victoria.

I pause to say that one of the realities of power structures in this state is that governments of all persuasions historically have subsidised the power industry. It has only been the fact that until the privatisation process occurred, no-one ever had the capacity to establish precisely the extent of the subsidy. There still is within the hands of government of any persuasion the capacity to be able to extend that subsidy just as was done back in the days of the SECV. These are all issues to which this current government ought to have regard.

Some of the dangerous elements about the legislation are, from our point of view, that this sets a precedent. This is intended to be a tax which is levied upon an easement, which, in turn, is on primary production land. I appreciate that the provisions of the legislation, specifically in this instance, exclude primary production land from any direct involvement in all of this, but we are concerned that the principle is getting very close to the bone. A situation is now being created whereby there will be land tax on an easement, and that easement in this instance is on primary production land; insofar as we are concerned, it is too close to the bone.

I remind the house again of the way in which this government set out with its power subsidies of \$119 million only a little time ago, and now we see that situation dramatically changed. Our concern on behalf of our constituents in country Victoria is that we may see a similar situation evolve.

There is a further matter in that in this instance the easement in question is in relation to power. There is nothing at all to stop the government in time to come creating legislation which imposes a similar sort of a process in relation to water authorities.

What about the distribution of gas? It happens to be power which is the subject of consideration this time but it could be other things in time to come. These are elements of the legislation about which we are most concerned and which gave rise to our decision, after careful consideration, to oppose this legislation.

Another deficiency in the bill is that it does not contain a sunset clause. If the government is serious about these proposals it should include a sunset clause in the legislation that equates with the time frame that was otherwise set out in the structure which is now being, so this government says, supplanted by the measures contained within this bill. If it is serious and is

committed to what it intends, then the sunset clause would at least ease the concern in that regard.

Another issue about which we are concerned is how the actual calculations have been made as to the income which is to be earned or said to be earned upon the imposition of this land tax. Have studies been undertaken to date? Have calculations been made; and if so, by whom and on what basis? They are things the Parliament ought to know and are some of the reasons for our concern about the terms of this bill.

Furthermore, now that easements are to have a valuation established by the Valuer-General, will local government be tempted to levy a rate in relation to these areas of land — that is to say, if the easement were not in existence the farm itself would be worth more and the rate take therefore would be greater, so will councils claim as a matter of logic that the easement is rateable? Will that flow from the imposition of this legislation? We have a number of concerns about this legislation.

Dr Napthine interjected.

Mr RYAN — That is a very good point from the member for South-West Coast — that is, does it apply to Basslink? I will give that some more thought. I will stay on my feet long enough to do that.

The other aspect about the amount of money to be raised from this is what happens to any excess money which is raised over and above the extent of the funds that are now raised by the current scheme. Is that additional money going to be refunded in some way, shape or form? From memory, without finding it precisely, the second-reading speech makes reference to a shortfall of about \$5 million. There needs to be some sort of principle set out in the legislation which accommodates the eventuality of this being more effective than the government apparently now thinks it will be.

Basslink brings to mind some interesting discussions, not only within this house but beyond, over the past three years. I share the concerns expressed by the member for Box Hill about this being a measure that might in some way provide additional assistance to the industry that would be inequitable to Victorian communities. We have seen that play out in the Basslink debate. We have seen exactly that transpire, where this government gave way in the face of some pressure from the English consortia looking to develop the Basslink project, and it folded over — it absolutely fell over. I share the concern that has been raised by the member for South-West Coast that this may well be

another instance where, as was the situation with Basslink, the government is engaged in a process that may well have outcomes that are derogatory to the interests of Victorians, particularly country Victorians.

I finish by referring to some material from the Victorian Farmers Federation (VFF). It has written to me under cover of a letter dated 15 April in which it sets out various concerns. It reflects in the course of the letter on this notion of land tax now being applied to an easement which otherwise forms part of primary production land. I can understand that is certainly a concern for the VFF. The letter goes on to say, and it is signed by the general manager for policy, Mr Clay Manners:

While the above protections —

he is referring to the exemptions set out in the bill —

for farmers as landowners are welcome, the VFF has a concern that the government, or a future government, may in future consider the current decision to apply a specific land tax on electricity transmission easements as a precedent to apply further land taxes on easements for other specific purposes. Any future decisions building on the precedent of the current proposal may not contain the same protections for farming landowners.

That sentiment expressed by Mr Manners reflects the concern I have already contributed to this debate and is a matter members of The Nationals spoke about when they were considering this legislation in the party meeting. The letter goes on to say in another part:

The VFF has in-principle concerns with the decision implemented by clause 5 ... that transmission easement valuations be indexed by the 'prescribed' factor for the non-valuation year. Under the provisions of the bill transmission easements are to be revalued every two years, similarly to property valuations currently. However, property valuations do not incur indexation. This is for the very sound reason that property values do not appreciate uniformly across the state.

The VFF is concerned these changes may establish a precedent for the use by local governments or the State Revenue Office of an indexing factor for property valuations for council rates or general land tax respectively. The VFF is opposed to such a precedent.

These are but further matters of concern that The Nationals took into account when coming to the conclusion that they would oppose the legislation. It is for those various reasons we have arrived at the position I have outlined to the house today.

Mr STENSHOLT (Burwood) — I am happy to support the Land Tax (Amendment) Bill and follow the previous speakers in the debate. I note the member for Box Hill, when speaking on behalf of the opposition,

said he could see that the bill had been framed according to reasonable policy objectives. I am not sure that I agree with his leap of logic, though, to bring forward a reasoned amendment. It seems to me that the bill and the amendments, which have been circulated by the Minister for Agriculture, who is the minister at table, are actually responsible and cover reasonable policy objectives.

I also follow the Leader of The Nationals, as they call themselves now. They are obviously very national because they hold their conferences not in Victoria but in New South Wales.

Honourable members interjecting.

Mr STENSHOLT — The Leader of The Nationals seemed to be engaging in a case of hypotheticals rather than concentrating on what is in the bill. They are still looking at shadows in every bush. The Nationals seem to be lost in the forest. Have you found Victoria yet? I guess that is the question for The Nationals.

Honourable members interjecting.

Mr STENSHOLT — I have been to Moama.

Mr Jasper interjected.

The ACTING SPEAKER (Mr Delahunty) — Order! The member for Murray Valley is out of his seat.

Mr STENSHOLT — It is good to see the National Party excited about the Murray River, and we would like to see some flow back into the Murray.

I am happy to support the Land Tax (Amendment) Bill because it amends the Land Tax Act 1958 to impose a land tax on certain easements over land. It also sets the commencement date at 1 July 2004. Since it is land tax and there are provisions in place — and I am not sure that the Victorian Farmers Federation really understands these arrangements — the bill will provide that the value of the taxable easements will be determined by the Valuer-General every second year and indexed in alternate years. It may be that the farmers federation needs to check its understanding of what happens with regard to land tax.

The bill also includes some new definitions and amends current definitions where necessary, and it covers a range of matters to ensure that existing relevant notices of assessment, objection, payment, additional tax, refund and recovery as well as anti-avoidance and other general provisions apply to tax under this new part.

Members of the house will be aware that similar provisions apply in respect of land tax and the arrangements therefor. The bill contains general provisions that will allow for the orders in council to exempt certain easements or easement holders from particular regimes. It will also cover any eventuality that may occur. The bill amends the Valuation of Land Act 1960 by inserting provisions regarding the valuation of relevant easements for the purposes of land tax and allows for objections to those valuations. They are the general purposes of the bill.

In terms of the detail of the bill, there are two important provisions, the first being the amendments to the Land Tax Act 1958, which are set out in clauses 3 to 13. The government has to make sure, in making the amendments, that they are properly defined — thus the definitions set out in clause 4. Clause 5 inserts new section 3B, which provides the timing definition and what will happen in particular years. Because of the land tax arrangements, which are not well understood by the Victorian Farmers Federation, we have to have a transition period, from 1 July 2004 to 31 December 2004, and the value of a transmission easement will be set at 1 January 2002. Because land tax normally applies over a 12-month period, starting on 1 January, you have to make provision for the outstanding six months of the particular year. Part 3 provides further definitions necessary for the operation of the new easement valuations. Clause 20 inserts new section 17A, which contains the objection provisions applicable to the valuation of transmission easements.

As has been mentioned by other speakers, the bill applies to electricity transmission easements and in particular to SPI PowerNet, the largest transmission company in Victoria. There is an amendment on the table relating to the fact that SPI PowerNet has made an application to the Australian Competition and Consumer Commission (ACCC) for pass-through approval. Once obtained, this approval would allow them to pass on the costs of the tax to VENCORP, which would in turn seek approval to pass the tax on to distributors and so on down to electricity consumers.

SPI has raised some concerns with the government relating to certainty of cash flows. That is important for businesses in terms of the timing of tax payments to the State Revenue Office. People will be aware that under the general provisions of the Land Tax Act it is possible to enter into arrangements with the SRO with respect to payment arrangements. Only recently — in the last couple of years — we introduced new provisions so that people could pay their land tax in instalments rather than in one major payment. The instalments can be spread over a far longer period than that applicable to a

single instalment. SPI PowerNet asked whether it could enter into an agreement with the Commissioner of State Revenue to pay its tax liability in monthly instalments, consistent with the monthly transmission revenue payments that it receives from VENCORP. That was looked at, and the advice the government has is that the commissioner would need enhanced powers to enter into a binding agreement with respect to tax which has not been assessed or levied. The amendment is proposed to enable the commissioner to enter into an agreement as set out in amendment 2, which states in part:

Clause 6, page 14, after line 3 insert —

“13U. Agreement relating to the payment of tax

- (1) The Commissioner may enter into an agreement with a transmission easement holder in relation to the payment of tax to be assessed, charged, levied and collected under this Part.

The amendment proposes the payment of the tax by instalments within such times as set out in the agreement, which must be for periods not exceeding five years. This will give some assurance and a reasonable level of certainty to SPI PowerNet in relation to the payment arrangements, which is the purpose of the amendment. As noted by the member for Box Hill, these are reasonable policy objectives, and this has been framed accordingly to meet those objectives. As noted by other speakers this should be seen in the context of the intention of the government to cease the collection of the smelter reduction amount, which has been in place since 1997. It relates, as has been noted, to a recent High Court case, and it is a reasonable and considered response and is about good fiscal management. The bill has come forward to ensure that the revenue of the state is protected. I commend the bill to the house.

Mr COOPER (Mornington) — The opposition has considerable concerns about the bill, and they have been outlined by the member for Box Hill. In outlining these concerns he said that he would await with considerable interest the comments to be made by government speakers and, in particular, by the Treasurer in summing up the debate on this bill before deciding whether the concerns of the opposition would be addressed by the government. We are looking for some assurances from the government on this issue, because, along with a significant section of the Victorian community, we frankly cannot trust the government with regard to some of the things it puts forward in bills involving taxation. Because this is a bill that involves taxation it has ramifications for every section of the Victorian community. If the concerns

expressed by the member for Box Hill are not addressed, the opposition will oppose this bill with considerable vigour and will inform the Victorian community of the effects that it believes could flow on to them.

It is important from the outset to understand that the opposition's concerns relate to people's power bills. That is what it boils down to. This bill puts a land tax imposition on the operator of the main transmission grid, SPI PowerNet. The government intends that SPI PowerNet will pass on the new tax in the form of higher transmission charges. This is not a simple situation of saying it will pass that on in the form of higher transmission charges and nothing else will result from it, because we all know that the flow-on effect will appear in everyone's electricity bill. For a community that is still trying to digest the reality that this government has scrapped the winter power bonus and has struck a deal with the power companies for a power freeze to be now confronted with the possibility that the higher transmission charges that will flow on could wreck the deal is something that everyone should be concerned about.

That is the principal concern that I and my opposition colleagues have over this issue. What are the government's intentions in this matter? What are its intentions with regard to be question of the smelter reduction amount (SRA), because that is the reason for all of this? It is the reason why the levy on the wholesale electricity market, which was introduced by the Kennett government at the time of the privatisation of the electricity industry to help pay for the losses of the smelter deal that was done by the Honourable David White as a minister in the Cain government, is being removed. All of that is now flowing back into the situation where the government is saying that this is going to be a revenue-neutral effect.

It says it will scrap the SRA, and the land tax that will be applied to SPI PowerNet will raise roughly the same amount of money, so it will be revenue neutral. But the Leader of The Nationals hit the nail right on the head when he asked, 'What is the government's intention with regard to the High Court challenge that is going on at the moment over the SRA? Is it going to pursue that, and what happens if it wins it?'. The government will not only have the continuation of the SRA but will also have the revenue that will flow to it from this piece of legislation, and in colloquial terms that is called double-dipping.

We are looking for a lot of answers and lot of assurances from the government on this issue. We are looking to see whether or not there will be a new

hidden electricity tax contained in this legislation. That is what it all boils down to as far as we are concerned. I am puzzled that the member for Burwood, as the lead speaker for the government on this issue, seems to have some trouble in understanding the point made by the member for Box Hill in replying to the legislation on behalf of the opposition. It would perhaps seem that he did not listen to the member for Box Hill or alternatively that he does not understand the legislation itself and the implications that it could well have.

I do not intend to belabour the point. I know that there are other people, including my colleague the member for Hawthorn, who wish to speak on this bill, but in conclusion I want to say that we await the assurances that we are going to receive from the Treasurer in his summing up on this bill, because those assurances are very important to us and also very important to every section of the Victorian community. The fact that a power freeze deal that has been struck with the power companies could be smashed to pieces by this legislation is something that I do not think either the backbenchers on the government side or anybody else in this state would want to contemplate. We do not want to see power charges increase through this legislation, but the import of it will be that that will occur unless we get some kind of assurance and understanding of what is behind the government's real thinking on this legislation.

The member for Box Hill moved a reasoned amendment on behalf of the opposition, and we will very strongly support that amendment unless we receive those kinds of assurances and some explanations from the Treasurer. With those few words I reiterate my concerns, and as things stand at the present time I oppose the legislation.

Ms D'AMBROSIO (Mill Park) — I rise in support of the bill and the government amendments circulated today. It is quite clear that there is an attempt to ensure that a reasonable and fair policy is implemented regarding the land tax applicable to electricity transmission easements. My understanding is that the applicable land tax will take effect from 1 July, and that a transitional phase will be put in place with the Valuer-General determining valuations on land tax easements each second year with the indexation of valuations in alternate years. This will coincide with the municipal rates system of property valuations.

The bill allows for objections to valuations. It allows for the normal checks that you would expect to be available to taxpayers in terms of being able to object to a valuation. An electricity company is a holder of an easement and therefore a potential taxpayer will have

the ability to object to or challenge a valuation for land tax purposes, and those objections will go through the usual process of independent assessment. An objection must be lodged within 60 days of a notice being received, and in the first instance an objection is referred to the Commissioner of State Revenue in consultation with the Valuer-General. Thereafter, if the objection is pursued by a taxpayer who may not be satisfied with an assessment of the Commissioner of State Revenue, there is the legal right to pursue the matter through the Victorian Civil and Administrative Tribunal with final recourse through the Supreme Court. That will ensure transparency and that objections can be heard in a fair and reasonable fashion. That is a commendable outcome.

The bill allows for negotiated agreements of land tax by electrical companies in terms of paying tax by instalments. It also affords protection to a landowner from having the value of the tax passed on to them unintentionally by the easement holder. The legislation makes it very clear that protection is given to primary production land, which remains exempt from land tax — there is no ability by the easement holder to pass on the value of the tax to the landowner in that case. That is an unequivocal matter in the bill, and there should be no scaremongering by anyone that it somehow opens up the matter — —

An honourable member interjected.

Ms D'AMBROSIO — It is very clear that protection is given to primary production land, which remains exempt from land tax. It is a reasonable, fair and transparent policy. It is subject to objection and appeal to the normal independent bodies for consideration of valuations. These important devices are available to the taxpayer under the bill.

I wish to comment on the member for Mornington's contribution to this debate. He claimed that under the bill there is the potential for double-dipping. It has been made quite clear to this house by the Treasurer that the SRA collected up until 30 June will cease after 30 June, so there is absolutely no attempt to double-dip and no lack of clarity regarding any double-dipping efforts in that regard. I urge the house to support the bill and the government's amendments. I cease my contribution there.

Mr BAILLIEU (Hawthorn) — I rise to speak on the Land Tax (Amendment) Bill, appreciating the complexity of the bill and also appreciating the contribution that the member for Box Hill has made in moving his reasoned amendment in the process of an attempt to protect Victorian consumers. The member

for Box Hill has set out some fairly clear and important reasons for advancing that reasoned amendment.

In his contribution the member for South-West Coast made reference to the potential application of this bill to Basslink. I do not want to go into that; nor do I want to go into great detail on the provisions of the bill. But I do want to raise the potential application of the bill and to raise questions for the Treasurer, and hopefully have him respond, on the application of these new components of the Land Tax Act to wind farms and wind farm installations either directly or indirectly.

Members will no doubt be aware that section 9 of the Land Tax Act, in particular sections 9(1)(ga), 9(1)(h) and 9(1)(ha) provide for exceptions from land tax for various components of land which are essentially associated with primary production. Subsection (1)(ga) refers to land outside the metropolitan area used for primary production being exempt. Subsection (1)(h) refers to single parcels of land within the metropolitan area not being in an urban zone and which is land used for primary production being exempt. Subsection (1)(ha) refers to a single parcel of land within the metropolitan area which is used solely or primarily for the business of primary production enjoying land tax exemptions. The reality is that there are exemptions for primary production and for the land-holders who own that land.

I attended a meeting in February this year which no government minister chose to attend despite an invitation from the Municipal Association of Victoria. The meeting was called by the MAV to consider the impact of wind farms on various municipalities. As a consequence of that meeting and the MAV's deliberations, the MAV has called for a moratorium on further approval of wind farms. I note that that moratorium was highlighted in the *Portland Observer* and in the Warrnambool *Standard* of 10 April. I note that in an article in the Ballarat *Courier* on 16 April 2004 that moratorium call is highlighted, and it has received similar treatment in a number of other media outlets.

The MAV called for a moratorium on the basis of planning powers needing to be restored to councils and also on the basis of uncertainty regarding rating and land taxing provisions which would apply to the generation of electricity and the transmission of that electricity as associated with wind farms. In particular, reference was made to the potential impact on grants commission provisions for any forgone revenue as a consequence of the detailing of those land tax provisions.

The government has never at any time sought to clarify how land tax will be raised, if at all, on wind farms which occupy primary production land. The reality is that some primary production land will cease to be primary production land once the wind farms are installed because the reality is that farmers are, we are told, being paid up to \$10 000 to locate a turbine on their property. Whether easements are associated with those wind farms is yet to be established. Whether there will be transmission easements will obviously be decided on a case-by-case basis, but the application of these provisions will potentially raise land tax in situations where land tax had not been raised before on primary production properties where farmers never expected that to be the case.

The Treasurer needs to address those issues, and he needs to address them clearly. How will land tax apply to the installation of wind farms and to the transmission of electricity from those wind farms across existing primary production properties, and in the event that the primary production ceases, on those same properties without primary production, despite the fact that they exist in non-urban zones in the areas mentioned under the bill? They are specific questions I raise for the attention of the Treasurer. Certainly land-holders have raised them. This issue has the potential to change the economic basis of wind farms. Questions are already in the melting pot as to that anyway. The taxation issues have not been addressed. The MAV has recognised it, and we as an opposition have recognised it. I raised these matters more than 12 months ago at a public meeting. The government has steadfastly refused to give any clarification on the issues, and it is about time the Treasurer did. With those few words I support the proposition put by the member for Box Hill that the reasoned amendment be carried.

Ms BEATTIE (Yuroke) — I rise to join the debate on the Land Tax (Amendment) Bill 2004. I must say: what a day to be joining a debate on land tax when the economic statement, *Victoria — Leading the Way*, has come out and there is relief for land tax payers, paying more than \$1 billion over the next five years. As you might be aware, Acting Speaker, that will be through a \$25 000 increase in the tax-free threshold, taking the threshold from \$150 000 to \$175 000 and relieving approximately 24 000 Victorians of having to pay land tax, so it is quite fitting that we have the debate on the Land Tax (Amendment) Bill on this day when we are so focused on land tax.

This amendment has been proposed partly in response to concerns raised by SPI PowerNet relating to the certainty of the payment schedule and its wanting to align its payments with its cash flows. This amendment

will enable the company to do that, and it enables the Commissioner of State Revenue to enter into a binding agreement with SPI PowerNet for it to pay its tax liability in monthly instalments. Legal advice from the Solicitor-General has confirmed that the commissioner currently lacks the power to enter into a binding agreement on tax that has not yet been assessed, so this bill is timely.

The bill contains quite a number of clauses and definitions, which the member for Burwood has gone through in a very detailed way. Honourable members would be aware that on 24 March the government announced it would introduce these measures to extend the current land tax regime to electricity easements owned by the electricity companies. It is important to detail here what an easement is. An easement is an interest in land owned by another person. An easement also gives the holder a right to use a portion of that land owned by another in a particular way or to prevent the landowner from using a portion of their land in a certain way. Easements are legal interests in land and are so recognised by the registrar of titles.

I will go through a few of the clauses, particularly clause 20, which inserts new section 17A in the act. It contains the objection provisions applicable to valuations of transmission easements. Under these provisions only the transmission easement holder may lodge a written objection to a valuation made for the commissioner, with the commissioner or on any of the grounds set out in that section. The grounds of objection are that the value of the transmission easement is too high or too low — of course when it comes to taxes we all say that they are too high — and that the person named in the assessment or valuation is not so liable to be named — in other words, the taxpayer can object to a valuation on the basis that the value is incorrect or that they are not the transmission easement holder of a particular transmission easement.

