

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE ASSEMBLY

FIFTY-SIXTH PARLIAMENT

FIRST SESSION

Tuesday, 19 December 2006

(Extract from book 1)

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

By authority of the Victorian Government Printer

The Governor

Professor DAVID de KRETZER, AC

The Lieutenant-Governor

The Honourable Justice MARILYN WARREN, AC

The ministry

Premier, Minister for Multicultural Affairs and Minister for Veterans' Affairs	The Hon. S. P. Bracks, MP
Deputy Premier and Minister for Water, Environment and Climate Change	The Hon. J. W. Thwaites, MP
Minister for Education	The Hon. J. Lenders, MLC
Minister for Skills, Education Services and Employment and Minister for Women's Affairs	The Hon. J. M. Allan, MP
Minister for Gaming, Minister for Consumer Affairs and Minister assisting the Premier on Multicultural Affairs	The Hon. D. M. Andrews, MP
Minister for Victorian Communities and Minister for Energy and Resources	The Hon. P. Batchelor, MP
Treasurer, Minister for Regional and Rural Development and Minister for Innovation	The Hon. J. M. Brumby, MP
Minister for Police and Emergency Services and Minister for Corrections	The Hon. R. G. Cameron, MP
Minister for Agriculture	The Hon. J. Helper, MP
Minister for Finance, WorkCover and the Transport Accident Commission, Minister for Tourism and Minister for Information and Communication Technology	The Hon. T. J. Holding, MP
Attorney-General, Minister for Industrial Relations and Minister for Racing	The Hon. R. J. Hulls, MP
Minister for Community Services and Minister for Aboriginal Affairs ...	The Hon. G. W. Jennings, MLC
Minister for Public Transport and Minister for the Arts	The Hon. L. J. Kosky, MP
Minister for Planning	The Hon. J. M. Madden, MLC
Minister for Sport, Recreation and Youth Affairs	The Hon. J. A. Merlino, MP
Minister for Mental Health, Minister for Children and Minister for Aged Care	The Hon. L. M. Neville, MP
Minister for Roads and Ports	The Hon. T. H. Pallas, MP
Minister for Health	The Hon. B. J. Pike, MP
Minister for Industry and State Development, Minister for Major Projects and Minister for Small Business	The Hon. T. C. Theophanous, MLC
Minister for Housing and Minister for Local Government	The Hon. R. W. Wynne, MP
Cabinet Secretary	Mr A. G. Robinson, MP

Joint committees

Scrutiny of Acts and Regulations Committee — (*Assembly*): Mr Brooks, Mr Carli, Mr Jasper, Mr McIntosh and Mr Thompson. (*Council*): Mr Dalla-Riva, Mr Eideh, Mr Elasmr and Ms Pulford.

Heads of parliamentary departments

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

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

Parliamentary Services — Secretary: Dr S. O'Kane

MEMBERS OF THE LEGISLATIVE ASSEMBLY

FIFTY-SIXTH PARLIAMENT — FIRST SESSION

Speaker: The Hon. JENNY LINDELL

Deputy Speaker: Ms A. P. BARKER

Leader of the Parliamentary Labor Party and Premier:
The Hon. S. P. BRACKS

Deputy Leader of the Parliamentary Labor Party and Deputy Premier:
The Hon. J. W. THWAITES

Leader of the Parliamentary Liberal Party and Leader of the Opposition:
Mr E. N. BAILLIEU

Deputy Leader of the Parliamentary Liberal Party and Deputy Leader of the Opposition:
The Hon. LOUISE ASHER

Leader of The Nationals:

Mr P. J. RYAN

Deputy Leader of The Nationals:

Mr P. L. WALSH

Member	District	Party	Member	District	Party
Allan, Ms Jacinta Marie	Bendigo East	ALP	Lindell, Ms Jennifer Margaret	Carrum	ALP
Andrews, Mr Daniel Michael	Mulgrave	ALP	Lobato, Ms Tamara Louise	Gembrook	ALP
Asher, Ms Louise	Brighton	LP	Lupton, Mr Anthony Gerard	Prahran	ALP
Baillieu, Mr Edward Norman	Hawthorn	LP	McIntosh, Mr Andrew John	Kew	LP
Barker, Ms Ann Patricia	Oakleigh	ALP	Maddigan, Mrs Judith Marilyn	Essendon	ALP
Batchelor, Mr Peter John	Thomastown	ALP	Marshall, Ms Kirstie	Forest Hill	ALP
Beattie, Ms Elizabeth Jean	Yuroke	ALP	Merlino, Mr James Anthony	Monbulk	ALP
Blackwood, Mr Gary John	Narracan	LP	Morand, Ms Maxine Veronica	Mount Waverley	ALP
Bracks, Mr Stephen Phillip	Williamstown	ALP	Morris, Mr David Charles	Mornington	LP
Brooks, Mr Colin William	Bundoora	ALP	Mulder, Mr Terence Wynn	Polwarth	LP
Brumby, Mr John Mansfield	Broadmeadows	ALP	Munt, Ms Janice Ruth	Mordialloc	ALP
Burgess, Mr Neale Ronald	Hastings	LP	Napthine, Dr Denis Vincent	South-West Coast	LP
Cameron, Mr Robert Graham	Bendigo West	ALP	Nardella, Mr Donato Antonio	Melton	ALP
Campbell, Ms Christine Mary	Pascoe Vale	ALP	Neville, Ms Lisa Mary	Bellarine	ALP
Carli, Mr Carlo Domenico	Brunswick	ALP	Northe, Mr Russell John	Morwell	Nats
Clark, Mr Robert William	Box Hill	LP	O'Brien, Mr Michael Anthony	Malvern	LP
Crisp, Mr Peter Laurence	Mildura	Nats	Overington, Ms Karen Marie	Ballarat West	ALP
Crutchfield, Mr Michael Paul	South Barwon	ALP	Pallas, Mr Timothy Hugh	Tarneit	ALP
D'Ambrosio, Ms Liliana	Mill Park	ALP	Pandazopoulos, Mr John	Dandenong	ALP
Delahunty, Mr Hugh Francis	Lowan	Nats	Perera, Mr Jude	Cranbourne	ALP
Dixon, Mr Martin Francis	Nepean	LP	Pike, Ms Bronwyn Jane	Melbourne	ALP
Donnellan, Mr Luke Anthony	Narre Warren North	ALP	Powell, Mrs Elizabeth Jeanette	Shepparton	Nats
Duncan, Ms Joanne Therese	Macedon	ALP	Richardson, Ms Fiona Catherine Alison	Northcote	ALP
Eren, Mr John Hamdi	Lara	ALP	Robinson, Mr Anthony Gerard	Mitcham	ALP
Fyffe, Mrs Christine Ann	Evelyn	LP	Ryan, Mr Peter Julian	Gippsland South	Nats
Graley, Ms Judith Ann	Narre Warren South	ALP	Scott, Mr Robin David	Preston	ALP
Green, Ms Danielle Louise	Yan Yean	ALP	Seitz, Mr George	Keilor	ALP
Haermeyer, Mr André	Kororoit	ALP	Shardey, Mrs Helen Jean	Caulfield	LP
Hardman, Mr Benedict Paul	Seymour	ALP	Smith, Mr Kenneth Maurice	Bass	LP
Harkness, Dr Alistair Ross	Frankston	ALP	Smith, Mr Ryan	Warrandyte	LP
Helper, Mr Jochen	Ripon	ALP	Stensholt, Mr Robert Einar	Burwood	ALP
Herbert, Mr Steven Ralph	Eltham	ALP	Sykes, Dr William Everett	Benalla	Nats
Hodgett, Mr David John	Kilsyth	LP	Thompson, Mr Murray Hamilton Ross	Sandringham	LP
Holding, Mr Timothy James	Lyndhurst	ALP	Thomson, Ms Marsha Rose	Footscray	ALP
Howard, Mr Geoffrey Kemp	Ballarat East	ALP	Thwaites, Mr Johnstone William	Albert Park	ALP
Hudson, Mr Robert John	Bentleigh	ALP	Tilley, Mr William John	Benambra	LP
Hulls, Mr Rob Justin	Niddrie	ALP	Treizise, Mr Ian Douglas	Geelong	ALP
Ingram, Mr Craig	Gippsland East	Ind	Victoria, Mrs Heidi	Bayswater	LP
Jasper, Mr Kenneth Stephen	Murray Valley	Nats	Wakeling, Mr Nicholas	Ferntree Gully	LP
Kosky, Ms Lynne Janice	Altona	ALP	Walsh, Mr Peter Lindsay	Swan Hill	Nats
Kotsiras, Mr Nicholas	Bulleen	LP	Weller, Mr Paul	Rodney	Nats
Langdon, Mr Craig Anthony Cuffe	Ivanhoe	ALP	Wells, Mr Kimberley Arthur	Scoresby	LP
Languiller, Mr Telmo Ramon	Derrimut	ALP	Wooldridge, Ms Mary Louise Newling	Doncaster	LP
Lim, Mr Muy Hong	Clayton	ALP	Wynne, Mr Richard William	Richmond	ALP