The current section ensures that any such objection must be lodged within two months after a notice of assessment based on that valuation, and then the objection follows the current procedures in the Land Tax Act 1958.

I want to touch on the reasoned amendment moved by the member for Box Hill. It consists of very few words, but it is typical of the opposition. If you look at the words, you see that they say the bill must be withdrawn and redrafted. No effort whatsoever has been put into the reasoned amendment, just a motion saying that the bill be withdrawn and redrafted. How typical of a lazy opposition that it waits until the bill is in the house and says, 'Just withdraw it or redraft it'.

Dr Napthine interjected.

Ms BEATTIE — On a point of order, Acting Speaker, I ask the member for South-West Coast to withdraw. I take offence at that remark.

The ACTING SPEAKER (Mr Savage) — Order! The member for Yuroke has taken offence at the remark. I ask the member for South-West Coast to withdraw.

Dr Napthine — I withdraw.

Ms BEATTIE — Thank you, Acting Speaker. As I said, it is just typical of this lazy opposition that it has not put any work into the bill, it has not discussed the bill and it has not consulted with the government. It just asks us to withdraw the bill. The government will oppose the reasoned amendment.

Mr Baillieu — On a point of order, Acting Speaker, the member continues to misrepresent the facts. The reasoned amendment must be in the form in which it has been delivered.

The ACTING SPEAKER (Mr Savage) — Order! That is not a point of order. I do not accept it.

Ms BEATTIE — Therefore the government will be supporting the bill, which a great deal of thought has gone into. Indeed, we have turned our minds to land tax generally, not just to this bill. We have introduced great initiatives for the state of Victoria, not only in this bill but in the government's economic statement. I commend the bill to the house, and I also commend the government's economic statement, *Victoria — Leading the Way*.

Dr NAPHTHINE (South-West Coast) — I stand to express my concerns about the Land Tax (Amendment) Bill. The member for Yuroke said, 'What a day to join in a land tax debate'. What a day it is, because this is a day on which the Bracks government is introducing a new land tax that will affect each and every Victorian. All Victorians will be paying more for their electricity because of this new land tax.

The Bracks Labor government, which is already recognised as the highest taxing government in the history of Victoria, is imposing a new tax on the people of Victoria, which they will pay through their electricity charges. It is a situation of saying, 'What a day to join in a land tax debate', given that this is a new land tax —

Mr Stensholt — You have no idea what the bill is about.

Dr NAPHTHINE — The member for Burwood demonstrated in his contribution that he absolutely has no idea of what the bill is about. He tried to read the bill to the house, misunderstood it and got it wrong.

The member for Yuroke also made some critical comments about the form of the reasoned amendment. If the member looked at the procedures of this house, she would realise that that is the form a reasoned amendment must take. If she looked back into history and to when the Labor Party in opposition regularly moved reasoned amendments, she would see that it used exactly the same terminology, because that is how it has to be done in the house. I suggest the member learn the procedures of the house rather than make inane comments. By making those inane comments she shows her lack of commitment and a lack of effort in working to understand how this house operates.

To cut to the chase, the bill introduces a new tax in Victoria that will deliver, through its indirect effects, additional payments by electricity consumers in Victoria. That is why I support the reasoned amendment moved by the member for Box Hill which proposes that the bill be withdrawn and redrafted to put in place measures to ensure that the legislation does not operate as a hidden new tax to be passed on to electricity consumers. This new legislation builds on the Labor government's continual attack on electricity consumers in this state.

Let me outline the history of that continual attack. As soon as the Labor Party came into government it abolished the winter power bonus. The bonus delivered \$120 million a year of benefits to the people of Victoria through a reduction of \$60 per household or business in winter power bills each and every year — a direct benefit to the people of Victoria from the previous coalition government. As a result of the Labor Party abolishing the winter power bonus, consumers, businesses, households and the people of Victoria pay higher electricity costs. Now the Bracks Labor government is withdrawing the assistance program that has helped keep electricity prices lower in regional and rural Victoria. The government walked away from all Victorians by scrapping the winter power bonus, and now it is specifically walking away from people in regional and rural Victoria.

On top of that — the third leg of the trifecta — the government is putting a new land tax on easements that will have to be paid by SPI PowerNet. This bill — and it is absolutely black and white — introduces, for the first time in the history of Victoria, a land tax on easements across which powerlines run. Powerline easements were not subject to land tax before the

Bracks Labor government invented this innovative strategy for new taxes on the people of Victoria.

Victorians will have a new tax in the form of land tax, established by this legislation, on SPI PowerNet. One can only presume what SPI will do with those additional charges. Will it absorb them into its additional costs for the good of the people of Victoria, or will it pass the charges on to the users of the transmission lines in increased transmission charges?

I put it to you, Acting Speaker, and to the house that they will pass on transmission charges. What will those people who pay the transmission charges — that is, the distributors of electricity across Victoria — do? Out of the goodness of their hearts will they absorb these additional charges for the good of Victoria? No. They will do what they should do as a business — they will say, 'This is a tax imposed indirectly on us by the Bracks Labor government' and they will pass it on to electricity consumers. There is no doubt that the consumers of Victorian electricity, whether they be a dairy farmer in Warrnambool, a householder in Heywood or a business in regional and rural Victoria, will pay the tax that the Bracks government is introducing in this legislation today.

The second-reading speech makes it clear that in 2005 the total amount collected by this tax will be \$75 million. What is worse is that this is an open-ended tax: it can be increased and there are provisions for it to be ratcheted up. I use the word 'ratchet' wisely, because that is what this government is on about. This is about a new tax that the people of Victoria will pay.

I am pleased that the Treasurer has entered the house and will be ready to respond to this debate, because in the interests of protecting the people of Victoria, the Treasurer should address a number of issues raised by the member for Box Hill. I, as the member for South-West Coast, seek the Treasurer's response also on a number of issues raised by the member for Hawthorn, particularly on how these provisions might relate to the operation of wind farms and the land tax on wind farms. How will this new land tax on easements affect transmission lines that take electricity from wind farm developments back to the grid? I ask the Treasurer whether they will be considered as easements subject to this taxation regime. What impact will that have on the viability of alternate energy production being planned for parts of Victoria?

The member for Mill Park referred to specific provisions in the bill to protect the interests of primary producers. I have had a good look at the bill, but I cannot find those provisions. It may be through my lack

of understanding of some of the details in the bill, but I ask the Treasurer to reiterate what the specific provisions were and to alert the house to the specific clauses in the bill, which the member for Mill Park said were in the bill, to provide protections for primary producers. I do not think they are in the bill.

Finally, the member for Yuroke referred to clause 20 which deals with objections. It provides a framework under which the relevant taxpayers — in this case, SPI PowerNet which will be the operator of the easement — could have the assessment reviewed. It could object to its valuation. This is one of the broader issues in land tax which I think should be taken up. What should happen, and what I believe is fair and reasonable, is that people who pay land tax — whether they be a large land tax payer as would be created under this legislation or whether they be an individual business paying land tax — should have an appeal mechanism at the time of receiving the land tax bill as well as at the time of valuation. Many people who pay their land tax are not aware of the impact of changing valuations on their land tax levy or the amount of tax they are being asked to pay until they actually get their land tax bills.

Most land tax operators then say, ‘This bill is very high; can I object to it?’ and they are told that they can only object at the time of changing valuations. Again I note in the provisions in the bill that the relevant taxpayer can object at the time of valuation that the valuation is too high or too low. But that happens at the time of the valuation rather than at the time of receiving the land tax bill. While a large organisation like SPI PowerNet might understand these issues and be able to lodge an objection at that time, that is not the case for many land tax payers.

In conclusion, I support the reasoned amendment because I am concerned that this bill is imposing a new level of taxation and a new tax on the people of Victoria in the guise of a land tax on electricity transmission easements, which will impact on higher electricity prices for the people of Victoria.

Mr BRUMBY (Treasurer) — I think it is worth reiterating a few key points about these arrangements. As I spelt them out in my second-reading speech, these arrangements are about introducing new land tax arrangements which apply specifically and solely to electricity transmission easements. Essentially they affect just one taxpayer in Victoria — that is, SPI PowerNet. They have no other jurisdiction or licence beyond that.

The member for South-West Coast raised a couple of issues. He asked whether these provisions relate to wind farms? No, they do not. He raised concerns in relation to section 20 and farmers. In relation to farmers, I refer him to the section 13Q of the act, which is the relevant provision and concerns the prohibition on the passing on of land tax in respect of transmission easements. This provides the protection to general land tax payers for example, primary producers. That protection is provided there — —

Honourable members interjecting

Mr BRUMBY — Yes, it is! It does provide that. That protection is fully provided.

These provisions, as I have said, apply to one taxpayer — that is, SPI PowerNet. I go to the reasoned amendment which has been moved by the member for Box Hill. I will make some broad comments about the reasoned amendment and respond to the matters which were raised with me by the member for Box Hill in relation to his reasoned amendment.

The reasoned amendment refers to a new tax. Can I make it absolutely clear that with the removal of the smelter reduction amount, which is worth \$85 million to \$90 million per annum, the outcome will most certainly be that there is no extra or additional tax as the land tax on easements will only raise \$75 million to \$80 million at a maximum per annum. For reasons which the member for Box Hill is aware of, and I will not go into the detail, it is probably inappropriate to compare the two arrangements, but in revenue terms the smelter reduction amount was raising \$85 million to \$90 million per annum, which was paid for by consumers. The government has terminated that and in an unrelated matter is extending land tax on easements. That tax will raise \$75 million to \$80 million per annum, so it is nonsense to say that there is additional tax; in fact the total cost to consumers is less, not more.

Having said that, the second point I want to make is that no additional tax is being levied, and that is why the government has said electricity prices will not rise. I want to make it clear that no electricity company has challenged this — not one! This has been a significant process for the government and has involved the Department of Treasury and Finance for some months. All of the relevant stakeholders have been closely and fully briefed, and the assertion that I am making today has not been challenged in any way, shape or form by any electricity company.

Mr Baillieu interjected.

Mr BRUMBY — Why don't you get yourself briefed? You were offered a briefing.

The third point I want to make is — —

Ms Asher interjected.

Mr BRUMBY — The claim that is being made is not accurate.

The third point is that there will be no change in the legal rights of taxpayers and electricity consumers to influence the regulatory arrangements which will follow this legislation. These arrangements are overlooked by the Australian Competition and Consumer Commission and the Essential Services Commission, which are both independent regulatory bodies governed by commonwealth and state legislation respectively.

My fourth point is that every commercial enterprise which has a tax imposed on it has the potential to pass on the tax. Obviously this is an appropriate and necessary aspect of all business taxation arrangements. I guess the question is: would the opposition have the government change the payroll tax legislation so that payroll tax could not be passed on?

My fifth and final point is that this tax is not a hidden tax; it is a land tax which is imposed in exactly the same way as land tax is imposed on the property value unaffected by any easement.

In conclusion, the government has undertaken a huge amount of preparation in an attempt to ensure that new arrangements are put in place which on the one hand protect electricity consumers and on the other protect the revenue base of the state. As I said, there is no new tax; there is an extension of land tax, and the amount raised by land tax, as it happens, is less than the amount which was previously raised by the smelter reduction amount. The industry has been fully briefed on all of these matters. The industry is supportive of the arrangements which have been put in place. I commend these arrangements to the house.

There is a time issue, which the Leader of the Opposition and the member for Box Hill are well aware of, and these arrangements need to be put in place so that Australian Competition and Consumer Commission clearances can be provided for pass-through by SPI PowerNet, and that needs to take place at the earliest possible opportunity. I urge the opposition to withdraw the reasoned amendment and to support the amendments which have been circulated in my name so that this bill, subject to the provisos and qualifications which I have provided today, a copy of

which I have provided to the member for Box Hill, can be passed without delay.

The ACTING SPEAKER (Mr Savage) — Order! The Treasurer has moved that the bill be read a second time. To this motion the member for Box Hill has moved a reasoned amendment. He proposed to omit all the words after 'that' with a view of inserting in the place thereof the words which have been circulated and are in the hands of members. The question is that the words proposed to be omitted stand part of the question. Those who support the member's amendment should vote no. All of that opinion say aye, to the contrary no.

Dr Napthine — There are voices for the noes, but no voices for the ayes.

The ACTING SPEAKER (Mr Savage) — Order! There was a voice for the ayes. I think the ayes have it.

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

Ayes, 57

Allan, Ms	Jenkins, Mr
Andrews, Mr	Kosky, Ms
Barker, Ms	Langdon, Mr
Batchelor, Mr	Languiller, Mr
Beard, Ms	Leighton, Mr
Beattie, Ms	Lim, Mr
Bracks, Mr	Lindell, Ms
Brumby, Mr	Lobato, Ms
Buchanan, Ms	Lockwood, Mr
Cameron, Mr	Lupton, Mr
Campbell, Ms	McTaggart, Ms
Carli, Mr	Marshall, Ms
Crutchfield, Mr	Maxfield, Mr
D'Ambrosio, Ms	Merlino, Mr
Delahunty, Ms	Mildenhall, Mr
Donnellan, Mr	Munt, Ms
Duncan, Ms	Nardella, Mr
Eckstein, Ms	Neville, Ms
Garbutt, Ms	Overington, Ms
Gillett, Ms	Perera, Mr
Green, Ms	Robinson, Mr
Hardman, Mr	Savage, Mr
Harkness, Mr	Seitz, Mr
Helper, Mr	Stensholt, Mr
Herbert, Mr	Thwaites, Mr
Howard, Mr	Trezise, Mr
Hudson, Mr	Wilson, Mr
Hulls, Mr	Wynne, Mr
Ingram, Mr	

Noes, 23

Asher, Ms	Napthine, Dr
Baillieu, Mr	Perton, Mr
Clark, Mr	Plowman, Mr
Cooper, Mr	Powell, Mrs
Delahunty, Mr	Ryan, Mr
Dixon, Mr	Shardey, Mrs

Doyle, Mr	Smith, Mr
Honeywood, Mr	Sykes, Dr
Jasper, Mr	Thompson, Mr
McIntosh, Mr	Walsh, Mr
Maughan, Mr	Wells, Mr
Mulder, Mr	

Consideration in detail

Clause 1

Mr CLARK (Box Hill) — Clause 1, the purposes clause of the bill, sets out the purposes:

... to amend the Land Tax Act ... to provide for the taxation of easements held by electricity transmission companies; and

make related amendments ...

In relation to this purpose, in closing the second-reading debate the Treasurer has sought to give some assurance to the house about the government's intentions on this bill in relation to the way it will affect participants in the electricity industry.

I have to say, Deputy Speaker, that I am still of two minds as to what the government intends to achieve. The Treasurer has assured the house and the opposition that this legislation is not intended to increase the burden on taxpayers, if I could put it in that general term, compared to the situation prior to the government announcing the policy initiatives in this area. However, what the Treasurer said to the house has given very little, if any, comfort that this is not the way the legislation is going to work. I am starting to despair at the lack of real world nous and understanding on the government's part in believing that what has been said to the house will give that level of assurance. A number of things that the Treasurer has said have got to be considered as close to disingenuous.

We all understand that a tax such as this applies at first instance to the parties on which it is levied. The critical question in economic terms is where and how this tax flows through. The concerns that have been raised by me and other honourable members on this side of the house are quite clear — that if this amount brings more into the public sector than did the smelter reduction amount, there will be a net burden on the rest of the community and that net burden will end up being borne by someone. The question is: by whom will it end up being borne?

The government tells the house that it is not intended that SPI PowerNet end up bearing that burden and that they are at liberty to pass on that tax. I will not enter into debate with the Treasurer about his analogies with prohibitions on passing-on in other pieces of legislation, because I think those are quite questionable but let us assume that SPI PowerNet is going to pass on this tax.

That simply passes the question further down the line: is it going to be borne by the distributors; is it going to be borne by the retailers; is it going to be borne by consumers? Contrary to what the Treasurer said, in my

Amendment defeated.

House divided on motion:

Ayes, 57

Allan, Ms	Jenkins, Mr
Andrews, Mr	Kosky, Ms
Barker, Ms	Langdon, Mr
Batchelor, Mr	Languiller, Mr
Beard, Ms	Leighton, Mr
Beattie, Ms	Lim, Mr
Bracks, Mr	Lindell, Ms
Brumby, Mr	Lobato, Ms
Buchanan, Ms	Lockwood, Mr
Cameron, Mr	Lupton, Mr
Campbell, Ms	McTaggart, Ms
Carli, Mr	Marshall, Ms
Crutchfield, Mr	Maxfield, Mr
D'Ambrosio, Ms	Merlino, Mr
Delahunty, Ms	Mildenhall, Mr
Donnellan, Mr	Munt, Ms
Duncan, Ms	Nardella, Mr
Eckstein, Ms	Neville, Ms
Garbutt, Ms	Overington, Ms
Gillett, Ms	Perera, Mr
Green, Ms	Robinson, Mr
Hardman, Mr	Savage, Mr
Harkness, Mr	Seitz, Mr
Helper, Mr	Stensholt, Mr
Herbert, Mr	Thwaites, Mr
Howard, Mr	Trezise, Mr
Hudson, Mr	Wilson, Mr
Hulls, Mr	Wynne, Mr
Ingram, Mr	

Noes, 23

Asher, Ms	Napthine, Dr
Baillieu, Mr	Perton, Mr
Clark, Mr	Plowman, Mr
Cooper, Mr	Powell, Mrs
Delahunty, Mr	Ryan, Mr
Dixon, Mr	Shardey, Mrs
Doyle, Mr	Smith, Mr
Honeywood, Mr	Sykes, Dr
Jasper, Mr	Thompson, Mr
McIntosh, Mr	Walsh, Mr
Maughan, Mr	Wells, Mr
Mulder, Mr	

Motion agreed to.

Read second time.

remarks on the second-reading debate I quoted some of the concerns expressed by TXU — one of the participants in the electricity industry — about the extra burden that this could impose on distributors, retailers or consumers.

The bottom line remains: if this measure and related policy announcements impose a net additional burden on people and parties outside the public sector, then someone has to end up paying it. This house is entitled to look for a cast-iron guarantee that over time, allowing for ups and downs and the vicissitudes of various prices and values, et cetera, this will not result in a net additional impost on the community. Unless and until that assurance is given by whatever means — be it a sunset clause in the legislation, categorical assurances given to the house by the Treasurer or a combination thereof — and this is resolved, the concerns of the opposition will remain that this is not just a land tax that offsets a policy measure and that, even conceding that the government is acting in good faith, the way in which it is translating its intentions into actuality is going to have the effect, over time, of imposing an increased burden on the citizens of Victoria. We are looking to ensure that this measure does not have that effect.

Mr RYAN (Leader of The Nationals) — Our concern, whilst echoed in some senses by the sentiments expressed by the member for Box Hill, is more fundamental still. Under the purposes provision this is about imposing taxation upon easements held by electricity transmission companies. The word ‘taxation’ has to be used in all the prevailing circumstances, because any other form of verbiage is just asking for trouble. It is taxation, and should be called taxation by no other name. Any suggestion of excise is the subject of High Court proceedings, so the government has to be absolutely explicit about its intentions in this regard — that is, it wants to raise tax.

The issue of what will happen with that High Court case remains outstanding. Is it going to be withdrawn? Is it going to be resolved in some way, shape or form? What will be its fate, and how is the government going to deal with that? If there is an expense involved on behalf of the taxpayer, we are owed an explanation of what that is. I would have thought that since there has been consultation between the government and industry there surely must be some sort of set pathway that is within the knowledge of the government and that it could tell us what the future treatment of that important issue will be.

The next point is that this is taxation upon easements. The minister said in the second-reading speech — and I

accept the undertaking given there — that taxation on these easements will be of particular application only to the third element of this that causes us concern, which is the easements relating to electricity transmission companies.

The problem we have is that the very principles involved here relate to the government for the first time taxing easements. Our concern is that this is opening a Pandora’s box. We are concerned that in time to come it might be some other authority — a water authority, for example — that is subject to this form of taxation and that the government will be able to use the sort of mechanism set out in the legislation to raise additional taxation from Victorians, because in the end they are the ones who will pay. That is an issue of fundamental concern to us. It happens to be electricity transmission companies in this instance, but who is to tell what might apply in time to come?

The concern we have is heightened by the fact that there is no sunset clause within the bill. If the bill is intended to reflect current arrangements but to establish them in another form so as to circumvent the issues which are the basis of the case before the High Court, what is the problem with sunseting this bill? That process would at least ring-fence the legislation in such a way as to assure all concerned that in this instance it is intended to do absolutely no more than reflect the arrangements that are presently under challenge in the courts. I ask the Treasurer, therefore, why we cannot have a sunset clause included in the legislation.

The other elements of fundamental concern to us relate to what local government might take as a precedent for its purposes. As we know, as this government continues its cost-shifting process in things such as library funding, for example — just to call one to mind — local government is looking to other means of raising money to supplant what is not available to it for various reasons. This is another means whereby our people could prospectively have a problem, particularly in rural and regional Victoria, with this Pandora’s box being opened up.

Finally, again as a matter of general principle, this land being as close as it is to primary production land is of concern to country Victorians. I appreciate that the second-reading speech says what it says, and I understand what the Treasurer says in relation to this issue, but again from the perspective of those whom we represent in this place — —

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

Mr BRUMBY (Treasurer) — Just on clause 1, a couple of issues were raised by the Leader of The Nationals that I am not in a position to comment on. They related to a High Court case and are quite unrelated to this legislation. It would be inappropriate for me to comment on the government's views in relation to that —

Ms Asher interjected.

Mr BRUMBY — It would, in relation to that.

On the issue more generally of alleged revenue gain from these arrangements, the fact of the matter is that I announced that the state would terminate the smelter reduction amount which is presently raising of the order of \$85 million to \$90 million per annum paid for by electricity consumers. What I am introducing from 1 July 2004 is new land tax arrangements which will raise \$75 million to \$80 million per annum. The amount being raised under these arrangements is less than what was previously being raised through the smelter reduction amount, so talk of an additional tax or an additional impost is not correct. It is just not correct. In fact, if one —

Mr Ryan interjected.

Mr BRUMBY — No, it is not a matter of any court case. I have announced that we are discontinuing the smelter reduction amount, so what happens with that case is entirely irrelevant. We have announced that the smelter reduction amount is being discontinued, abolished, terminated — it has gone! It is finished — no-one pays it! What we have introduced is an amendment to land tax which will raise \$75 million to \$80 million. At this time that is significantly less than what consumers have been paying through a smelter reduction amount, and I have been advised there is no prospect whatever that in the future that amount would be more than was raised through the smelter reduction amount. At this point in time consumers are significantly better off, not worse off, as a result of the new arrangements.

The pass-through is what this legislation and the amendments circulated earlier in my name are about — allowing SPI PowerNet to pass through those costs so that consumers pay them. The aggregate amount paid for by consumers will be \$75 million to \$80 million; previously consumers have been paying \$85 million to \$90 million, so there is no additional tax, no additional impost. Consumers are better off to the tune of \$10 million to \$15 million per annum.

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

Mr CLARK (Box Hill) — Let me respond briefly to some of the matters raised by the Treasurer. The opposition certainly appreciates the amounts that are expected to be raised by the new tax, and that were being raised by the levy. However, as the Treasurer will understand, that is not the end of the issue. Land tax by definition is imposed on land values; this land tax moving forward in the future will be imposed on the value of the easements. The value of the easements is assessed by taking the value of the underlying land as it would be if there were no easement and subtracting from that the value that the land has being subject to the easement. Over time the easement value can rise, thus the land tax applicable to it can also rise.

By contrast, the revenue stream that existed before the government's policy announcements of 24 March generated a revenue to the public sector from the smelter reduction amount. The smelter reduction amount as set out in the code is based on the lesser of \$2 per megawatt hour indexed from 1995 at an index factor which up until this date has been the consumer price index (CPI), or the amount required by the smelter trader — that is, by the State Electricity Commission of Victoria — in order to meet the losses under the smelter contract. That amount, assuming that the CPI cap is the operable constraint, is likely to be over time less than the amount generated by the land tax simply because the CPI escalates at less than land values. That has certainly been the experience of recent years. There may be some other factors that go into the arithmetic, but that is the broad assessment.

The Treasurer offered a small glimmer of hope of possibly resolving this in what he said previously. He said that on what he was advised there was no prospect that more would be paid under this arrangement than was being paid under the arrangements prior to 24 March. It may be that in discussions while the bill is between houses those calculations can be shown to the opposition and can persuade us that regardless of what is capable in principle, in actuality based on a reasonable modelling and assumptions that will not come to pass. I would be most interested to see those figures and how they have been derived, and whether they in fact bear out the conclusion put forward by the Treasurer.

I wish to briefly comment on the assertion made by the Treasurer about the extent of consultation with industry about this legislation. As I understand it, SPI PowerNet first became aware that something was happening approximately 48 hours before the Treasurer's announcement, when it was notified with approximately 24 hours notice that it should come to a

meeting with government representatives. At that meeting it was informed of this measure.

I can well believe that within government this concept and these policy initiatives have been under development for a considerable time, but on the best information available to me, industry — certainly broadly speaking and I would be surprised if narrowly speaking — has not been involved in those discussions. This is a scheme that has been sprung on industry. It demonstrates again the gap between a policy position that may have some conceptual logic and actually implementing that policy position in a way that does not cause commercial disadvantage, disruption and distress for parties in the industry. Parties in the industry will be rather jaundiced by the way this policy initiative has been implemented. I will probably have more to say on that matter when we consider clause 6.

Mr RYAN (Leader of The Nationals) — I accept what the Treasurer says insofar as his own knowledge of events regarding that case. There is no need for this to be mutually exclusive. The situation with the court case should surely have been resolved in a manner that the Parliament ought to be told about.

Secondly, why can we not put a sunset clause in this legislation? Thirdly, as I have already said, as a matter of fundamental principle we have concerns about the very matters underpinning the approach by the government to resolve this issue, so we oppose the bill anyway. I would be interested in the comments on a sunset clause.

Mr BRUMBY (Treasurer) — There is nothing new in the matters raised by the member for Box Hill the second time round, and I do not propose to go into those except to say the member was erroneous in relation to the smelter reduction amount. The SRA is a volumetric charge. It is not just a matter of indexation; it is also a matter of increasing consumption of electricity, so it increases over time faster than people would imagine.

The sunset clause is a matter I have discussed out of this chamber with the member for Box Hill. I can understand the issues that have been raised by the member for Box Hill and the Leader of the National Party. I have to say on balance, and following advice from the Department of Treasury and Finance, that the government would not be in a position to put a sunset arrangement in place because this is an extension of land tax. It raises \$75 million to \$80 million per annum, as I indicated before. The estimates going forward suggest that the amount of revenue which will be raised from this will be consistently less than what was

previously raised from electricity consumers from the smelter reduction amount. It is a tax, and land tax goes on forever. There is no sunset clause on land tax, there is no sunset clause on payroll tax, so it would not be appropriate to put a sunset clause in place in relation to this taxation arrangement.

Fast forwarding, if I might, to 2015 and 2016, on the assumption that contracts are terminated at the time in relation to Alcoa, as stipulated under the contract, and the government of the day was in a position to review taxation arrangements, a government of the day at that stage may make decisions about these matters, but it would be not appropriate at this stage to link these matters to other electricity industry issues.

I repeat that I have taken advice on this. I have discussed it with the member for Box Hill today. On balance, this is a tax arrangement. Other tax arrangements — payroll tax, land tax, all those things — do not have sunset clauses. It would be inappropriate to put a sunset arrangement in place in relation to this. The government of the day in 2015 or 2016, whoever that might be, may make a judgment about that, as I am sure it will. It may continue with the arrangement or terminate it, taking all the relevant circumstances at the time into account.

Clause agreed to; clauses 2 to 5 agreed to.

Clause 6

Mr BRUMBY (Treasurer) — I move:

1. Clause 6, page 14, line 3, omit “Act.” and insert “Act.”.

This is the most profound moment in my political career! The amendment removes an apostrophe which by error was replaced after ‘the act’.

I move:

2. Clause 6, page 14, after line 3 insert —

“13U. Agreements relating to the payment of tax

- (1) The Commissioner may enter into an agreement with a transmission easement holder in relation to the payment of tax to be assessed, charged, levied and collected under this Part.
- (2) An agreement under sub-section (1) —
 - (a) may, despite anything to the contrary in this Act, permit the payment of the tax to be by instalments within such time as is set out in the agreement; and
 - (b) must not be for a period exceeding 5 years.

- (3) Nothing in this section limits the operation of section 91.’”.

Mr CLARK (Box Hill) — These amendments give effect to a government policy decision in relation to representations made to it by SPI PowerNet about the manner in which land tax is to be paid potentially by instalment. I go back to the remarks I made during the second-reading debate about the importance, from the point of view of SPI PowerNet, of there being a matching between the obligations imposed on it under this legislation and the recoupment of the land tax being imposed on it under this legislation by means of charges which will be passed on to consumers. As the Treasurer reaffirmed during the course of closing the second-reading debate, it is the expectation of the government that this land tax on SPI PowerNet will be passed on.

As I indicated in the second-reading debate and have alluded to elsewhere, the impost being imposed at first instance on SPI PowerNet is a very large impost indeed in relation to its total annual turnover which, as I said, is somewhere between \$200 million and \$300 million a year. SPI PowerNet has been regarded by investors as in effect a low-margin, low-risk business. It maintains and provides transmission powerlines. It is not a particularly dynamic business. It earns a relatively modest margin through the fees charged for providing that service. Having a large impost imposed on it such as this is an enormous disruption to the investment that has been made by the investors.

What they understandably need to ensure is that the government’s assurances that they will not be any worse off is translated into actuality, in not just political and conceptual terms but in terms of how the legals stack up. As I have said, it is not just a matter for SPI PowerNet but for its financiers, and if there is a risk being created that there is a mismatch with the cash flows between what has to be paid in land tax and what it will recoup by passing this on through higher charges, the company is exposed and its risk assessment in the minds of its financiers may change dramatically. This is justifiably of vital importance to it, and because it is important to it, it should be important to the government and the house, because otherwise we are creating a risk factor for investment in Victoria, which is something that none of us wants because it will deter investment, cost jobs and cost growth.

Of course the government has been assuring the people of Victoria today that quite the opposite is what it wants to achieve. It is vital that this amendment avoid that risk for SPI PowerNet, and it does not avoid that risk. The risk certainly goes beyond the period of five years that

is contemplated in the house amendment under which the State Revenue Office can enter into an agreement with the company about the payment of tax, and possibly even within that period depending on exactly what the terms are of the agreement between the Commissioner of State Revenue and SPI PowerNet. This house is not in a position to pass judgment on or exercise any control over the content of the agreement, but it can influence the term of the agreement. The house amendment limits it to a period of five years.

I cannot see why such a limitation should be imposed. I assure the house and the Treasurer that as of less than an hour ago, as I have been informed by my colleague the Honourable Bill Forwood, a member for Templestowe Province in the other place, that SPI PowerNet is not satisfied with this time period of five years being imposed by this amendment and continues to believe that anything other than an agreement that covers them for the lifetime of the tax exposes them and their financing arrangements to unnecessary uncertainty.

Mr BRUMBY (Treasurer) — The matters raised in debate by the member for Box Hill were raised with me earlier today. I appreciate the member for raising that and thank him for extending me that courtesy. The government is concerned to mitigate risk, there is no doubt about that, and the purpose of this arrangement is to mitigate risk in relation to SPI PowerNet. The reason for the amendment is that the legal advice we have from the Solicitor-General is that the Commissioner of State Revenue currently lacks the statutory power to enter into a binding agreement in respect of the tax that has not yet been assessed and levied. Consequently this amendment is proposed to enable the commissioner to enter into an agreement with a transmission company prior to the issuing of any tax assessment in relation to the timing of that assessment. The agreement proposed here would be for a maximum period of five years, which would provide the taxpayer and SPI PowerNet with a reasonable level of certainty in relation to the payment arrangements.

The government has thought long and hard about whether five years is a reasonable period. We believe taking into account all the issues five years is unprecedented. It provides a discretion and authority for the commissioner, and it will mean that all of the risk that SPI PowerNet bears in relation to its tax liability and its capacity to pay those monthly instalments will be mitigated. The government is not keen to move beyond five years, but I am conscious of the views expressed by the member for Box Hill. Perhaps in four years time the government will examine these arrangements but in the circumstances five years is

unprecedented because we do want to mitigate the risk and we think that is a reasonable period.

My understanding is that the company was satisfied with those arrangements. The member for Box Hill has made a different claim today, but perhaps a way through this is for me to give an undertaking to look at this in four years time, and if the matter needs revisiting at that time a short-term extension could be provided.

Mr CLARK (Box Hill) — The opposition will not oppose the amendment because it is a step in the right direction, but I suggest to the Treasurer that his undertaking would far better be that he will go back to SPI PowerNet while the bill is between here and another place and have further discussion with it, and if it proves what I have told the house is correct, that this remains a problem to it, that the bill be amended in the other place or be sent back here and amended here to get this right. With my leader in the chamber I can undertake on behalf of the opposition that if the government needs to do that, we will not stand in its way because it is important to get it right.

The Treasurer has not given the house any persuasive reasons why such an agreement should be limited to five years. I believe I have given the house every reason why in the interests of SPI PowerNet it should be an open-ended period — as long as the tax lasts. I fear that the government does not get it. Whatever the rhetoric it may have about being business friendly and doing the right thing, when it comes to execution it does not have a clue about what the considerations are that are driving companies in the real world. It is blundering around, and through this misunderstanding it is doing the sort of damage that we on this side of the house have been talking about for a long time in terms of deterring business from investing in the state and contributing to the very low level of optimism about the Victorian economy that Victorian businesses have compared with the national economy and all the other factors that contribute to Victoria's economic growth now being well below the national average and forecast to remain so.

I cannot for the life of me see why the Treasurer will not agree to allow the agreements provided for in this amendment to continue for the life of the tax. I urge him again to think again about this matter and to either amend it now to delete that paragraph or at the very least agree to have another look at it while the bill is between this place and another place.

Mr BRUMBY (Treasurer) — This is a matter that could be examined while the bill is between here and the other place. But if I could elaborate on the point I

made a moment ago about reviewing this period in the future, the legal advice that the government has says that it would not be possible to give an open-ended guarantee in this legislation because taxation arrangements are in perpetuity. On legal advice it would not be appropriate to give an open-ended arrangement: there needs to be a time limit, so a time limit is stipulated. I am advised, consistent with the commitment I gave a few moments ago about looking at this in three or four years time, that this stipulates a period of five years and that it would be in order for SPI PowerNet, in discussions with the Commissioner of State Revenue, three or four years into the agreement to roll over a future extension for a period not exceeding a further five years. The member for Box Hill might say, 'If that is the case why do you not just stipulate a longer period in the legislation?'. The issue with that is, as I have said, that the legal advice we have is that it would be inappropriate to provide an open-ended guarantee and it needs to be confined to a time period.

So between the passage of the bill here today and its introduction in the other house, I am confident that this matter can be clarified. My understanding is that the guarantee can extend for a period of no more than five years but that if in four years time SPI PowerNet, in discussions with the Commissioner of State Revenue, seeks a further extension for a period no longer than five years, such an agreement could be rolled over. That is the advice I have on this, and that would be consistent with the objective that the government has, which is shared by the opposition, to remove or mitigate risk for SPI PowerNet. If I can leave it on that basis, I believe the matter is resolvable in a way that is consistent with the concerns raised by the member for Box Hill. Five years is the maximum period, but it can be rolled over at any stage in the future.

Mr DOYLE (Leader of the Opposition) — I take in good faith the offer that the Treasurer has just made, but there still seems to be less than a meeting of minds between the advice we have had from SPI PowerNet and the position the Treasurer has put, given that he has legal advice that we have not seen and given the position that the shadow Treasurer has put. As we have said, we will not oppose this amendment, because it at least moves us some way forward; but in order for us to make up our minds that the Treasurer's view is in fact the best way forward, I wonder whether it would be possible for us to see that legal advice — of course in confidence and without any prejudice — because in this instance we wish to make sure that we get the best result and certainly not a political result.

Mr BRUMBY (Treasurer) — I am not able to give any commitments about legal advice, because I am not a lawyer and I am not in a position to know what can and cannot be released, but I will make available advisors from the department to brief the opposition on this matter. As the Leader of the Opposition has just pointed out, I have taken advice on this matter. I have accurately relayed that advice, but between now and the upper house debate I am happy for that briefing to occur and for the concerns that have been raised here to be properly addressed.

Amendments agreed to; amended clause agreed to; clauses 7 to 20 agreed to.

New clause

Mr BRUMBY (Treasurer) — I move:

3. Insert the following new clause to follow clause 10 —

‘AA. Dates for payment of tax to be stated in notice of assessment

In section 57 of the Principal Act, for “Land” substitute “Subject to this Act, land”.’.

New clause agreed to.

Bill agreed to with amendments.

Remaining stages

Passed remaining stages.

The DEPUTY SPEAKER — Order! There has been some confusion because this is the first time that the house has gone through a consideration-in-detail stage since the adoption of the revised standing orders, when we did away with both the committee stage and the title ‘Chair of Committees’. During the consideration-in-detail stage we are still in the house, and the correct titles of the members in the chair are Deputy Speaker or Acting Speaker as appropriate.

ESTATE AGENTS AND TRAVEL AGENTS ACTS (AMENDMENT) BILL

Second reading

Debate resumed from 4 March; motion of Mr HULLS (Attorney-General).

Mr HONEYWOOD (Warrandyte) — In rising to respond on the government’s Estate Agents and Travel Agents Acts (Amendment) Bill I point out to the house that the Labor Party in Victoria has form when it comes to attempting to pillage and extract from any number of

small businesses moneys that, given that they are paid by those small businesses, should be at least hypothecated and accessible by interests associated with the various industries involved. When we look at real estate agents — and that whole professional area — as well as travel agents, we find that the Victorian Labor Party has form when it comes to using legislation in all sorts of guises to attempt to extract funds from estate agents.

I well recall, after I was first elected to this place back in 1988, that in my first term in opposition the then Attorney-General and minister responsible for consumer affairs, one Andrew McCutcheon, brought in an omnibus bill that on the one hand gave some concessions to estate agents by allowing their spouses — be they wives or husbands — to become partners in their real estate business but on the other hand took away from them their right to choose which bank they could deposit their estate agent trust funds with. It was very interesting that the Kirner Labor government tried to require estate agents in Victoria to put their money in State Bank Victoria, because we know what happened to it very soon afterwards — it went bankrupt, and the rest is history.

That was one attempt by a Labor government to use a Big Brother notion of giving a concession to real estate agents in their partnership arrangements while requiring them to bank with a designated banker, which took away a great deal of their flexibility. I am pleased to say that the then Liberal Party opposition was able to use its numbers in the other place to demand an amendment and that then Minister McCutcheon eventually withdrew the proposal to require trust funds to go only into State Bank Victoria.

Equally the Victorian Labor Party has a track record when it comes to the particular fund that is the main subject of the bill before us. The Estate Agents Guarantee Fund was established for all the right reasons, yet we have had ministers in this government trying to extract significant funds from it for all the wrong reasons. I refer to no better example than a matter that was the subject of both an Auditor-General’s and an Ombudsman’s report. The Minister for Small Business in the other place and the Minister for Community Services, who was then the Minister for Consumer Affairs, illegally attempted to extract funds from the Estate Agents Guarantee Fund for purposes that were never before permissible.

Mr Mildenhall — On a point of order, Acting Speaker, it is one thing for the shadow minister to be straying so far from the content of the bill but it is another thing indeed to accuse members of this place of

illegal activity. I ask you, Acting Speaker, to require the opposition spokesperson to cease and desist from that course of argument. Accusing a member in this place of illegal activity should be done by substantive motion, not by way of trying to distort the contents of a debate of this nature into that territory.

Mr HONEYWOOD — On the point of order, Acting Speaker, and in relation to both aspects of it, firstly the fund that I am referring to is totally the subject of the bill in the house this evening; it is the same fund that I am referring to so I am totally on the legislation. Secondly, it was a finding of the Ombudsman that what the two ministers had done was not legal, therefore the words I used were quite appropriate.

The ACTING SPEAKER (Ms Lindell) — Order! I do not uphold the point of order.

Mr HONEYWOOD — The two ministers in question were exposed for attempting to fleece this fund for the wrong purposes, and that will be the stuff of history. Again, it builds up a case of how the members of the Labor Party in Victoria hate small business, and they particularly hate anybody who attempts to hang up their shingle and be a bona fide real estate agent.

But then we come to the Minister for Small Business in another place who is determined to get her way. She managed to extract a commitment from the real estate agents advisory board. The Real Estate Institute of Victoria had always performed an advisory service to Victorian real estate agents who were looking at either buying into an agency or selling their own agency. I am reliably advised that the service was costing the REIV the grand sum of around \$70 000. The minister said, 'Don't you worry about that. I will take that over for you. All I want from you for replacing that \$70 000 per annum advisory job that you are doing over at the REIV is \$5 million over three years to do the same work'. So, being a very persistent minister, she got her way.

One has to wonder whether that \$5 million is actually being spent for what the REIV previously did on a shoestring and whether the Labor government has provided value for money, ironically, to advise people on small business matters.

Then I come to the bill before the house. The Labor Party of Victoria having built up a track record of fleecing this fund and using it for other purposes, we now need to look at the rationale behind what it is attempting to do, because \$200 million is just sitting

there. We all know that Labor governments have trouble propping up their budgets. They make so many promises that they cannot deliver when it comes to balancing budgets, so of course the proverbial hollow logs are fast running out. The previous Liberal government left Labor a few hollow logs, but it has fleeced those — so, lo and behold, what it has to do is now change the law. Even if it is the Labor government, it has to change the law to try and fleece this fund; that is what this bill is all about. That is why I should make it clear that the opposition will not let small business down. This opposition will stand up for real estate agents and small business, and it will oppose this bill because it is bad law. It is, in many cases, just an attempt to take money for the wrong purposes.

We know that the government will argue under clause 5 that all it wants to do is expand the range of purposes to which this so-called excess money in the Victorian property fund can be applied. It says in clause 5 that the money can be used for community education — that covers a multitude of sins! In other words, it might be used on TV advertising, which this government is famous for when it comes to window-dressing whatever it is supposedly doing for various community organisations and areas of service delivery. We could well find that under the guise of so-called community education a large part of this so-called excess money — some \$200 million — could go into government propaganda and government advertising.

In that context again the Labor Party has form, because I can well recall Kay Setches, the former member for Ringwood, in a desperate attempt to hang on to her seat in the 1992 election put out a publication which was, as I recall, titled *Your Rights as a Tenant*. There was nothing in it about landlords' rights, it was all about tenants' rights, and she put that into every letterbox throughout Ringwood. It would have been an enormous cost to the taxpayer back then — a glossy brochure of some 20 or 30 pages with all sorts of advice on how tenants could beat up landlords. The rest is history. Kay Setches was thrown out of her seat. That was another attempt to misuse funds that were meant to be for purposes other than government propaganda; and under clause 5 the current government is attempting to do it all over again.

Clause 5 would then have us believe that this government, which supposedly supports small business — but we all know the truth; it hates small business — will be allowed to fleece this fund for programs that promote the ownership of real estate. What a contradiction that is! Can you imagine a Labor government promoting the ownership of real estate?

That is a nice attempt to gild the lily when it comes to explaining what this money will be put towards.

Under clause 5 this government would have us believe that it will spend money on the training of estate agents' and agents' representatives. If that is anything like the Victorian Institute of Teaching fee, which would have to be the most unpopular tax foisted on the teaching profession in the history of this state, then much will be promised about training and nothing will be delivered, because the Victorian Institute of Teaching fee was meant to be taking a \$40 fee from every teacher in the state to assist in their professional development, but when the legislation was exposed by the opposition we discovered that, lo and behold, the institute of teaching has no professional development function whatsoever; it is just a regulation authority. Again, the devil will be in the detail! We will wait to see if any real estate agents in this state will be trained through the expansion of the range of purposes to which the \$200 million currently available in this fund can now be put.

We then come to another item in clause 5. That relates to dispute resolution and advocacy services for vendors and purchasers of real estate and businesses. It goes to the extent of how the advocacy services are currently applied. Anybody will tell you that when it comes to those so-called services there is a slanted view of whose favour they come down on the side of and how easy it is to access those so-called resolution advocacy services. Again, it will be very interesting to see how much of the \$200 million will be applied to that supposedly laudable purpose.

Then we come to the further purpose, which will be projects facilitating the registration of interest in land and the compilation of data on land use and land ownership. That could cover a multitude of sins! We could find that the whole land titles office will be funded not out of consolidated revenue but out of the estate agents' and travel agents' funds that are meant to be for other purposes. There is any number of supposed expansionary, laudable ranges of purposes to which this excess money in the Victorian property fund may now be applied.

The opposition does not trust this government when it comes to standing up for small business. It does not trust this government to apply this money for its purported purposes. We, as members of the opposition, think it will be used to prop up the annual appropriations for government departments and government agencies to the extent that this government will walk away from its responsibilities to properly appropriate normal activities and will use this specific

fund to get away with balancing its budget for all the wrong reasons.

As I mentioned, the Estate Agents Guarantee Fund provides some security to Victorian property buyers. It has been used for a number of years to provide consumer education for the buying and selling of property, and nobody would deny that that is important. The difficulty we have is that the expansion of the allowable areas for expenditure outlined in the bill would enable the fund to be used to entirely pay for the operations of the department of consumer affairs for at least four years. That is just one example of where this money could be put to all the wrong purposes.

Again, this government has form when it comes to ripping apart some of these important consumer affairs delivery areas. Only in the last month it was revealed that advocacy services for and on behalf of public housing tenants will be affected by the closure of regional offices. One office in Boronia close to my electorate and another in Box Hill are going to be closed down. These services have lasted through Liberal and Labor governments for 20 years or more and have provided a genuine tenancy advisory service to people in desperate need. Under the guise of so-called reform, regional offices will be closed down in rural areas as well, and there will be a Melbourne head office. That is the bureaucrats' dream — to centralise everything — and far from this government having the runs on the board in expanding consumer affairs activities, in this crucial area of housing support, tenancy advice and advocacy it has already decimated the services that had lasted, as I said, through previous Liberal and Labor governments.

A leaked cabinet report confirms this government's direct motivation not to consult with legitimate user groups such as the Real Estate Institute of Victoria, and there was no public presentation of the intent of the bill. That directly contradicts the Bracks government's so-called professed support for consultation. The government did not want to be open and accountable in this instance, because it knew that the legitimate organisations involved in the real estate industry would be well aware of the real motivation of this legislation. The indications from the REIV are that it is going to publicly oppose the legislation. The REIV is out in the marketplace saying that the proposed legislation is not good for its members and not good for its clients.

We in the opposition stand up for small business, unlike government members opposite, and we are therefore opposed to the legislation.

Mr DELAHUNTY (Lowan) — I am grateful for the opportunity to speak on behalf of The Nationals on the Estate Agents and Travel Agents Acts (Amendment) Bill. My colleague in the other place the Honourable Damian Drum has carriage of the bill in our party, and he has prepared a briefing note which we discussed last night and again this morning. It was a lengthy and very worthy discussion about an important bill.

Mr Cameron interjected.

Mr DELAHUNTY — I am sure the Minister for Agriculture would like to get his hands on some of the \$200 million that is sitting in the fund. With all the trouble in the health portfolio that we have heard about on the radio and television today, I am sure the Parliamentary Secretary for Health would like to get his hands on some of this money as well, because the health department has gone looking into hollow logs in many hospitals, and I am sure it is going to look at ways of doing that with this legislation.

The primary purpose of the bill is to amend the Estate Agents Act 1980 to widen the purposes for which the Estate Agents Guarantee Fund can be used and to specify additional purposes to which excess moneys from the fund can be applied. The fund will be renamed the Victorian Property Fund. The secondary purpose of the legislation is to amend the Travel Agents Act 1986 following its review under national competition policy.

My colleague has consulted widely, particularly with the Real Estate Institute of Victoria, many real estate agents and the Australian Federation of Travel Agents, National Travel of Bendigo and the Travel Centre of Bendigo. After lengthy discussions, The Nationals have decided they are going to oppose the legislation.

Firstly, we do not have any problems with the travel agents section. We know that the bill will ensure that government-owned travel agents face the same regulatory requirements as privately owned agencies, effectively giving people the right to sue a travel agent that has been deemed to have acted illegally. Currently in Victoria we do not have any state-owned authorities, but there is a possibility that they could move into Victoria from other states, and this legislation will give people the opportunity to sue those travel agents if necessary.

We have major concerns with the estate agents component of the bill. As has been highlighted by the member for Warrandyte, the Estate Agents Guarantee Fund has been built up using public moneys that have accumulated as a result of people lodging deposits to

purchase properties. The interest on those deposits is kept in the fund. I am sure many people anticipate, when they put their money down for a deposit when buying a property, that they will get their money back plus the interest. But no, it does not happen. My understanding is that it costs an average purchaser anything between \$50 and \$1000 in lost interest, depending on the value of their property, so that is a big contribution to the Estate Agents Guarantee Fund. Obviously the contributions have ballooned and the fund has a lot more money in it than it actually needs under the current legislation.

Our basic philosophy is that that money belongs to Victorians and that all interest earned on deposits should be returned to the purchasers upon settlement of their properties. The fund has been generating about \$25 million per year in recent years, and excess money from the fund has been used for purposes such as promoting the mediation or conciliation of disputes between estate agents and the public, which is what the fund was originally set up for. About \$500 000 of the moneys is used to train real estate agents in the industry. That is appropriate too, and we support that. Even though there was a proposal to take that provision out of the bill, we are pleased to see that after a bit of pressure by the REIV and others, it has been left in there.

The bill will expand the range of purposes for which the Estate Agents Guarantee Fund can be applied. The government's intention is highlighted in clause 3 of the bill. Clause 3 amends the name of the Estate Agents Guarantee Fund to the Victorian Property Fund. The member for Brighton and I agree that if you want to change the name, it should be changed to the 'Victorian government slush fund'. That is what it is about. The government has been trying to be sneaky. There has been concern about how the government has gone about it. The member for Warrandyte has highlighted some of those matters.

I want to highlight this by referring to a couple of articles. One is from the *Age* of 6 December last year and covers this bill. The article's author, Ewin Hannan, highlighted an \$84 million shift to prop up the budget and stated, in part:

The Bracks government is considering siphoning \$84 million from a fund that protects home buyers in a move condemned by the real estate industry as a desperate bid to prop up the state's finances.

I can understand the government wanting to do that because as the Auditor-General's report highlighted back in November last year, since it has been in government its expenditure has gone up by 35 per cent

and its income has gone up by only 21 per cent. So why would you not look at any hollow log or any way of trying to get hold of this money? Because \$200 million is a nice little — —

Honourable members interjecting.

Mr DELAHUNTY — This is not being used. Again I highlight that this is a good reason why you want to do that. The article goes on:

The government is proposing to scrap the practice of drawing money from the fund for the training of agents by the Real Estate Institute of Victoria. It did not consult the institute about the change.

I am pleased to see that since that article hit the papers back in December last year the government has listened a little bit; it has put that back in the bill. But back at that stage, according to the *Age* article:

REIV president Geoffrey White ... warned the government that it would 'cop a beating' over the plan. He said the industry would activate its 'political action network' to defeat the proposals.

It did not have to do that because the provision is back in the legislation. As we know, as at last June the estate agents guarantee fund had about \$178 million in it. It is growing at about \$25 million a year, so it is anticipated that there is about \$200 million in the bank at the moment.

The article further states:

The *Age* has obtained Finance Minister John Lenders' submission to cabinet's expenditure review committee detailing options for the use of the funds.

... The review argues that claims against the fund had averaged \$164 000 a year over the past three years and that a reserve of \$50 million was adequate.

So it proposed that \$44 million be used on low-income housing. But it also states:

The review says the government has the power to direct the remaining excess funds — an estimated \$84 million — into the budget consolidated fund.

That was in the review paper that was put forward by the Minister for Consumer Affairs in the other place at that stage to push it straight across in the budget's bottom line.

Sitting suspended 6.30 p.m. until 8.02 p.m.

Mr DELAHUNTY — Before dinner I was quoting from the *Age*. The REIV chief executive officer, Enzo Raimondo, is said to have:

... accused the government of going 'to great lengths to keep this out of the public arena'.

He went on to say:

There is \$32 billion in turnover in real estate each year which, when you add land tax, stamp duty and other property taxes, gives the government 33 per cent of its total tax revenue. Not content with that they have to raid the Estate Agents Guarantee Fund to prop up the budget for next year.

I refer to an article by Tracey Kift in the *Age* of 20 March, titled 'REIV riled by Bracks' plans to raid their kitty'. It states:

The state government is trying to sneak through legislation that will allow it to raid a consumer protection fund to pay for budget shortfalls, according to the Real Estate Institute of Victoria.

The Bracks government has introduced legislation that will give it unlimited access to the \$200 million Estate Agents Guarantee Fund.

It also quotes the REIV chief executive:

... the legislation would allow the government to 'hijack' a fund established to protect consumers from defaulting trust accounts.

These articles highlighted the major concern by people in the community. They show that the government is trying to be sneaky in pinching this money.

I will get back to the bill. As we know, with clause 4 of the bill the government plans to amend the allowable payments from the Victorian Property Fund (VPF), as it will be known. If this legislation goes through it will allow funding for the administration of the Subdivision Act 1988, the Retirement Villages Act 1986 and the Sale of Land Act 1962.

The bill will also broaden allowable payments out of the Victorian Property Fund to include contributions to the funding of the Victorian Civil and Administrative Tribunal residential tenancies list and also funding for any general consumer protection on issues relating to interests of land. That does not sound too bad, but then we go on to clause 5.

Clause 5 expands the range of purposes to which excess money in the VPF can be applied. They include community education and advice or information in relation to the buying, selling or leasing of real estate or businesses. They also include programs that promote the ownership of real estate, which is ideal and good. They include the training of estate agents and agents' representatives, which was always in the legislation, and it is good to see that it has been continued. Further it allows the money to be used for dispute resolution and advocacy services for vendors and purchasers of

real estate and businesses. But the key thing that has sneaked into this legislation is that it provides for housing for low-income and disadvantaged Victorians, and I want come back to that later.

Mr Mildenhall interjected.

Mr DELAHUNTY — No I am not! I am just pleased to see that the member for Footscray is in here for this one.

The bill also allows excess money from the Victorian Property Fund to be used for projects to develop environmentally sustainable housing and to protect Victoria's natural and architectural heritage. I was very pleased to receive a copy of the *Review of Estate Agents Guarantee Fund*, which was an attachment to the expenditure review committee (ERC) submission. The executive summary states that the Estate Agents Guarantee Fund was established under the Estate Agents Act 1980. The claims against the fund have been relatively low in recent years — they have averaged \$164 000 over the last three years. This paper talks about alternative compensation schemes. It states that the fund currently offers a satisfactory compensation mechanism but that a range of alternatives have been considered, such as increasing licensing fees, imposing annual levies on estate agents and imposing a compulsory indemnity insurance scheme. They were all proposed, but the paper also makes what I think is an amazing statement:

Moreover consumers do not currently have an expectation of receiving interest on those funds.

Mostly when you put money into a trust fund you get some of the interest back, but under this system you do not — it goes into this fund. The reality is that the government also highlighted that people do not think they would need the money to come back to them, and I think that is nonsense.

Further the paper states:

As at 30 June 2003 there was \$738.2 million on deposit in 2504 trust accounts, earning an average of 3.9 per cent per annum.

The paper talks about funding expenditure, and Consumer Affairs Victoria gets a fair slice of that — about \$4.9 million. There are grants of about \$1.9 million and claims of only \$15 000. That is a total expenditure of \$7.3 million. This is all I wish to refer to from the paper, which was attached to a submission put to the government's expenditure review committee.

I highlight again that I was lucky enough to check the *Hansard* record of the second-reading speech made

when the amendments were proposed back in 1994. The member for Footscray was then the shadow minister for consumer affairs. On 8 November 1994 he spoke in practical terms about what the legislation would do. I will quote from the eighth page of the copy I have of his speech — he must have had more than 20 minutes back in those days. This government has cut the time members of the opposition parties have to speak on bills.

Mr Batchelor — Hurry up!

Mr DELAHUNTY — The Minister for Transport said, 'Hurry up!'. I appreciate that; he is right.

The member for Footscray said:

... the money should be given back to consumers because it is not money that belongs to the government or any other group.

Yet with this legislation the government is going to do exactly the opposite.

Mr Batchelor interjected.

Mr DELAHUNTY — The minister asked if the member for Footscray said that. I will give a copy to the minister, if they want to check it. It was said back in 1994. Again we see that the member for Footscray says one thing when he is on one side of the chamber but when he goes to the other side he says another thing.

The government argues in this legislation that significant funds held and the low level of claims are due to the strong licensing regulatory and compliance scheme. This is totally incorrect. It is due to the strong real estate market — we are all well aware of that — and the high dependency on professional liability insurance by agents, which may not be maintained with this legislation.

The leaked cabinet document I quoted from before confirms that the government's real and direct motive is to use this money to bolster the bottom line of its budget. In that review document the government said it would not consult with the Real Estate Institute of Victoria (REIV) and that no public presentation was to take place. As the member for Warrandyte said, that goes directly against what this government promises in relation to consultation.

As I said, the Honourable Damian Drum, a member for North Western Province in the other place, has done a lot of work on behalf of our people. He has spoken to the REIV and to real estate agents, and they are very concerned. They believe this legislation is really about a cash grab by a government that cannot manage money.

As I highlighted before, the Auditor-General said in November last year that income in the last five years for this government has gone up 21 per cent but expenditure is up 35 per cent. That is not sustainable so here is a way the government can do it: it can go and pinch money out of any hollow log that it sees as appropriate.

One good thing under the current legislation is group self-build funding. I was very pleased that this has got going in Horsham. Three years ago Cr Kevin Dellar, who is still on the Horsham Rural City Council, saw this happening in Echuca. He spoke with the department and went up to Mildura, and last year they got going on this. It has taken a couple of years to get going. There are 12 houses being built at the moment. I think they started building in October last year, and they plan to finish in August or September this year. It is a very worthwhile project.

Mr Mildenhall interjected.

Mr DELAHUNTY — It is a great project. It has already been funded under this system, and it does not need any legislation to change for it to continue. It is a great start for people; it gives them a great deal of ownership. Cr Dellar believes it is the best project he has been involved with in all his years in local government, and they have been many.

Mr Mildenhall interjected.

Mr DELAHUNTY — No, I do not.

I believe these people have to put about 20 hours per week in to the work. My wife works with one of the ladies who is involved in this project. There was a great article in the *Weekly Advertiser* that highlighted the great benefits of this. A retired builder up there, Ian Ballinger, is the on-site supervisor, and Robin Barber, an architect, is the controller. I know that tool kits were supplied by the REIV.

My understanding of how this works at the moment is that it is funded by the government. Under the current legislation, at the time these houses are all completed a financial institution takes over the loan and the money is paid back to the government to be used on further projects. Again that is already happening under the current legislation. The group self-build programs are great projects. I know there are a few happening around the state, but I want to highlight the excellent one that is happening at Horsham.

The Nationals do not believe this legislation should go through. The government should look at other ways of lowering that amount of money coming in, because it

really is taking money off people who are putting deposits on houses. That money is about \$50 to \$1000 per house, and it could go back. We all know how the price of housing has increased. Many members in this place have bought houses in the last couple of years and all have complained to me about how much money this government has taken off them in stamp duty — even ministers on the government side! The government could lower that rate.

An honourable member — Name them!

Mr DELAHUNTY — I could name them all right! The Attorney-General is one, as is the Minister for Planning. The Minister for Transport has probably bought a property in the last year.

Mr Batchelor interjected.

Mr DELAHUNTY — He shakes his head and says he has not, so he has not contributed any stamp duty.

Ms Beattie interjected.

Mr DELAHUNTY — I do not drink!

The reality is that the government could do something to lower the cost to people of getting involved in buying a house — it is an outlay for a lot of them — but The Nationals believe that \$200 million could be used for the projects as outlined. We believe the other \$200 million should be used on projects that are appropriate under the current legislation, and the money could also be used in addition to, but not substituted for, existing budgetary allocations for public housing and the like. The reality is that The Nationals do not want to see this as being another tax.

If the government is going to use it for anything it could use it for the consumer tenancy services it has already cut out in rural and regional Victoria. These are programs the government has cut out in country Victoria. There are 16 consumer tenancy services in country Victoria. Organisations such as Wimmera Uniting Care in Horsham and Community Connections in Hamilton provide face-to-face service and advice to clients and assist them with tenancy and consumer affairs issues. The government is going to take that away and replace it with the Melbourne Telephone Counselling Service. As I often say, Victoria is bigger than Melbourne, and this city-centric government has again cut services to rural and regional Victoria. If the government is going to use the money for anything, it could use it for that.

The reality is that we are opposed to this legislation because we think it is just about rorting a system that

was set up to protect the vulnerable in our community. If there is excess money, the government should give it back to those people who have paid it in and, more importantly, use it for the purposes set out in the initial legislation brought in during 1980.

Mr MILDENHALL (Footscray) — I have heard some drivel in my time in this house over the last 12 years, but the contributions by the member for Warrandyte and, less so, from the party with the identity crisis would have to take the cake.

Theirs is an extraordinarily thin rationale for opposing this legislation, if you could compliment their comments by calling them a rationale. It is quite simple: the Auditor-General has recommended that a wider range of purposes and broader criteria be implemented for making grants or payments from the Estate Agents Guarantee Fund. The government's internal review suggested the same thing, and opposition members on Public Accounts and Estimates Committee have supported that. The Real Estate Institute of Victoria supports the idea that the funds be used in that way, yet the opposition comes in here with its great conspiracy theories of illegal activities and slush funds. Its appalling mismanagement of the budget back in its time in government comes to light in the contributions that its members have made. They do not seem to understand that cash reserves under the control of government can be used as part of the budget. They have this great conspiracy theory that if the government uses the cash reserves that are under its control, somehow that is propping up the budget.

The Liberal Party has not got over its Stockdale obsession. If when in government it came across some money, it was to be hoarded, squirreled away and not touched, but a lot of the more politically savvy members of the opposition have come to regret that as the Bracks government has made great and positive use of these reserves for great infrastructure projects and to assist those less fortunate members of the community.

There is \$200 million available for community purposes as specified in the amendments in this legislation, and they are indeed worthwhile community purposes. In fact part of this fund was used for a pilot project for a medium-density housing redevelopment in my electorate in the area of Braybrook — one of the poorest neighbourhoods in Australia — and it was used to great effect. It spearheaded a massive redevelopment of some hundreds, almost a thousand, public housing dwellings. It has transformed the living conditions of many poor and disadvantaged people in my electorate, and it has seen an enormous boost in building activity, in the quality of housing and in general real estate

activity in that area of Melbourne. That is the type of purpose that is to be reintroduced as a result of this legislation — it is a purpose that was removed by Kennett government amendments in 1994 — and I can vouch for that purpose and the enormous benefit it has done.

We do not see many Liberals with a heart around here anymore. Former minister Rob Knowles was a Liberal with a heart, not like the go-in-hard, deranged, right-wing hacks that we have in the house at the moment. He was a great advocate for this project, but just as they turn on each other when things go bad and label people like Alan Hunt, no doubt in future years he will be labelled a rat and a turncoat.

This is great legislation, but it is a pity that opposition members do not understand it. Part of the criticism, particularly from the member for Warrandyte, was that the information provided by former minister Kay Setches on renters' rights was an inappropriate use of the fund. That is an extraordinary claim. Renters are some of the most disadvantaged and powerless people in our society, and to claim that that was an inappropriate use of funds is just another example of the member for Warrandyte saying anything for shallow political effect. He did not believe the legislation would be implemented, yet he condemned the government for wanting to use the funds. There were some extraordinary contradictions in his contribution, and there were outright untruths. He accused ministers of this government of illegal activity. The Ombudsman's report shows that those allegations were not substantiated, but that would not stop the member for Warrandyte coming in here and accusing people of illegal activity.

The opposition opposes the intention, as endorsed by the Auditor-General and agreed to by the Real Estate Institute of Victoria, that these reserves ought to be used and ought not accumulate in government reserves. The REIV is also happy that the trading purpose is to be retained in the legislation after speculation by the opposition that it was to be removed. The attempts by opposition members to belittle this legislation have no foundation, and their contributions have been composed not only of untruths but of a lack of understanding of the purpose of this fund.

We need to revisit the inspiration of former ministers like Andrew McCutcheon, who saw that these reserves could be used for great community purposes. We need to be very wary so that that the fund is prevented from being used for the type of slush fund purposes that the Kennett government was seeking to use it for.

The member for Lowan wanted to have his cake and eat it too. He does not believe the fund should exist; he wanted to see all the money go back to the depositors from whom the funds came, but he also likes some of the projects that are financed from it and would like to see an increase in money from the fund for the tenancy advisory service. While those sorts of purposes are eligible for funding under this legislation, I suggest to the member that he cannot have his cake and eat it too. We need some logic and substance in this debate, but we have not seen any from the opposition.

We have this mindless opposition to the bill. It is quite extraordinary that members of the house oppose the community purposes to which the excess funds from this guarantee fund could be put. The legislation would enable the expansion of purposes such as community education, advice and information programs in relation to the selling or leasing of land, subdivision bodies corporate, retirement villages and residential and other rights, but they are opposed by the Liberal and National parties as they oppose funding of dispute resolution and advocacy services for vendors and purchasers of real estate and businesses, landlords and tenants. It really is a betrayal of their electorates and voters to see that sort of mindless and extraordinary opposition to worthy legislation like this.

Debate adjourned on motion of Mr WELLS (Scoresby).

Debate adjourned until next day.

CORRECTIONS (FURTHER AMENDMENT) BILL

Second reading

Debate resumed from 4 March; motion of Mr HAERMEYER (Minister for Corrections).

Mr WELLS (Scoresby) — I rise on behalf of the Liberal Party to speak on the Corrections (Further Amendment) Bill and to indicate from the outset that we will be supporting the bill, and I will outline the reasons for our support.

The purpose of this bill is to amend section 30A of the Corrections Act 1986 by inserting provisions to expand the class of victims of crime. The bill also introduces a victims register in Victoria. It will allow information on prisoners' movements and their release to be provided to those on that victims registry list and will allow for registered victims to make written submissions to the Adult Parole Board. I want to spend most of my time

during this debate coming back to that very important issue.

I turn to the background to this bill. A review held in 2003 identified that the principal act only allowed for a narrow group of victims to receive information on prisoner activity — that is, the prisoner's release date, day-release programs and interstate or international transfers. For example, presently a primary victim would be the only victim of the crime to receive that information, which does not make a lot of sense because if a person has been murdered there is not much point trying to give information only to that victim, who is no longer with us; it is important for the family of that victim to receive that information. This role will be expanded to include witnesses to the violence, family members of the victim and others precluded from being informed of the prisoner's activities. At the moment submissions to the Adult Parole Board are on an ad hoc basis. This bill will firm up and make more consistent and transparent the relevant provisions.

To be included in the victims register the offence must be what is called a 'criminal act of violence'. These are murders, manslaughters, offences that involve assaults or infliction of injury and punishable by a term of imprisonment, sexual offences, stalking, child stealing or kidnapping, aggravated burglary or any conspiracy, incitement or attempt to commit those offences, whether in Victoria or against similar laws in another state.

There will be two categories of victims: primary victims and secondary victims. In addition to actual victims, primary victims will now be defined to include family members — spouse or partner; child or stepchild; parent, step-parent or legal guardian; brother, sister or stepbrother or stepsister over the age of 18; grandparent; grandchild over the age of 18; uncle or aunt; nephew or niece over the age of 18 and all in-laws over the age of 18.

A secondary victim is someone who may apply to the department secretary for inclusion into the victims register. All witnesses to the act of violence will be able to apply to be included in the victims register. Once registered as a victim, either by family, primary or secondary application, information may be provided to you. Victims who register will be able to name a nominee, such as a consulting psychologist, to receive information on the prisoner

However, the nominee's details can be excluded by the department secretary if their disclosure may endanger the prison's security, the safe custody and welfare of

the prisoner or any other prisoners, or the safety and welfare of other persons. The victims register will be operated by Corrections Victoria and will essentially be about one person managing a database on prisoner movement, which will then be recorded for the registered victim. In New South Wales they have similar provisions, and they advise that occasionally victims do not get the relevant information, which may be of some concern and which is something we will need to follow through.

All victims may now make application to be on the victims register irrespective of the date of the offence, provided that the offenders are still serving a term of imprisonment. In other words, the capacity for primary — family — and secondary victims to extract Julian Knight's movements will now be greatly expanded compared to what it has been in the past. Victoria is the last state to install the victims register in law, but it has now happened and we will be supporting it strongly.

Currently a person on the victims register may make a submission to the Adult Parole Board when the board is considering making a parole order. The submission may only be in writing and must address the matters relating to the person's view about the effect of the release of the prisoner. The board must now consider the victim's submission and may, using its absolute discretion, give the submission such weight as it sees fit. The release of the submission to the prisoner can be determined by the board after consulting the victim. Victims groups and legal centres endorse expanding the definition of 'victim' and the capacity to have formal structures in place with respect to the Adult Parole Board receiving formal submissions. Some expressed concern that only written submissions were allowed and called for the option to make oral presentations to the board. That is a very important point which we will come back to later.

On the confidentiality of information, clauses 8 and 10 are very strong in regard to the release to the media of information received by the victim, whether primary or secondary, including nominees. There is provision for fines of up to \$6000 for individuals and \$120 000 for corporations, with directors, managers, employers or other officers in addition being fined as individuals. This could include the risk of registered victims being fined for making statements to the media of a general nature in relation to the prisoner that have little relevance to the information they may have received, but we would believe commonsense will prevail.

I would now like to move the issue of the Adult Parole Board and its receiving of submission from victims.

The Liberal Party believes the parole board should take into consideration the concerns of victims and the families of victims when considering granting parole. It is a position that we have had for some time, and I would like to give a very sad example of our reasons. I met Mr Noel Henry and his two daughters, who are an incredibly committed and decent family. Together they are the father of and sisters to Senior Constable Stephen Henry.

Stephen Henry joined Victoria Police at the age of 16 as a cadet straight from school. He spent more than a decade working at stations around Melbourne; he was a career policeman who, according to his father, Noel, whom we met, loved every single minute of his job. That was until 28 January 1982, when as a motorcycle policeman aged 26 and stationed at Brunswick, he was shot in the head as he chased along the Hume Highway a man who was believed to be a convicted kidnapper. Noel Henry on that day heard the news that a policeman had been shot just outside Seymour, north of Melbourne. He said to himself, 'It is not Stephen, because he never goes up that far', Mr Henry recalled on National Police Remembrance Day.

Noel Henry is reported as saying on National Police Remembrance Day:

Every day is important, but I think today, not only for us but for all other families involved, I think it recognises their lives and it will continue to do so and I think that is a benefit in itself.

The person who shot Stephen Henry was Peter Reid, who helped design the new National Gallery of Victoria building while behind bars. Of course the Henry family was stunned to learn that the killer had become a draftsman and had won a job to work on the gallery. The *Herald Sun* revealed that Reid did computer work for Melbourne Docklands and RAL Homes. Mr Henry is reported in the *Herald Sun* of 12 February as saying:

I've lost my son and this bloke's living a life of leisure. It's not right at all.

You can imagine the anger of Mr Henry with regard to Peter Reid. Mr Henry said that the family was shocked to hear that Reid had used his jail cell as an office for at least five years. The article further states:

He said his son's murderer should not be eligible for release after prison authorities recently uncovered pornography the inmate had downloaded from the Internet on at least one of four computer hard drives set up in his cell.

I was under the impression that no prisoner was entitled to access to the Internet. An article in the *Herald Sun* of 16 February quotes Noel Henry criticising the system's lack of concern after he learnt that:

... Peter Allen Reid, who shot dead his policeman son Stephen in 1982, had helped design the new National Gallery of Victoria while preparing for possible parole.

Noel is reported as saying:

The victims don't get any opportunity to have their say whatsoever. They just get lost in the dust.

The *Herald Sun* editorial of the same date states:

Under the new laws, crime victims such as Noel and Val Henry, parents of murdered policeman Stephen Henry, will get:

statutory right to lodge a victim statement with the parole board detailing any continuing impact of the crime committed against them;

access to the victims' register with information on prisoners earliest release date, eligibility for rehabilitation, participation in reintegration permit programs and interstate or international transfer.

On behalf of the family I would like to now read the letter it will submit to the Adult Parole Board. It was written by Noel Henry and reads:

To whom it may concern

My name is Noel Henry, the father of Stephen Henry who was shot by Peter Allen Reid on 28 January 1982. I write this letter on behalf of my family. I with my wife and two daughters have never fully recovered from this day. However, we have made choices to live positive lives. To any family losing a brother or son is a tragedy. I hope that each of you never have to experience the loss of a son or daughter in such tragic circumstances.

The sentence handed down to Peter Allen Reid on 15 June 1983 was 'for the term of his natural life'. This was the first such sentence in Victoria which said something for the extreme level of this crime. For the family at the time this appeared to be a final end to a difficult period in our lives. The sentence provided the family with a sense of justice. That the enormous sacrifice Stephen paid in attempting to protect the community and the loss to our family was respected and acknowledged by that community.

Please understand that we are not difficult people. We understand and accept the laws of this land and we have always worked within these laws. I am sure you would then understand our disappointment, concern and dismay when we were notified (after the event) that Peter Allen Reid had been granted a sentence reduction from life to a minimum period. We were further dismayed to recently hear that Peter Allen Reid will shortly be entitled to seek parole. Adding to this grief has been the media reports of Peter Reid's alleged easy life in jail, his access to pornography, and his consulting work for a number of government departments.

Truth or otherwise adds insult to injury not only to us, but also to the wider community already concerned with justice being seen to be done.

Our daughters and their families live constantly in the shadows of this man and his guilty conviction of murdering our only son and brother. The thought of this man being

released into the community has been playing heavily on their hearts and minds for many years.

We as a family believe Peter Allen Reid should not be paroled. My concern has always been that the determination by a court of law should be honoured. It should not be watered down over time. Let us not forget the list of charges preferred against Peter Allen Reid:

Charge 1: murder.

Charge 2: shoot with intent to murder.

Charge 3: shoot with intent to murder.

Charge 4: shoot with intent to murder.

Charge 5: shoot with intent to cause grievous bodily harm.

Charge 6: shoot with intent to prevent apprehension.

Charge 7: common assault.

Charge 8: shoot with intent to cause grievous bodily harm.

Charge 9: assault occasioning actual bodily harm.

Charge 10: common assault.

Charge 11: false imprisonment.

Charge 12: armed robbery.

Charge 13: aggravated burglary.

Charge 14: false imprisonment.

Charge 15: common assault.

Charge 16: theft.

Charge 17: theft of a motor car.

Of these Mr Justice Anderson sentenced Peter Allen Reid to be imprisoned for the term of his natural life on the murder charge. Peter Allen Reid was then sentenced to three years imprisonment for shooting with intent to prevent apprehension and six years for shooting with intent to murder. These terms were all made concurrent with the life imprisonment sentence.

A number of questions were raised by the change of a life sentence to a minimum period. These are questions to which I would like answers.

At the time of Peter Allen Reid's arrest there were warrants in existence in New South Wales ordering Peter Allen Reid's apprehension for alleged offences of kidnapping, malicious wounding and assault. Is extradition to New South Wales required if and when Peter Allen Reid is released in Victoria? If not why?

Given Mr Justice Anderson's original sentence, does the change to a minimum term alter the other sentences? If not why?

Why is it that a change to a minimum sentence can be retrospective? I ask this in light of the Prime Minister of

Australia's public statement that criminal convictions cannot be changed retrospectively.

Does the parole board consider the impact of releasing prisoners on immediate families of those closely associated with the results of crimes? In this case the Rogan family where Senior Constable John Rogan was shot at three times.

We as a family feel that Peter Allen Reid should be allowed to work for outside agencies, contributing in a wider sense to the wider community. We do, however, feel that this should be done from within the safety of the prison system. A system established to protect our community. A system established to send a clear message to our community of consequences for actions. Anything less than this undermines confidence in a system which ultimately affects the way we think and act.

We need to look at a number of things. It is very important that the Adult Parole Board make these decisions in the best interests of the community, not just the criminal who is looking for parole. In this case the clear intention handed down in 1983 was for Peter Allen Reid to spend his entire life in prison. The Cain government then changed the law to take those natural life sentences down to a minimum sentence of 22 or 24 years. It changed a court ruling retrospectively. The clear intent when this sentence was handed down was that Peter Allen Reid should spend his entire life in prison. Members of the Henry family being allowed to give a verbal presentation to the Adult Parole Board seems more appropriate — that not only can they send this letter but can confront the Adult Parole Board so that it can hear the full story of the actual intent when the court sentenced Peter Reid.

Peter Reid faced 17 charges. I guess the family, as is mentioned in the letter, breathed a sigh of relief that he would be serving a natural life sentence for the murder charge. He was given a natural life sentence on one of the 17 charges, but had the Henry family known he would receive from 22 to 24 years they would have rightly asked about the other 16 charges! That should have been taken into consideration. The court made the decision that Peter Reid would spend the rest of his life in jail for the charge of murder, so everyone felt that justice had been done; the family thought justice had been done and there was no need to continually push for a prison sentence for the other 16 charges. As I mentioned earlier, when the Cain government introduced retrospective legislation — I am not sure that was the intent, but it happened in this case — I would have thought that in legislating that a natural life sentence would be 22 to 24 years it would have operated from the point when the bill received royal assent and would not have affected prisoners already serving their terms of imprisonment. But that was not the case and is the reason this measure affected the Henry family.

The family raises a good point: if Peter Reid is to be released from a Victorian prison will the New South Wales authorities issue a warrant for his arrest to serve a prison sentence for the outstanding 16 charges or will the authorities let this go and say that because of the 20-odd years that have passed they will not issue a warrant? It is important that the Adult Parole Board make decisions based on the views of the victims of crime or victims' families, whether primary or secondary.

The community is getting sick and tired of listening to talk about the rights and responsibilities of prisoners. Prisoners have committed crimes against the community and they should serve their time. The Adult Parole Board has an important role in ensuring that the views of the community and families of victims are considered. The opposition supports a victims register. The Department of Justice provided a background briefing about the victims register, including the victims register discussion paper, to the Honourable Richard Dalla Riva, a member for East Yarra Province in the other place. The register now operates in all Australian states and the scope and operation of each jurisdiction are different. In New South Wales, Western Australia, South Australia and Queensland, registered victims can also make submissions to a body considering the release of an offender on temporary leave or parole.

Regarding eligibility for registration the discussion paper states at 4.1:

Currently, section 30A of the Corrections Act facilitates a release of information about an offender that might otherwise be confidential to a 'primary victim'. A primary victim is defined in the Victims of Crime Assistance Act 1996 as:

a person who is the victim of violence who is injured or dies as a direct result of an act of violence committed against him or her or in the prevention of an act of violence whether or not an act of violence was actually committed.

As I said at the outset, the Liberal Party supports the legislation but would like to see it go one step further and allow the Adult Parole Board to accept verbal presentations from the families of victims, or the victim in some cases. We wish the bill a speedy passage, but I call on the Adult Parole Board to take into consideration the views of the victims and the community. This is not just about criminals' rights.

Dr SYKES (Benalla) — I rise to speak on the Corrections (Further Amendment) Bill 2004, and in doing so I indicate that The Nationals support the intent of the bill, which is to provide a legislative framework for the establishment of a victims register and to provide information to victims on prisoner activity. The

bill will also enable victims to lodge a submission to the Adult Parole Board.

I appreciate the briefing provided to me and my Liberal Party colleagues by Department of Justice staff, which was very helpful. I also thank Mr Noel McNamara, president of the Crime Victims Support Association, for his comments on this piece of legislation. I note that the government circulated a victims register discussion paper in early 2003. It took on board comments from people and took those into consideration in formulating the bill. I note that this is in sharp contrast to the government's announcement last week of a \$1.75 million centre for up to 20 young Aboriginal offenders at Mount Teneriffe, approximately 20 kilometres south-west of Euroa. The first the Strathbogie shire knew about the project was a phone call on the day of a media release advising it of the decision. Adjoining land-holders and the community, many with young families, first became aware of the issue by reading an article in the *Euroa Gazette*. This is not a good start to implementing such a controversial project and shows that the government has not learnt from the public outrage to its abysmal handling of the toxic dump siting proposals. I therefore commend the government for its public consultation in this instance, and I note that as a result there is general support for the bill, particularly from those most impacted by the legislation — the victims of crime.

I turn to some aspects of the bill. It was noted by the member for Scoresby that the victims of crime register will consist of two registers. The first will be for primary victims, which will expand the range of victims eligible to receive information about criminals. As has been previously indicated, the range of victims includes a person who has had a criminal act of violence committed against him or her; a family member of a person who has died as a result of a criminal act — and the definition of family member was touched on and expanded by the member for Scoresby; a family member of a person who has had a criminal act of violence committed against them and is under the age of 18 years of age or is incapable of managing their affairs because of a mental impairment; or a person who has been a spouse or domestic partner of the prisoner and has an intervention order in force against the prisoner. A broader range of victims will now be on the primary list, which is strongly supported by the Crime Victims Support Association.

The secondary victims register allows for the inclusion of victims at the discretion of the Secretary of the Department of Justice subject to guidelines. There is also provision for a nominee to receive information on behalf of victims. That discretion will allow for the

situation where people may be so distraught by the crimes committed against them that the thought of checking the mailbox each day for something that may contain unpleasant news continues to distress them, and having a nominated person will take some pressure off the victim.

These changes are welcome because they recognise that a wider range of victims of crime deserve reasonable access to information and will have access to that information about criminals who have committed offences against them or crimes which have otherwise impacted upon them. I note that the annual report will include a list of who is on the primary register. Victims on the secondary register will be reported to the minister by the secretary, but that will not be a public document. I also note there are limitations on the information that will be made available to victims of crime. It is argued that that is in the interests of prison security and for the safe custody and welfare of the prisoner, other prisoners or other persons. It is also intended to protect the personal affairs of the prisoner. It is also noted that there are restrictions on inappropriate disclosure of information by victims or their nominees. This is an interesting balancing act in terms of looking after the rights of prisoners as against looking after the rights and concerns of victims.

The previous speaker highlighted some of the issues in terms of whether the balance is right at the moment. The other aspect of the legislation is the provision for victims to make written submissions to the Adult Parole Board. Noel McNamara, from the Crime Victims Support Association, said that it would have a strong preference for the ability to make verbal or video submissions. It is a balancing act, but I know from a couple of situations where I have had dealings with victims of crime — I will not name them in order to protect the families from further suffering and pain — that video evidence and verbal presentations about the impact of crimes on that person would have had a particularly strong impact on the parole board, and it is much greater than any written word can ever convey.

As I understand it, there will be no specific assistance to victims in completing those submissions, and that could make it tough on some people. Not everyone has great skills in writing, putting their thoughts on paper and combating the bureaucratic jungle that often confronts us in these situations, and so I think that makes it tough and more stressful on victims. Anything that gives them greater assistance to make a submission should be considered in the implementation of this legislation.

The victim's submission will not be released to the prisoner without permission being given, although there

will be times when it would be desirable to make that information available. But the victim must be protected from the fear of what the prisoner or criminal may do should they have access to that information, so the victim's right of refusal is critical. If not signed, the victim's submission will be considered by the parole board but will be given less weight than if it had been signed.

In summary, it is important to help victims of crime cope with the crime that has been committed and also to minimise the ongoing stress associated with not knowing when the criminal may be released or otherwise when they might come into contact with them. It is therefore important that this legislation is efficiently implemented with due compassion for the victims of crime whose punishment often continues for life or well beyond the majority of the terms served by the criminals. With that plea, I indicate that the National Party supports the intent of the bill and does not oppose its passage through Parliament. It addresses the need for a wider range of persons to be included as victims in relation to an offender; it enables a wider range of victims to receive information about the prisoner and to have input into whether or not an offender is granted parole.

Mr LUPTON (Pahran) — The Corrections (Further Amendment) Bill is the result of a discussion paper that was given wide circulation in the community by the Bracks government in 2003. The bill provides for an expanded regime of victim registration, and the ability of victims to make submissions to the Adult Parole Board is the result of that consultation process.

I want to talk a little bit about the background of the development of legislation to support victims of crime and then talk about the specific proposals in this bill. I will address the way in which the legislation will advance the cause of victims of crime and assist them to cope with the effects of crime upon them.

As we know, victims of crime suffer an enormous range of effects as a result of the crime having been perpetrated. Sometimes those effects are physical; sometimes they are emotional and in many cases they last for many years and sometimes for the rest of a person's life. Historically in the criminal justice system victims were regarded merely as witnesses. They were asked to attend and give statements to the police to assist the court process and to appear as witnesses in order to help secure the conviction of offenders, but after that process was concluded they really had no further role to play in the criminal justice system and the system really did not give them any particular

practical or other support after the trial of the offender had concluded.

From the 1970s onwards it was recognised that victims of crime suffered many long-lasting effects and that the community as a whole had a duty to make sure that those effects were either treated or in some cases, where appropriate, compensated. In Victoria the Crimes Compensation Tribunal was established and was ultimately transferred into a special jurisdiction of the Magistrates Court. The tribunal and ultimately the court hearing a case had been empowered to grant compensation in lump sums and also to pay medical and associated expenses where people had been victims of crime. That was an important, very sensible and practical development to assist people who were victims to cope with the effects of the crime upon them and to enable them to get on with their lives.

A little later on a further development was the victim impact statement, which was able to be used by courts in the sentencing process and again was a recognition by the community that people who were victims of crime ought to have some legitimate say in the sentence that was imposed once somebody was found guilty of a criminal act. That was an important recognition because it gave the victims some sense of involvement in the longer term outcome of the case rather than merely being a witness who after the court case was over would not be heard of again.

Now we are arriving at a stage where we have developed a victims register and will allow victims of crime to make submissions to the Adult Parole Board about matters to do with the release on parole of people serving prison sentences. I believe that the register for victims is an important and very sensible expansion of this longer term development in the recognition of the right and proper place that victims have in the administration of justice not only before but also after criminal proceedings have been concluded.

The Corrections Act provides for a limited victims register dealing with what we call primary victims — that is, the person who is the direct victim of a criminal act. The bill before the house will expand the range of people within the definition of 'victim'. That is an important and very sensible amendment to the way in which this legislation works because in the previous definition the term 'primary victim' was clearly too narrow. There are many situations where people who are not the primary victims are very seriously affected by criminal acts. An obvious case is where a victim is murdered and subsequently the victim's family are the main living people who are still feeling the effects of that horrendous crime.

Previously they would not have been regarded as primary victims and therefore could not have been placed on the register. This legislation will rectify that situation and expand the register to include a wider range of victims. It will also include references to a member's family, so members of the victim's family will be able to be placed on the register in appropriate circumstances. The legislation will achieve that through a combination of expanding the definitions of 'criminal act of violence', 'family member' and 'victim'.

The second and very important aspect of this legislation that needs to be mentioned is the ability of victims to make submissions to the Adult Parole Board, which is responsible for assessing the appropriateness or otherwise of releasing prisoners on parole back into the community. The ability of a victim to make a submission to the Adult Parole Board is in my belief appropriate and responsible, because it gives recognition to the rights of a victim to express their views to the parole board about the kind of effect the release of a prisoner back into the community may have on them. It recognises that the effect of a criminal act on a victim may well be long lasting and very severe and may affect a number people in the victim's family.

The ability of a family member or a victim to make a submission of this sort will allow the parole board to take into account a wider range of factors and circumstances in deciding whether a person ought to be granted parole compared with the more limited material that has been provided to the parole board in the past, which really has focused more on whether the prisoner has satisfied the conditions for parole and whether it is in general terms in the community's interest that the person be released back into the community.

This bill addresses two points: one is the victims register, and the other is the ability of victims to make submissions to the Adult Parole Board. Both recognise that victims are, because of the nature of their involvement in a criminal act, drawn into the criminal justice system against their will, but they also recognise that because they are involved in the system in that way they have rights and that those rights are legitimate and need to be recognised. This is the latest in a long and sensible development of recognising those rights. It is a commendable piece of legislation, and I support the Bracks government in its consultative approach to the community.

Debate adjourned on motion of Dr NAPHTHINE (South-West Coast).

Debate adjourned until later this day.

CONTROL OF GENETICALLY MODIFIED CROPS BILL

Second reading

Debate resumed from 1 April; motion of Mr CAMERON (Minister for Agriculture).

Dr NAPHTHINE (South-West Coast) — The Liberal Party is totally opposed to this legislation and the government's proposal to ban the proposed segregation trials using genetically modified (GM) canola in Victoria. Why is the Liberal Party opposing this legislation? The reasons are simple. Firstly, the government's decision on GM canola and other products is contrary to broad scientific advice and to the government's own expert advice. Secondly, the decision will have immediate and long-term significant detrimental effects on the growth and development of biotechnology and increased agricultural productivity in Victoria. Thirdly, the decision is likely to give rise to the increased use of weedicides, pesticides and other chemicals which may be damaging to our environment. Fourthly, the decision is extremely short sighted, politically motivated and an overreaction to a simple proposal to move to the next step of conducting small-scale segregated trials for GM canola, extending the current trials that are already taking place in Victoria to the next logical phase of the testing process.

In looking at the situation currently facing us here in Victoria, I refer to *AgriFood Awareness Australia Biotech Bulletin No. 5*, entitled 'Global uptake of GM crops in 2003', which states that across the world:

... 1.7 hectares of GM crops were grown in 1996, increasing to 67.7 million hectares in seven years to 2003.

So we have had a massive increase in the production of GM crops right across the world in that short time; but in terms of global acceptance, 7 million farmers in 18 countries are adopting GM technology, with 55 per cent of soybeans, 11 per cent of maize, 16 per cent of canola and 21 per cent of all cotton crops across the world being genetically modified. In Australia 90 per cent of cotton growers are using GM technology. What is more, GM foods such as soybeans, corn, potato and canola are already imported and widely used in Australia. For example, I was in my local Portland Woolworths supermarket the other day and I picked up a sixpack of cinnamon doughnuts. The label stated that for \$1.50 you would get six cinnamon doughnuts, which is good value, but it also stated that the doughnuts were made of many ingredients, including 'soy flour (genetically modified)'. Many other products on Victorian supermarket shelves are derived from genetically modified crops.

We have a situation in this state where genetically modified organisms are grown on a trial basis, and some are even grown within the Department of Primary Industries' own research facilities. Gene technology regulator Dr Sue Meeks said in a briefing paper to the Liberal Party on 15 April that the regulator issued licences for the commercial release of Monsanto Australia's Roundup Ready and Bayer Crop Science's InVigor canola in December and July respectively. These decisions followed rigorous evaluations involving extended public consultation, which found these genetically modified canolas to be as safe for humans and the environment as conventional canola. We have the GM regulator, who has been acknowledged by all the states and the commonwealth as the expert in the field, saying that these products are safe for humans and the environment.

Mr Nardella interjected.

Dr NAPTHINE — We have the Luddites from Melton and the flat earth people, who are opposed to the progress of science! Be they Luddites or flat earth people, it is just a classic case of believing that if it is science, it must be bad.

I refer to an article in the *Herald Sun* of 29 March from Dr Jennifer Marohasy, who said:

Double standards are common in the GM debate. Indeed, few people realise that fully 35 per cent of the vegetable oil consumed in Australia is from cotton seed — and the cotton industry has been growing GM crops since 1995.

Indeed, 90 per cent of Australian cotton crops are GM. The article also states:

Most cheeses and beers have also been produced for many years using GM yeast.

So we have widespread use of these products in the state. Victoria has been involved in research trials using these two types of canola for some years, and the gene regulator has said that they are safe.

The proponents of the next step in the trials have been through all the hoops. They have passed all the tests, all the reviews and all the assessments. The next step of their logical process is to go to segregation trials, which are larger scale trials to test this proposed new technology to see whether it delivers productivity benefits to Victorian farmers and whether it can be appropriately handled in the field in terms of segregating GM canola from other non-GM canola or other things. That is the logical next phase in the process.

That is what the situation was up until some weeks ago in Victoria — that is, going down a logical process under the proper supervision of the experts and scientists and the people who the government put in charge. But the Bracks Labor government, out of the blue, stepped in with a political decision and this legislation which is currently before the house.

It is a stupid decision, which is directly against the government's own expert advice. I refer to the *Weekly Times* of 31 March:

Independent reviewer to the government on GM, Professor Peter Lloyd, said Premier Steve Bracks had ignored his report to allow the limited release of GM canola varieties for a trial period this year.

In his report, which was submitted to the government on 31 December, Professor Lloyd recommended that biotech companies Bayer and Monsanto ... run a GM canola coexistence trial ...

In his own report, Professor Lloyd — —

Mr Nardella interjected.

Dr NAPTHINE — The member for Melton might be interested to read this report. It was an independent review prepared by Professor Lloyd — an expert in the field — for the Bracks government. What did he say about the process? In his conclusion, and he went through it in detail, he said:

These conclusions lead to the view that the state of Victoria should permit limited release of GM canola varieties in the state for a coexistence trial beginning in 2004, along the lines of that proposed by the technology companies.

Professor Peter Lloyd, the government's own expert in the field, said that these coexistence trials should be allowed to proceed. However, the government — the cabinet — overruled its own scientific expert in this. What are the consequences of this irrational, politically motivated and short-term decision? It will have a far-reaching impact on investment, biotechnology and productivity in Victoria.

Let us look at some of the comments made by further experts in this area. I refer to an article by Andrew Bolt in the *Herald Sun* of 2 April — —

Honourable members interjecting.

Dr NAPTHINE — Again we get the clowns from the backbench of the government.

Mr Nardella — Name them.

Dr NAPTHINE — The members for Melton and Gembrook — the clowns from the backbench — and

the member for Yuroke should listen to this, because this is Andrew Bolt quoting the most eminent scientist in Australia:

Australia's only living Nobel laureate, Professor Peter Doherty, says the Bracks government has caved in to green extremists with its 'ridiculous' ban on genetically modified canola.

Laureate Professor Adrienne Clarke, a former head of CSIRO and our ambassador for biotechnology, says last week's ban goes against all the evidence that GM canola is safe and good.

...

'Reason is under threat', Doherty says. 'I'm surprised the politicians don't stand up more'.

I am telling Professor Doherty that the Liberal Party is standing up for science, is standing up for the right decision and will vote against this legislation. The article states:

Victoria will pay for this irrationality by being left behind in the booming field of biotechnology, adds Clarke. 'This is serious and has broad ramifications to our reputation in GM technology'.

It further states:

Let's go through the claims. First: are GM crops dangerous to our health?

'There are absolutely no health issues because every government in the Western World has had extensive inquiries and there's not a shred of evidence for it', says Clarke.

Will GM canola hurt the environment?

'Ridiculous', Clarke says. Most herbicide-resistant canola we grow now requires farmers to use atrazine, a nasty herbicide banned in Europe. The GM canolas, declared safe by our Office of the Gene Technology Regulator, are bred for use with glyphosate, 'one of the most environment-friendly herbicides', says Clarke.

In that article Clarke is also reported as saying:

GM canola grown in the rest of the world is traded quite happily.

Here we have Professor Adrienne Clarke and Professor Peter Doherty, two of the leading scientists in Australia, indeed in the world, telling the Bracks government that it has simply got it wrong. It has listened to the wrong advice. It has listened to the flat-earthed, Luddite, irrationalists rather than the scientific evidence from its own experts. I know Professor Doherty because he is a veterinarian by background, and he is hardly a supporter of this side of politics — indeed he was enticed back to Victoria by the Bracks Labor government — but he has come out and said that this will set science and biotechnology in Victoria back decades. He has said that it is an absolutely stupid and

irrational decision. It is about time the government listened to him.

In a paper of 15 April, Dr David Tribe, the coordinator of biotechnology at the University of Melbourne, said:

I cannot overemphasise the extent of long-term economic damage caused by these events ... No investment decisions on any new technology or any practical crop genetics project can now be sensibly made for at least four years, because any money spent is likely to be completely wasted.

The damage will include movement of the best scientists to North America. It will include cancellation of projects and businesses in Victoria. It will include further drift of bright biologists away from agricultural sciences ... And will include loss of export competitiveness on commodity markets.

Further he said:

My take-home message is this: Mr Bracks' recent anti-GM crop decision is probably the most far-reaching technology policy mistake ever made in this state.

The long-term damage to our capacity to compete in export markets, damage to our country's intellectual capital and damage to the general investment climate is huge.

Ms Beattie interjected.

Dr NAPHTHINE — It is not just the scientists. The leading scientists are saying it very clearly but so also is the common man, as is reflected by the editorial in the *Sunday Herald Sun* of 27 March. I quote:

Premier Steve Bracks has undermined Victoria's status as a biotechnology centre with his absurd decision to ban the growing of genetically modified crops for at least another four years.

The *Herald Sun* editorial of 5 April 2004 states:

The decision by the Victorian government to prolong its ban on genetically modified canola crops needs to be reconsidered.

...

In Victoria the Bracks government can no longer fly in the face of mounting evidence backing trials. It must now rethink its ban or risk sinking the state's claims as a world leader in biotechnology.

Those are the comments by experts in the science world and by the *Herald Sun*, which reflects common community opinion, as well as a broader view from the rural community as reflected in comments made by the Victorian Farmers Federation (VFF) in the *Weekly Times* of 31 March 2004.

Mr Nardella — Did the VFF talk to the farmers?

Dr NAPHTHINE — The VFF represents the farmers and the majority of farmers support the VFF. I quote:

'Farmers will not forget this betrayal — it is the last straw', said VFF president Paul Weller.

'It is an absolutely disgraceful decision and one which clearly shows the contempt the Victorian government has for our farming community'.

...

... Mr Weller said the decision made a mockery of the government's 'so-called' biotechnology state.

The leading farming newsletter *Stock and Land* of 1 April is headed:

Vic ban on GM trials a disgrace.

The *Weekly Times* of 31 March states:

The Victorian government's decision to ban GM food crops for four years was not based on science.

It was not even based on genuine concerns about market impacts on agricultural exports. The government's own expert advice proves that fact.

So we have a whole myriad of people who say that this decision is fundamentally wrong. The impacts of this decision are horrific. They are not just about whether trials can proceed next week. The impacts are much more profound and are very long term about our position as a state in terms of biotechnology, whether we will attract investment, whether we will attract scientists into biotechnology, whether we will truly be the state that is the leader in research and technology. We have a proud record of being a leading state in biotechnology, but this decision will undermine and jeopardise that. It will provide long-term damage to that.

It is not just me saying this. AusBiotech, Australia's biotechnology organisation, says:

Victoria's biotechnology strategic development plan has a vision to be in the top five biotech precincts globally by 2010.

It questions how that can be achieved when one of its main competitive areas — agrosience — is not able to be part of that process. They further state in this paper:

The European Union suffered a 76 per cent decline in the number of field trials of biotech crops between 1998 and 2002. A 2002 survey of the EU biotech industry indicated that 61 per cent of respondents had cancelled projects.

The evidence is there in Europe. If you make these sorts of irrational decisions not based on science, then you will lose investment, projects and opportunities for your state.

The government argues in its legislation and in the second-reading speech that its decision is based on market issues, that it is driven by protecting market

issues. I say to the government that that is not borne out by the facts. Again I refer to Professor Peter Lloyd's report. Again I put into context that this report was initiated, funded and commissioned by the Bracks Labor government. This is a person who was selected by the Bracks Labor government as an expert to provide advice to the government about these very issues. One would think that when it employed an expert to give it a report, it would listen to the expert comments.

What does Professor Lloyd say about international market risk? I put it to you again, Acting Speaker, that it was supposedly on the basis of market protection that the government has introduced this legislation. The government and its own advisers in its briefing to the Liberal Party said that this is not about health issues. They say there are no health issues involved. They said it is not about environmental issues. That is what the government's own advisers said to us in a briefing. They said this is about market issues.

Let us look at what Professor Lloyd said about the market issues that the government is supposedly concerned about. Under the summary heading 'International market risks' he says:

There is no clear evidence of a premium paid to non-GM canola products, either grain or oil, over canola products derived from GM canola in world markets.

I further quote:

Nor is there any evidence that the US and Canada, which are GM canola suppliers, have lost share in markets for wheat and other grains because of the release of GM canola in those countries.

He concludes very clearly that there are no market issues in this movement to a coexistence trial. The government's own expert says that market issues are not issues that you can rely on.

It has been said that other grain industries might be concerned. But the *Weekly Times* of 14 April put a number of questions to key grain industries. The Australian Wheat Board made a number of comments. I firstly refer to comments in the *Weekly Times* of 31 March 2004:

Australia's largest wheat exporter, AWB Ltd, has backed a co-existence trial of GM canola and dismissed claims it supports long-term bans on commercialisation of the GM crops.

This is a direct quote from the AWB managing director, Andrew Lindberg:

We support trials that take the industry forward in a meaningful way ...

In answer to question 4:

The AWB supports trials ...

In answer to question 6, the AWB said that it supported trials and believed those:

... proposed in New South Wales, including the coexistence trial, represented a good opportunity to achieve progress on this issue while also protecting the AWB national pool and Australian wheat growers.

So the AWB made it very clear it supports the coexistence trials, the next step of this process, the very issue that this government does not seem to support.

The Grains Council of Australia makes it very clear that it supports the coexistence trials. Indeed it says in answer to these questions:

... commercial scale trials must be held.

And further:

GCA does not support the existing moratoriums.

The Australian Oil Seeds Federation states:

Yes, we support the technology demonstration and coexistence trials as proposed in both New South Wales and Victoria. Independent evaluation of the trial is critical.

And further:

AOF has supported coexistence trials that are appropriately designed.

So all the major players are saying, 'We support the coexistence trials'. Then we get the situation of a detailed study, as quoted by Dr Jennifer Marohasy in the *Herald Sun* of 29 March. She wrote:

A detailed study undertaken last year by the Australian Bureau of Agricultural and Resource Economics (ABARE) reached the same conclusions: GM products are being traded on the world market; GM-producing countries dominate the world grain trade; and that there is no premium for non-GM products.

An ACIL Tasman report that also was commissioned by the Bracks government states:

... while there are some sensitivities to GM crops in Australia's key markets for agricultural produce, there is little or no evidence of any general price discrimination or market access problems.

So we have all the major experts in terms of training and economics, whether they be the traders, agricultural advisers or scientists, saying that there are no market issues and that the market issue argument put forward by the Bracks Labor government is an absolute furphy. We have to recognise that this is a short-term politically

motivated decision by the Bracks Labor government which is certainly not in the interests of the farmers of Victoria, increased agricultural productivity or of developing science and biotechnology in this state. It is important to recognise that GM technology has enormous opportunities to offer.

I refer to a report written by Dr Robert Norton of the School of Agricultural Food Systems, University of Melbourne. Entitled *Conservation Farming Systems and Canola*, it states in the executive summary:

... GM canola will allow farmers to sow earlier, achieve better weed control when compared to current canola ... systems and avoid the inherent yield and oil penalties associated with TT canola.

He further states:

... an extra 200 000 hectares of canola would be grown under direct drilling or minimum tillage.

640 tonnes less triazine herbicide would be used each year.

average ... canola yields would increase from 1.27 tonnes per hectare to 1.38 tonnes per hectare, with an increase in canola production estimated at 295 000 tonnes annually.

wheat production would increase by 64 000 tonnes on the additional canola area.

This increase in canola and wheat production would be worth \$135 million to the Australian grains industry.

The increased production could be achieved while making the canola industry more sustainable through better ... weed management and soil conservation practices.

So we get better productivity, we have better environmental outcomes, yet less use of herbicides, less use of tillage — —

Mr Nardella — That is not true; not in the long term.

Dr NAPHTHINE — I am sure the professor from Melton, the member for Melton, knows more about it than Dr Robert Norton from the School of Agriculture and Food Systems at the University of Melbourne. I am sure the member for Melton will have his opportunity to demonstrate his absolute and utter ignorance and bias on this subject when he speaks.

We have real opportunities of making a significant difference to improved agriculture in the world, improved food supply in the world and an improved environment. We can increase productivity to feed the world better. We can get better environmental outcomes with the significantly reduced use of chemicals and tillage. We can get improved health benefits. We can get better economic benefits for

farmers and agribusiness in Victoria, and we can invest in science and technology.

In conclusion I want to refer to some of the things that are offered for the future by GM technology. If we do not close our minds to this and if we do not adopt the Luddite, flat-earth approach that is being adopted by the Bracks Labor government, there are enormous opportunities.

I refer to an article written by Patrick Moore in the *IPA Review* of March 2004. He wrote:

The case of 'golden rice' provides a clear illustration of this. Hundreds of millions of people in Asia and Africa suffer from vitamin A deficiency. Among them, half a million children lose their eyesight each year, and millions more suffer from lesser symptoms. Golden rice has the potential to greatly reduce the suffering, because it contains the gene that makes daffodils yellow, infusing the rice with beta-carotene, the precursor to vitamin A. Ingo Potrykus, the Swiss co-inventor of Golden Rice, has said that a commercial variety is now available for planting.

So there is an opportunity here to use golden rice to increase productivity and make sure that that rice contains the precursor to vitamin A to prevent blindness in millions of children each year in Asia and Africa. They are the opportunities that are available to us, and it is important that we provide leadership and direction rather than suffering from the flat-earth people.

I want to refer to the specifics of the legislation. The legislation is broad, enabling legislation. Unfortunately it enables the minister to fundamentally do what he likes, and that is a sad situation. It is sad, because we have a minister who is a captive of people who are not looking at the big picture, not looking at the opportunities and ignoring the sound scientific advice given to them.

We also have the situation where there is no process, so that if a proponent of GM technology goes through all the steps and gets the approval of the gene regulator, they can be stymied by the whim of the Minister for Agriculture and the Bracks Labor government. There is no process for that to be reviewed and no process for the decision to be checked as to whether it is appropriate.

The minister is saying that it is based on market issues, but there is no process to test that. There are uncertainties. That lack of certainty will guarantee that investment will be driven out of this state. It will drive biotechnology and scientists out of this state, and we will all suffer as a result.

I also refer specifically to clause 4(2)(b) on page 4 of the bill. It states that the minister can make an order that

not only prohibits the growing of GM crops but also prohibits or imposes conditions on any dealing with GM crops or the specified class or GM material irrespective of where those crops have been cultivated. So the minister can make an order to prevent soy flour that has been grown from GM crops in Canada or anywhere in the world coming here to be made into doughnuts to be sold at Woolworths.

We also have a situation where you might have GM-produced canola from South Australia or New South Wales coming to Portland and the minister saying it should not be allowed there and must be impounded. That is an absolute disgrace!

This legislation is far too broad and far too open. It is fundamentally wrong. But the main reason this legislation is wrong is that, as I said right from the start, the decision to ban the proposed segregation trials using GM canola is contrary to the advice of the scientific experts in the community. It will have immediate and very long-term detrimental impacts on agricultural productivity and research and development in our biotech industries. This decision is absolutely a retrograde step for Victoria, and unfortunately our state will live to regret it for many years to come.

Mr WALSH (Swan Hill) — The Control of Genetically Modified Crops Bill represents a new low in the Bracks governments management of agriculture, agricultural marketing and agricultural biotechnology. It imposes a four-year moratorium on commercial trials of GM canola varieties that have already been approved by the Office of the Gene Technology Regulator (OGTR). It empowers the minister to issue orders based on perceived market risk about all aspects of the supply chain management.

It sets up a compliance process, employs authorised officers at the industry's expense and gives the minister powers to control or prohibit the planting of genetically modified crops in all or part of Victoria. It falls far short of good regulatory registration and gives every appearance of having been hastily drafted to suit a political agenda. It contains no structure for offering advice to the minister about changing market conditions and no process for reviewing the orders made under this legislation.

It is not surprising that there is actually a conspiracy theory circulating about these GM moratoriums. Pundits are wondering why so many state Labor governments have thrown together half-baked legislation and pushed the moratoriums through their parliaments in rapid succession. The theory goes that it is a trade-off for Green preferences to boost federal

opposition leader Mark Latham's dwindling federal election chances. If it is true, it is a disgraceful piece of political opportunism for which Victorian agriculture will pay a very high price. I wonder if the minister is aware that the sovereign nation of New Zealand, whose government relies on the Greens to govern, has dropped its moratorium because it sees no market disadvantage in using GM technology.

GM organisms have found ready acceptance in Australia in the production of enzymes, medicines, food additives and vitamins. But now that the agricultural sector is poised to tap into this technology with two varieties of GM canola the process has hit a wall of scaremongering, lies and deception. It is not my purpose to revisit the debate on the pros and cons of GMs. I think that was all very clearly put on the public record in the debate on the Gene Technology Act 2003.

Mr Perton — Which way did members of the Labor Party vote on that?

Mr WALSH — They voted for it. I will simply say that despite continuing public debate about GM organisms, the area planted overseas to GM crops and the number of farmers growing them have continued to increase at double digit rates or more every year for seven consecutive years. Last year seven million farmers in 18 countries chose to plant GM crops, with something like 67 million hectares planted. While Victoria buries its head in the sand, world agriculture is moving forward and leaving us behind. Only a few weeks ago, after exhaustive analysis, China issued seven safety certificates to Bayer CropScience and Monsanto Canada for its GM canola products — one for Roundup Ready canola and six for Liberty Link/InVigor traits.

That is another example showing that nations using agricultural biotechnology are not disadvantaged on the world market, yet Greenpeace persistently argues that the United States and Canadian crop exports have collapsed since the introduction of biotech varieties. Acting Speaker, this is simply not true. In the coming season Canadian canola plantings will be well above 13 million acres, a 15 per cent increase on the last crop, which follows a 22 per cent increase on the year before. We should be mindful that worldwide and here in Australia GM technology has been subjected to more scientific examination, more consumer consultation and more legislative scrutiny than any other food consumed in the history of mankind.

In 2000 the commonwealth Gene Technology Act established the Office of the Gene Technology Regulator. Following extensive consultation all states

acted to create parallel legislation to support the Gene Technology Act. Make no mistake, these acts are among the most stringent and effective regulatory documents in the world. They are based on sound science and high levels of consultation, offering clear, ethical, practical guidelines in a transparent process that ensures confidence. All states, as was said before, agreed that the Office of the Gene Technology Regulator should give approval to GM products, based on proven human safety and environment criteria, and that all states would accept that decision, which the government passed.

In 2003 the Office of the Gene Technology Regulator approved the use of two types of GM canola on the basis that they were as safe for human health and for the environment as conventional canola. Both products have been grown and consumed overseas in increasing volumes for many years without any market penalties. The OGTR wisely does not involve itself in marketing issues involving GM commodities, which it believes can, with coexistence, happen in the supply chain. There is a very good case for governments not being involved in marketing issues, and the primary industry's ministerial council, in setting up the OGTR legislation, believed that the best way forward was for industry self-regulation.

The next logical step is to pursue trials to ensure that there can be coexistence between GM and conventional canola both inside and outside the farm gate. Trials of this nature were always anticipated before full-scale commercial release. But now, as a copycat of the other states — I can remember when Victoria was actually a leader in biotechnology in Australia — Victoria has introduced this bill, which bans all GM crops and coexistence trials for the next four years and requires exemptions to be sought before commercial trials can go ahead.

Mr Nardella — On a point of order, Acting Speaker, the normal custom and practice of this house is that honourable members do not read their contributions. The honourable member has — —

Honourable members interjecting.

Mr Nardella — I can do a very short one or I can do a long one. The honourable member has now been reading for the last 7 minutes, and I ask you to ask the honourable member to not read his contribution to the house.

The ACTING SPEAKER (Mr Jasper) — Order! I remind the Deputy Leader of The Nationals that it is not the practice in this house to read speeches.

Members can refer to extensive notes, and I assume he is referring to extensive notes, and under those circumstances I will continue to hear the Deputy Leader of The Nationals.

Mr WALSH — Thank you Acting Speaker — —

Mr Nardella — Go back to your swamp!

The ACTING SPEAKER (Mr Jasper) — Order! The Deputy Leader of The Nationals, without assistance from across the chamber.

Mr WALSH — Thank you, Acting Speaker, it is interesting that people should try and trivialise such an important bill. Coexistent trials were always anticipated before full-scale commercial release. This bill, as I was saying before I was rudely interrupted, introduces a ban on coexistence trials for the next four years and requires exemptions to be sought before commercial trials can go ahead.

Now even after getting approval from the Office of the Gene Technology Regulator for trial work, it will be necessary for companies to apply to the state government for an exemption before they can run commercial trials and coexistence trials. This will completely undermine confidence in the excellent federal and state legislation already in place and in the work of the OGTR.

With this bill the minister brings a culture of prohibition on biotechnology into Victoria. The bill disenfranchises GM agrosience researchers, who will not only lose their position at the forefront of agricultural technology but who will struggle to remain competitive and relevant. It is a devastating blow for Victoria's whole agricultural sector. What investor in biotech agrosience, intent on getting the best result for his research dollar, would choose Victoria in which to do his work in the future?

The added burden of cost recovery will impact on companies trying to undertake research and development on crops covered by this legislation and will divert very valuable research and development funds into bureaucratic procedure and paperwork. The minister has gone for full cost recovery despite the fact the OGTR recently carried out a review of cost recovery and found it was not justified at the time. As anyone with any commonsense would know, if you impose cost recovery burdens on fledging industries you will not get them off the ground. A 2002 survey in Europe revealed that moratoria there prompted 61 per cent of the private sector to cancel their research and development on genetically modified organisms

(GMOs). Does the minister think this will not happen here? It is highly likely that agricultural biotech research in Victoria will grind to a standstill.

This legislation is characteristic of an astoundingly arrogant and inept government. It is arrogant because it ignores a 2003 Australian Bureau of Agriculture and Resource Economics (ABARE) report which concluded that there was no marketplace indication that consumers are willing to pay a premium for non-genetically modified crops; there was no evidence that conventional grains exported by the major GM-producing countries are affected by the adoption of GM technology — —

Mr Cameron — The wheat board's report says you misrepresent it.

Mr WALSH — The wheat board says you misrepresented it.

There is no evidence that the sale of animal products, for example dairy, is affected by the use of GM grain as part of the animals' feed.

This legislation is arrogant because it ignores the advice of the independent reviewer, Professor Peter Lloyd, whom the Minister for Agriculture appointed and who found that there was:

Little or no evidence of any general price discrimination or market access problems that should be of concern.

He went on to say that sensitivities to GM crops, where they existed, had not translated into any great decrease in prices nor into market access problems. Professor Lloyd recommended that the Victorian government allow coexistence trials to go ahead before the widespread commercialisation of GM canola. He said the system was ready to handle GM canola, a readiness that needed to be demonstrated to industry stakeholders.

The legislation is arrogant because with this bill the minister ignores and in some cases actually misrepresents — as we discussed — the wishes of numerous industry bodies. Stakeholders including the Australian Oilseeds Federation, AWB Ltd, ABB Grain Ltd, the Victorian Farmers Federation, Grains Council Australia and GrainCorp all support coexistence trials. It is arrogant because it even ignores Labor's own supporters, who, as was reported in the *Weekly Times* on 10 December 2003, dumped a proposal for a three-year moratorium on the commercial release of GM canola. Labor members should go back and read the minutes of their own meetings!

The order enshrined in this legislation banning commercial production of GM canola for four years flies in the face of good governance. It tells Victorians that if you are a small, noisy minority group that writes enough deceptive letters to the papers, the Victorian government will fall at your feet and roll over. It tells Victorians that if you import enough soothsayers and witchdoctors from overseas, run them around the government backbench and have them entirely misrepresent the real situation abroad, then you can have a major policy change.

I wish there were some way we could expose the inexperienced members of the government sitting opposite — I notice there are not very many of them in the house — to the realities of the commercial world. With shining eyes they listened to and swallowed the lies and half-truths of these people brought into Australia by Greenpeace, and found their claptrap all-powerful and convincing. This tells all Victorians that we have a government that will readily turn its back on process, commonsense, solid science and good governance.

This is not the first time the world has faced new technology with apprehension. It is the government's role to manage community concerns with good public policy making. Firstly, it should access the best available science, which we have with the OGTR process; secondly, it should move forward cautiously, which we would have with the coexistence trials; and thirdly, it should reassess the science and monitor the process, which we could have done if we had had the coexistence trials but which we can no longer do. The lights have gone out on GMOs in Victoria. There is no clearly defined path, process, system or procedure that will light the way for any company wanting to develop GM agricultural technology in Victoria.

The bill says a company may spend years in research only to be stopped at the last minute by a government spooked by Luddites — and I emphasise the word 'Luddites'. It allows the minister to issue regulations or orders to ban anything at any time on the basis of a threat to markets. It is based upon the assumption that the minister is the best-informed agricultural marketer, who knows more than all other marketers in the world put together.

Honourable members interjecting.

Mr WALSH — Thank you! Worse, it sets a dangerous precedent, allowing the minister to dictate to farmers what crops they may grow, where and when they may grow them.

Honourable members interjecting.

The ACTING SPEAKER (Mr Jasper) — Order! The member for Caulfield is out of her place, and I will not have her interjecting across the chamber. It is hard enough to hear the member. The Deputy Leader of The Nationals to continue, without the assistance of either side of the house.

Mr WALSH — I remind the Minister for Agriculture that his predecessor, the Honourable Keith Hamilton, looked into the concept of GM-free zones, decided that the concept was absolutely unworkable and, to his credit, abandoned it. Here we have it again dressed up with different words, and the minister can determine what we grow and where we grow it. I have no doubt that the world will continue to grow GM crops on a massive scale. The technology will be further refined and developed in ways that we can only guess at.

My concern is that if the Victorian government persists with this approach, it will condemn agriculture in this state to mediocrity, and it will lock us into a Stone Age mentality that will take years to throw off. Thanks to the Minister for Agriculture, Victoria is now stuck in a scientific backwater, and at this time and with this government I can see no way for us to paddle ourselves out of it. The National Party opposes this legislation.

Mr HOWARD (Ballarat East) — I am very pleased to speak on the Control of Genetically Modified Crops Bill. This is a very significant bill for farmers and agribusiness industry across this state, one upon which this government has considered matters in relation to genetically modified crops very seriously. We have looked at the range of evidence that has been presented, and we have consulted widely across this state and overseas in coming to the decision that we have made.

The bill, as we have heard, is essentially enabling legislation, and later on I might get a greater opportunity to discuss the specifics. The issue before the house relates particularly to the order attached to this bill, which relates to GM canola varieties which have now been released by the Office of the Gene Technology Regulator and which are now available for technical commercialisation in Australia.

Why have we taken the decision to establish a four-year moratorium in regard to GM canola crops? We have taken it because we have been listening to so many farmers and industry people across this state and have looked at the feedback we have been getting internationally.

Honourable members interjecting.

Mr HOWARD — That is interesting. There are a range of groups across Victoria that I can refer to later. The Donald branch of the Victorian Farmers Federation are very disappointed in their former president and their potential leadership. In fact, the Donald VFF wrote extensively to the VFF to say, ‘We are very disappointed; we wanted a poll taken of grassroots members’. It said, ‘Head office and the grains group leaders were refused, so we held our own house poll’. This is what the Donald VFF members said. These are farmers who are not in the Wimmera electorate — they must be in the Lowan electorate. These Victorian grain-growing farmers have said, ‘We had our own poll and 80 per cent of the farmers we talked to wanted a moratorium’. We also know that people in industries which are very vital to our export income in this state — our growing industries in the wine area as well as in dairy and beef — are regularly saying, ‘We are concerned about the effects of GM on us’.

Recently I went to Korea where I supported our many agricultural producers who presented at a food trade fair in Seoul, and I was very pleased to stand behind the Victorian stand with agricultural producers and their products. Behind us was the backdrop which read ‘Naturally Victorian’, and that is the marketing message we are able to use to trade and to develop our exports here in Victoria. It recognises and builds on the clean, green environment that we have and the opportunities that we can build on as a naturally green, clean agricultural environment.

Our producers were very pleased to be able to present their wares under the Naturally Victorian banner, and they gained a great deal of interest in doing so.

Business interrupted pursuant to standing orders.

ADJOURNMENT

The ACTING SPEAKER (Mr Ingram) — Order! The question is:

That the house do now adjourn.

Docklands: film studios

Ms ASHER (Brighton) — My issue is for the Minister for State and Regional Development. The action I am seeking from him is to correct the parliamentary record in relation to consultancy costs for the Docklands film and TV studios. In August 2003 I placed questions on notice for the Minister for State and Regional Development and the Minister for Major Projects asking them to itemise consultancies for the film and TV studios. I did this because the Department

of Infrastructure in response to a freedom of information request said it had no documents at all, and the Department of Innovation, Industry and Regional Development asked me to define what a consultancy was. In the end an Ombudsman investigation forced the government to release the documents to me.

In answer to my questions in Parliament the Minister for State and Regional Development confessed to a range of consultancies — a total of \$499 651 for work between 19 June 2001 and 9 September 2002. The Minister for Major Projects also disclosed consultancies of approximately \$1.5 million. On 13 February 2004, further to my complaint to him, the Ombudsman provided me with a list of consultancies, and that list disclosed an additional consultancy undertaken by KPMG for \$96 091 for work from 12 October 2000 to 13 November 2000 for a Docklands studio consultancy. This consultancy was disclosed by neither minister in answer to my question.

The Minister for State and Regional Development’s non-disclosure of this final consultancy presents a problem for him, because Multimedia Victoria was part of his own department at the time. If he wishes to argue that this consultancy should have been disclosed by the Minister for Major Projects, he is free to do so, but the Docklands film studios are clearly Minister Brumby’s pet project. The additional problem for the minister is that in the Ombudsman’s response to me, departmental secretary Peter Harmsworth’s defence was that I should have known about a list of consultancies given to the opposition in 2001. If I am meant to know that, then surely the Minister for State and Regional Development ought to know about a consultancy. I call on the minister to correct the parliamentary record and fully disclose the costs of all Docklands film studio consultancies and the true cost to the taxpayer of this farcical project.

Wallan secondary college: funding

Mr HARDMAN (Seymour) — I raise a matter for the attention of the Minister for Education and Training about the provision of secondary education — years 7 to 12 — for the Wallan community. As the minister would be aware, I have been making representations on the provision of secondary education in Wallan since I was elected in 1999. When elected one of the first matters I needed to clarify was that the land purchased and set aside for a future secondary college in Wallan by the Labor government in the 1980s was not on the register for land sales, because we all know that the previous Liberal government was about closing schools and not opening new schools. The Wallan community was most anxious about this particular issue, as was the

Seymour Technical High School with regard to its agricultural block.

After several representations to the minister and the Premier I was given the task of chairing a local committee to ascertain the need for secondary education in Wallan. This committee consisted of a number of interested residents groups, local schools and regional office staff. Many hours of consultation and discussion took place, and the Wallan secondary college committee recommended that there was a need for secondary education in Wallan, with a proviso that further work be done on issues raised.

At the November 2002 election the state government promised to provide up to \$5 million to build a year 7 and 8 college, with \$300 000 on top of that to provide a shared community facility. The committee held the strong view that given the rapid growth of the Wallan community and the lack of local infrastructure, the development of a secondary college in Wallan should be open to the community after hours and on weekends. This would make the investment in this infrastructure one which would have a wide range of benefits for the Wallan community.

After the election a local proposal committee was formed to do further work on the provision of secondary education. This committee included representatives of the regional office of the Department of Education and Training as well as local primary and secondary school principals, school council presidents, a community group representative, teacher representatives and a regional Department of Education and Training facilities officer.

The committee proposal worked within the guidelines for years 7 and 8 but added years 5 and 6 to make it a middle school, and the committee suggested that further years be added up to year 12, as demand required.

Valid concern has been expressed that certainty is needed for ongoing education beyond year 8, and a petition with 818 signatures was collected in support of this. I would like to thank the minister for listening to the Wallan community, which has lobbied for many years and for giving a tangible and believable promise which helped to lead to a historic $66\frac{2}{3}$ per cent vote for Labor in Wallan at the last state election. I reiterate that with a rapidly increasing population the case for a full secondary college in Wallan is growing.

Mr Perton — On a point of order, Acting Speaker, the member must seek action from the minister and not simply thank the minister.

The ACTING SPEAKER (Mr Ingram) — The member sought action in the first seconds of his presentation. The member's time has expired.

Mr Hardman — On a new point of order, Acting Speaker, it is the practice of this house that we do not interrupt adjournment debates, especially important ones for local members, as we do not get many opportunities to raise issues. The honourable member for Doncaster should take some notice of that convention.

The ACTING SPEAKER (Mr Ingram) — The custom of this place is not to unduly interrupt, but all members are entitled to take points of order.

Aquaculture: permit fees

Mr JASPER (Murray Valley) — I raise a matter for the attention of the Minister for Agriculture. I have received further representations from Mr Simon Noble of Brimin Lodge Murray Cod, who is concerned about the Fisheries Regulations 2004 and the high cost they would impose on the industry. I want to quote some paragraphs from a letter which he wrote to the Department of Primary Industries:

At Brimin Lodge we have developed the grow-out of Murray cod over the last 10 years and are finally in the position of some commercial success. There is no way we would have commenced initial trial work (long before Fisheries Victoria believed that commercial grow-out of Murray cod was possible) if the permit fee at the time was \$789 as proposed by this document. Even less chance if the fee was \$1972, which will be the case by 2006/2007 ...

He went on to indicate that this would kill the sector of the industry that he is developing and that he hoped there would be no licence fees for many other enterprises within aquaculture. He also said:

The backbone of the industry is made of farmers who are trying to incorporate aquaculture into diversified farming businesses.

He also said he is totally opposed to these proposed regulation changes and that if he had been faced with these potentially huge cost burdens, then he would not have entered into this industry. I point out to the minister that Simon Noble has developed this particular aquaculture industry within his farming enterprise and that he has diversified and is seeking to maintain the primary industry facility that he has developed. He wrote to me again in a later letter and said that he is frustrated in the extreme at the efforts of the government to destroy small business, particularly in aquaculture.

He said that since he last wrote to me and enclosed a copy of his submission to the regulatory impact statement process, things had gone from bad to worse. He talked further about the concerns he has about the charges, about the interest that PrimeSafe has in this particular part of the industry and about local government and its interference when charging for permits. He also talked again about the federal government, saying that this is not the way it should develop an industry and encourage new entrants.

I have received a response from the minister, but only in the last week, which indicates that the charges for the licence-holder will be \$452 for this 2004 year. But it goes on to say that the department will be looking for cost recovery.

I seek from the minister a response to the representations I received expressing genuine concern about the regulations being imposed on aquaculture, which we are seeking to develop in Victoria, particularly as it relates to Murray cod. The minister should be aware of the concerns that are being expressed.

Consumer affairs: property investment scams

Ms MARSHALL (Forest Hill) — I rise in the house tonight to bring to the attention of the Minister for Consumer Affairs in the other place the issue of get-rich-quick investment scams. The action I seek from the minister is to ensure that there is adequate consumer protection in place to protect people from these unscrupulous people, as some of my constituents have fallen victim to them, losing substantial amounts of money.

Perhaps the most marked place that these investment scams have occurred in recent years is in the area of the property market. With the property boom many people have sought to make money from investing in property through wealth creation seminars. These have sprung up everywhere, with promises that they will show those who participate how to make money from property investment. However, some operators of these seminars do not function in the best interests of their clients. These wealth creation seminars often cost thousands of dollars and, of course, come with no guarantee.

The seminars are often advertised via glossy brochures that are mailed out to residents or via advertisements in major daily or local newspapers informing people that if they participate in the seminars they will reap huge financial returns. Quite often the advertisements feature pictures of sports cars, luxury houses and apartments, and people enjoying holidays at island resorts. These

advertisements also generally feature glowing testimonials from people who have apparently attended these wealth creation seminars and have made their fortune.

However, these scams return financial dividends only to those at the top. What I find most concerning about these scams is that usually the people who fall victim to them are the most vulnerable people in our society. It appears the federal government is not interested in offering protection to these people, instead preferring to pass the buck on the issue to the states and territories. The federal government expects the states to establish a whole new bureaucracy, when such scams could be dealt with quite adequately by an organisation like the Australian Securities and Investments Commission if it were given the appropriate direction by the federal government. I welcome the pledge by federal Labor that if elected it will crack down on these unscrupulous property spruikers at a national level, giving ASIC the power that it needs.

I ask the minister to ensure that the department of consumer affairs continues to monitor and pursue any organisation or individual that is peddling these scams and to pressure his federal counterparts to take a more active role in the protection of Victorian consumers in this area.

Schools: maintenance

Mr PERTON (Doncaster) — The matter I raise is for the Minister for Education Services, and it relates to school maintenance. The action I seek of the minister is that she give a guarantee to this house and to the school communities of Victoria that she will undertake a new physical resources management system (PRMS) audit and ensure that funding is made available for a PRMS audit in this year.

Every school that one visits across the state is having problems with school maintenance, and it does not matter whether it is the school at Montmorency South that was in newspapers on Monday in respect of its portable classrooms; schools like Panmure near Warrnambool, a small school that has had \$50 000 worth of maintenance from the last audit, for which it has received only a few thousand dollars; or schools like Hawkesdale P-12 College or Inverloch Primary School, with schoolyards that are genuinely dangerous because of the cracking of the bitumen and circumstances that would be illegal if they were in any other workplace.

One travels across metropolitan Melbourne and across country Victoria and finds that the first complaint made

by school principals is that the PRMS maintenance moneys have been cancelled over the past two years — \$100 million this financial year and \$100 million in the previous financial year, so \$200 million that should be in schools for repair and maintenance is not there.

It is not as if it is only the opposition or school principals saying this. The Auditor-General has made specific findings that the government is underfunding school maintenance. This minister is utterly fraudulent in her public statements. Recently she said to journalists, ‘We have funded all eligible zeros’. What she failed to tell the journalists was that there are now two categories of priority zero — one eligible and one not eligible — and that the eligible zeros do not include school portables. So in other words, from its own fundraising money — the lamington drive — every school is required to fund the repair of portables and to undertake repairs to their buildings. You would know this from your own school communities, Acting Speaker. We have schools literally deteriorating before our eyes, and schools in urgent need of repair not getting the money that should go to them.

The best way of sorting out the truth of the matter is to have a new PRMS audit and to have it properly funded so there is an objective database for the schools and an objective database —

The ACTING SPEAKER (Mr Ingram) — Order! The member’s time has expired.

Member for Western Province: comments

Ms BEATTIE (Yuroke) — I wish to raise a matter for the Minister for Local Government in the other place. The action I seek is for the minister to provide the opposition spokesman for local government, the Honourable John Vogels, with a map, the telephone number and the Web address for the City of Hume. On 23 March, when he was asked by the *Hume Moreland Leader* to comment about the City of Hume’s bill of rights, he replied, ‘I think it is a load of codswallop —

Mr Perton — On a point of order, Acting Speaker, the member is restricted to raising a matter within the administrative competence of a minister, and she is in violation of that rule.

The ACTING SPEAKER (Mr Ingram) — Order! I uphold the point of order. The member has a requirement to prove to me that the matter she is raising is within the bounds of the ministerial portfolio.

Ms BEATTIE — On the point of order, Acting Speaker, it is in the minister’s portfolio. The minister would have a list of the names, addresses and Web

addresses of all local municipalities within her portfolio.

The ACTING SPEAKER (Mr Ingram) — Order! I ask the member to continue but to be very careful. Her matter has to be within the minister’s portfolio area and relate to government business.

Ms BEATTIE — He said, ‘I think it is a load of codswallop’. He then went on to say that he had read a bit about the City of Hume in the papers. If the minister could provide the map, the phone numbers and the Web address details, perhaps the Honourable John Vogels could arrange to visit the City of Hume. Indeed the minister could arrange a visit for him. The action I seek is for the minister to arrange a visit to the City of Hume so Mr Vogels can do some research on the municipality, its people and its need for a bill of rights, which by the way was supported by the Victorian Council for Civil Liberties. Mr Vogels went on to say, ‘Would they have the right to eat pork sandwiches in council meetings?’.

Mr Perton — On a point of order, Acting Speaker, this adjournment matter has nothing at all to do with the administrative responsibilities of the minister, nor is the action sought within the administrative competence of the minister.

The ACTING SPEAKER (Mr Ingram) — Order! I thank the member for Doncaster for raising the point of order. I rule in his favour and rule the adjournment matter out of order.

Housing: Mildura tenants

Mr SAVAGE (Mildura) — I raise an issue for the Minister for Housing in another place through the Minister for Education Services, who is the minister at the table. The issue I wish to raise is the minority of problem tenants in Office of Housing public housing stock. I imagine every member in this place has had some difficulties with the behaviour of a very small minority of people who enjoy the tenancy of Office of Housing premises.

The vast majority of housing tenants are law abiding, responsible and a credit to the community, but a small number are becoming more difficult to manage by the Office of Housing. I compliment the office on facing the difficult task of its day-to-day administration, because there are more problem individuals seeking housing properties than ever before because of our changing society. It is very difficult to manage people with mental problems, and also those with alcohol and drug problems who have to be mixed in with everybody

else. That issue is a problem in my area and I am calling on the minister to develop a code of conduct for those people who develop these problems and are unable to get on with their neighbours — that is usually the problem — or who damage property, so that they have to abide by a certain set of standards. If we continue the way we are going, once they have crossed that boundary it becomes very disruptive to the community.

I have had cases where people have threatened to burn their next-door neighbours' house down, where children have difficulty sleeping because of abusive language, drunken behaviour and police attendance. This all adds up to a very disrupted life. People are entitled to live in a harmonious environment with their neighbours. If they cannot abide by that, then I am afraid they have to be moved on. The area of responsibility that the minister could apply is to ensure that people sign up to uphold a certain standard and if they breach that standard on subsequent occasions they lose the right to Office of Housing property.

This is an issue which, as I said, would touch probably every member in this house. The worst is emergency housing, where the people with the most problems seem to end up. It is not always the problem of the agencies that look after them, but that of the referring agencies which abandon these people in those premises and do not follow them up. The problem just compounds. If you own your own house you should be entitled to live in peace and tranquillity and if you are a tenant of Office of Housing property you have a responsibility to live up to the standards that prevail in that environment.

Road safety: speed cameras

Ms MUNT (Mordialloc) — I call on the Minister for Police and Emergency Services to take action to continue to support road safety in Victoria. Shortly before Christmas last year I attended a dinner function for the Cheltenham Life Activities Group. As I was unwell and working the following day, I left fairly early and went home to bed to rest. Around 10.30 p.m. I received a call from a woman. She said that my son was on the nature strip beside Queens Road in the city and that he was in too much pain and shock to speak to me and had asked her to call me at home. I will be forever grateful to this unnamed young woman. She said my 21-year-old son had been in a very serious car accident and an ambulance had been called.

I immediately left to meet the ambulance at the Alfred hospital casualty department. My son had been doing his Christmas shopping; it was still sitting in his

completely wrecked car. A driver had lost control of his four-wheel-drive vehicle and had veered to the wrong side of the road, ending up in my son's driver-side door. As I sat in the hospital waiting for my son's ambulance, not knowing his condition or the extent of his injuries, I watched the television. On it the opposition was describing speed cameras as revenue raisers for the state government, saying that drivers should not be fined until they were caught exceeding the speed limit by 10 per cent. This was encouraging speeding on our roads. I felt sick.

Mr Perton — On a point of order, Acting Speaker, this is a very serious matter, and we are prepared to listen with respect. I ask the member not to politicise this matter in this way.

The ACTING SPEAKER (Mr Ingram) — Order! Would the member for Mordialloc please indicate what action she requires?

Ms MUNT — The action is that the Minister for Police and Emergency Services continue to take action to support road safety in Victoria. The opposition repeated this message in the *Age* of 30 December — in the middle of the holiday period. The road toll this past year was the lowest on record, with 333 deaths in 2003 — a 23 per cent decrease in the metro area and a 10 per cent decrease in the country area. Will the Leader of the Opposition take responsibility for the deaths that result from the opposition's policy?

Mr Perton — On the point of order, Acting Speaker, the honourable member is not to raise personal matters in the house. She may raise a matter for government administration, but she is misusing the tragedy in her family to attack the opposition, and I think it is utterly inappropriate.

The ACTING SPEAKER (Mr Ingram) — Order! I do not uphold the point of order. The member's time has expired. The member is allowed to raise personal issues in relation to a particular matter, which she has done.

Frankston: councillors

Mr COOPER (Mornington) — I raise a matter for the minister representing the Minister for Local Government in the other place. I request that the Minister for Local Government take action to sack the Frankston City Council and appoint an administrator to run this municipality until such time as a decent, united and functional group of councillors can be elected.

I make this request because the Frankston City Council has definitely become dysfunctional. It is racked with

party politics, it is hopelessly divided and has lost the confidence of most Frankston residents and virtually every part of the commercial and industrial sectors within the municipality.

A meeting of the council on 29 March this year was a disgrace, with one councillor, Cr Mark Conroy, bringing the meeting down into the gutter with his abuse of fellow councillors and members of the gallery. Cr Conroy even went to the ridiculous level of falsely accusing a member of the gallery of being related to Bruce Billson, the Liberal member for Dunkley, and then persuaded the Mr Bob Smith, a member in the other place, to repeat that lie in the Legislative Council.

The Frankston City Council is now a hotbed of threats, intimidation and vile personal abuse, predominantly by one particular councillor. His activity includes public personal abuse of council officers, and you cannot get anything much lower than abusing people who do not have a right of reply and have to sit there and cop it, but that is what Cr Conroy resorts to at virtually every meeting. There are two or three councillors on this council who are trying to do a good job for their municipality. They are good people who are trying their best, but they are being thwarted in their efforts which are in fact being destroyed by a group more interested in party politics than in doing what is best for those it is supposed to represent. It is time, in my view and in the view of many people that I have spoken to and who have contacted me, for this council to be sacked and for the ratepayers and residents of Frankston to be given a municipality that will be run in their interests and not in the interests of the Australian Labor Party.

Cranbourne-Frankston Road, Langwarrin: duplication

Ms BUCHANAN (Hastings) — My request is to the Minister for Transport. The action I seek is for the minister to outline to the Frankston City Council the actual time line for the construction of the much-needed service road along the Cranbourne-Frankston Road, the duplication of which is currently nearing completion.

Frankston councillor Rochelle McArthur has blatantly misrepresented the facts to the *Frankston Independent* newspaper, in which she claims she was unable to get confirmation that the service road would be constructed and that she received no response to emails sent to either me or the member for Cranbourne, Jude Perera. For the record, Cr McArthur sent me an email on 13 April this year to which she received a verbal response directly from VicRoads representatives the following day. On 14 April she spoke with the VicRoads representatives and was clearly advised that

the service road was part of the project and its construction was currently being organised. But did Cr McArthur allow a fact to get in the way of her scaremongering campaign? No way!

Cr McArthur may be known to some members here, as she was an electorate officer for the former Liberal member for Cranbourne, Gary Rowe. How did Cr McArthur and her boss progress Cranbourne-Frankston Road issues for the people of Langwarrin? Let us look at their record. In the seven years of the previous government the then member for Cranbourne failed to publicly advocate in this house the works to be done on this important carriageway — not once. Not once in seven years was there any record in *Hansard* of this occurring. Cr McArthur, who first claimed that she was not a member of a political party and was then forced into admitting to Frankston City Council and its constituents that she was in fact a member of the Liberal Party, has clearly shown by her actions that she is a Liberal first and a representative for the Langwarrin residents last. Langwarrin's closet case Liberal councillor has distorted the facts to advance her own political agenda towards this chamber.

Let us compare the Liberal Party's actions for the people of Langwarrin with the current government's record. In 2002 Premier Bracks and the Minister for Transport came down to the Cranbourne-Frankston Road and announced \$11.7 million in funding to make this road safer for residents, businesses and commuters in Langwarrin. This Labor government listened to the safety concerns raised by the Langwarrin community and acted on them. We are proud of our record on road funding in the Langwarrin region.

Responses

Ms KOSKY (Minister for Education and Training) — The member for Seymour raised an issue which relates to the provision of education in Wallan. It is an area that he has been long lobbying for — looking at secondary education provision and making sure that what is a growing community has education provision while the number of students is growing. There is a primary school there, but he was looking at secondary education provision.

In 2001 I invited the member for Seymour to chair a study to look at local education provision in Wallan and at what the future needs would be, not just the current needs. There was a lot of community consultation through that process. He did a fantastic job. I inform the house that he did a sensational job on behalf of the community. He listened to a whole range of different

community views and involved members of the community in the process of determining what that local education provision should be.

In May 2003 the local proposal committee was established with a range of different representatives, and the Mitchell Shire Council was also very closely involved in that process. At that time we as the government made a commitment to having years 7 to 8 provision, but the demographics then indicated that having a school that went to year 12 was not necessarily viable. We really wanted to look at the population growth over that period of time. We worked very closely with the Mitchell Shire Council, and I want to praise its work because it has looked at population growth over a long period of time within that shire. It very recently — in fact I believe in the last month — produced a report which showed the population growth within that community, and it has convinced my department that the growth is such that we should be looking in the longer term at a school which goes through to year 12.

I am very pleased to announce to the house and to the member for Seymour that we will be providing funding for a new school in Wallan that will cater for years 7 to 12. I am also very pleased to inform the house that I want to meet with the community in Wallan to discuss with them what the structure of those schools might look like. There is a certain section of the community that wants a straight year prep to grade 6 primary school and year 7 to 12 secondary school. There is a significant proportion of the community that is really keen to look at the early years, middle years and latter years approach to education. I am very keen to go and talk with them about the structure of that schooling — about the education provision. We will indeed be able to provide that education provision right up to year 12 within the Wallan community.

It has been extremely disappointing to me that the opposition has played straight politics with this proposal. When it was in government it never, ever made a commitment to this community, and in fact only turned up and made promises when it knew it would never have to deliver.

Ms Allan — Half baked, half baked!

Ms KOSKY — Half-baked promises. It has really undermined a community that has worked very carefully to look at not only whether it needed provision to year 12 but also what that provision would look like and how it would be structured in a way that would be of educational advantage to the students. Of course we are talking about the students here.

I am very disappointed that the opposition, particularly the member for Doncaster, who has just said that he is talking about politics, would undermine the process. The community has been sensational to work with, and I am pleased that I will be able to work with the community in the future — —

Mr Perton — On a point of order, Acting Speaker, I take exception to the assertion that I undermined the process. I ask the minister to withdraw her comment.

The ACTING SPEAKER (Mr Ingram) — Order! The member for Doncaster takes offence at the words the minister used. Is the minister prepared to withdraw?

Ms KOSKY — The member is a very sensitive petal. I withdraw, if he asks for that, and I withdraw if he takes offence at 'sensitive petal' as well.

The ACTING SPEAKER (Mr Ingram) — Order! The minister should not trivialise the process.

Mr Perton — The minister must withdraw unconditionally, and I ask you, Acting Speaker, to enforce the rules of the house.

The ACTING SPEAKER (Mr Ingram) — Order! Will the minister just withdraw?

Ms KOSKY — I seek clarification on the words that the member is asking me to withdraw.

The ACTING SPEAKER (Mr Ingram) — Order! The minister will withdraw the remarks and the house can get on with its business.

Ms KOSKY — I withdraw the comments.

I am concerned about the approach the opposition has taken on this matter. The Wallan school community has been incredibly supportive of education and incredibly considerate of and thoughtful about how it will develop educational provision. The member for Seymour has led the work in a thoughtful and sensitive way. I congratulate him. I am pleased to indicate to him this evening, and to the community in Wallan, that we will be able to provide education up to year 12 in the Wallan community.

Mr CAMERON (Minister for Agriculture) — The member for Murray Valley raised a matter on behalf of a local constituent, an aquaculturist, Mr Simon Noble, relating to cost recovery issues in the aquaculture sector. Aquaculture requires a licence under the Fisheries Act. As a result of a recommendation of the former Environment and Natural Resources Committee and as a consequence of a national competition policy

review the government is committed to cost recovery. The house will appreciate the importance of not wanting to breach national competition policy requirements, because that will involve the state being penalised. It is being phased in over three years. In relation to the seafood sector discussions have and will continue to occur with Seafood Industry Victoria. The aquaculture peak body did not seek active engagement early in the process — —

Honourable members interjecting.

The ACTING SPEAKER (Mr Ingram) — Order! There is too much audible conversation in the chamber. If members wish to talk they should leave the chamber.

Mr CAMERON — I am pleased that the Victorian Aquaculture Council — that is, the peak body — now seeks an active dialogue as to where we go in the next two years. Part of those discussions will be about what level of service the industry requires. Aquaculture is a relatively new industry. The government obviously wants to see aquaculture meet its national competition policy requirements. That is why we want those active discussions about the level of service required, and in addition we want to work proactively with the aquaculture industry towards its further development.

Ms ALLAN (Minister for Education Services) — I will respond, firstly, to the member for Doncaster, who, as we have seen once again this evening, will say anything to get a headline. That includes outrageous fabrications, and he has continued this evening making the sorts of wild and hysterical claims that we have seen him make in this portfolio. The member for Doncaster has a complete lack of understanding of how maintenance funding is allocated to Victorian government schools. So once again, for the benefit of the member, I will step him through the maintenance allocations for schools here in Victoria.

Every year the department allocates \$34 million in maintenance funding to schools. Some \$27 million of the \$34 million goes straight to schools through their school global budgets, half of which goes to PRMS (physical resources management system) funding and the other half of which is available for minor and urgent works. Other funds are held by the regional offices, and other funds again are there to supplement large maintenance projects. In addition to this, \$12 million is allocated for maintenance-related expenses that also come up.

The important thing to note is that a number of the claims made by the member for Doncaster this evening are absolute rubbish. The first thing he said is that there

are schoolyards out there that, if they were in any other workplace, would be illegal. Acting Speaker, they cannot be illegal. If there are schoolyards in a state of significant deterioration, there are funds available from the regional offices to ensure that schoolyards are safe. In fact we are going one step further. At the last election we committed to a new schoolyard blitz program, which involves \$10 million in funding that will go direct to schools to improve their playgrounds.

Secondly, the member for Doncaster said this evening, and he has said it previously, that PRMS funding has been cancelled. This is an absolute fabrication and has been just plucked out of the air by the member for Doncaster as a good idea for a headline. That is just wrong: there has been no cancellation of PRMS funding. Each year funding goes straight to schools; each year schools are provided with funding. We have already provided funding to schools for their eligible zero items, and they can go on their next eligible 1 items.

That takes me to the next claim of the member for Doncaster, which is just plain wrong. He made up this new category, category zero, which he referred to earlier, around an ineligible category of items that are not funded through maintenance. He used the example of maintenance on portables. For the enlightenment of the member for Doncaster, schools can use the maintenance funding that is provided through their school global budgets on the maintenance of portables. If the member for Doncaster does not know that, he should not go around, just because of his ignorance on this issue, Acting Speaker — —

Mr Perton — On a point of order, Acting Speaker, the minister gave an answer on this particular point last year in response to a question on notice. She is in some danger of misleading the house at the moment, because she is answering inconsistently with her answer to the question on notice.

The ACTING SPEAKER (Mr Ingram) — Order! There is no point of order. The minister, resuming her response.

Ms ALLAN — Once again, Acting Speaker, we have seen the member for Doncaster quite embarrassingly demonstrate to the house his lack of understanding in this area.

I would also like to enlighten the member for Doncaster on something which I have said previously. Members on this side of the house certainly understand that the important long-term solution to the maintenance issues

in our schools is based on improving facilities. What we have done, Acting Speaker — —

Mr Perton — On a further point of order, Acting Speaker, this is not the time for a ministerial statement. The minister must be relevant to the matter raised. The action I asked of the minister was that she guarantee a PRMS audit this year and provide the funding. She has not addressed that point at any stage.

The ACTING SPEAKER (Mr Ingram) — Order! My understanding is that the minister is addressing the school PRMS issue, so I will not uphold the point of order.

Ms ALLAN — As I was saying, it is an important issue when we talk about maintenance. The long-term solution for schools and the long-term solution to ensuring that students have the best learning environments is building and investing in the capital works. Since 1999 we have invested \$959 million in capital works in schools and TAFEs.

Mr Nardella — How much?

Ms ALLAN — It is \$959 million. The member for Doncaster does not want to listen to this. He does not want to listen to the good news that this government has to say in this area, particularly when you compare it to his record.

Mr Honeywood — All lies!

Ms ALLAN — It is not lies. It is all in our budget papers — particularly when you compare it to his record in government where in the last three budgets of the previous government it committed only \$333 million. Members should compare that to the \$959 million we have committed over the last four years. But there is more to come because at the last election we committed to a further \$300 million worth of capital work upgrades around the state. These upgrades will be rolling out over the life of this government, because we understand that the long-term solutions to improving the buildings at our schools is ensuring that we build new buildings — not patch them up, which is what the previous government chose to do.

We also understand that for every \$1 million you spend on upgrading schools and for every \$1 million invested in capital works, you reduce your future maintenance budget by \$150 000. Not only is investing in capital works good from the students' point of view and good in terms of ensuring that they will have the most modern facilities to learn in, it also makes good policy sense in providing a future reduction in maintenance

requirements and in providing the best possible learning environments for schools.

As I said, the member for Doncaster tonight has really exposed himself on his lack of understanding in this area. It must be quite embarrassing for the member for Doncaster to show his lack of understanding or knowledge. He continues down this path, however. I must say we are all proud to be part of a government that is investing in school facilities, because we know it sure beats closing them — which is what the former government did.

Mr Perton — On a point of order, Acting Speaker, I raised a point of order approximately 4 minutes ago indicating that the minister had not addressed the action which I had requested her to address. She has still not done so; I ask you to ask her to do so. You allowed her to continue with introductory remarks. You did not force her to be relevant to the matter.

The ACTING SPEAKER (Mr Ingram) — Order! On the point of order, it is up to the minister to respond. I cannot direct the minister to answer in a particular way.

Ms ALLAN — The member for Brighton raised a matter for the Minister for State and Regional Development.

The member for Forest Hill raised a matter for the Minister for Consumer Affairs in another place.

The member for Yuroke and the member for Mornington raised a matter — —

The ACTING SPEAKER (Mr Ingram) — Order! The member for Yuroke's item was ruled out of order.

Ms ALLAN — Sorry, Acting Speaker. The member for Mornington raised a matter for the Minister for Local Government.

The member for Mildura raised a matter for the Minister for Housing in the other place.

The member for Mordialloc raised a matter for the Minister for Police and Emergency Services.

The member for Hastings raised a matter for the Minister for Transport. I will refer those matters to those ministers for their attention and action.

The ACTING SPEAKER (Mr Ingram) — Order! The house is now adjourned.

House adjourned 10.50 p.m.