CONTENTS

TUESDAY, 19 DECEMBER 2006

OPENING OF PARLIAMENT BY COMMISSION	1	BUSINESS OF THE HOUSE	
SWEARING IN OF MEMBERS.....	1	<i>Sessional orders</i>	29
ELECTION OF SPEAKER	2	<i>Proclamations</i>	32
ELECTION OF DEPUTY SPEAKER.....	3	ADJOURNMENT	
PRESENTATION OF SPEAKER TO GOVERNOR.....	3	<i>Port of Hastings: development</i>	46
GOVERNOR'S SPEECH		<i>Rail: Broadmeadows line</i>	46
<i>Presentation</i>	4	<i>Sheep: pens</i>	47
<i>Address-in-reply</i>	17	<i>Sunbury: day hospital</i>	47
COMMISSION TO SWEAR MEMBERS.....	4	<i>Planning: Glenelg development</i>	48
MINISTRY.....	4	<i>Planning: Stonington Mansion</i>	48
SHADOW MINISTRY	4	<i>Police: memorandum of understanding</i>	49
THE NATIONALS: PORTFOLIO RESPONSIBILITIES.....	5	<i>Bushfires: emergency services</i>	49
QUESTIONS WITHOUT NOTICE		<i>EastLink: construction</i>	50
<i>Water: state supply</i>	5	<i>Melbourne Water: Edgars Creek rehabilitation</i>	51
<i>Bushfires: response</i>	6	<i>Responses</i>	51
<i>Water: interstate trading</i>	7		
<i>Bushfires: Thomson Dam</i>	8		
<i>Water: Ballarat, Bendigo and Geelong supply</i>	8		
<i>Bushfires: emergency services</i>	9		
<i>Water: Gippsland recycling proposal</i>	9		
<i>Bushfires: government assistance</i>	10		
<i>Police: Caulfield assault</i>	10		
<i>Economy: rural and regional Victoria</i>	11		
DISTINGUISHED VISITOR.....	7		
STATUTE LAW REPEALS BILL			
<i>Introduction and first reading</i>	12		
WATER AMENDMENT (CRITICAL WATER INFRASTRUCTURE PROJECTS) BILL			
<i>Introduction and first reading</i>	12		
MURRAY-DARLING BASIN AMENDMENT BILL			
<i>Introduction and first reading</i>	12		
INTERPRETATION OF LEGISLATION AMENDMENT BILL			
<i>Introduction and first reading</i>	12		
SENATE ELECTIONS AMENDMENT BILL			
<i>Introduction and first reading</i>	12		
PUBLIC PROSECUTIONS AMENDMENT BILL			
<i>Introduction and first reading</i>	13		
CONTROL OF WEAPONS AMENDMENT (PENALTIES) BILL			
<i>Introduction and first reading</i>	13		
STATE TAXATION LEGISLATION AMENDMENT (HOUSING AFFORDABILITY) BILL			
<i>Introduction and first reading</i>	13		
<i>Second reading</i>	13, 32		
<i>Remaining stages</i>	46		
DOCUMENTS	15		
APPROPRIATION MESSAGE	17		
SCRUTINY OF ACTS AND REGULATIONS COMMITTEE			
<i>Membership</i>	29		

Tuesday, 19 December 2006

OPENING OF PARLIAMENT BY COMMISSION

Proceedings commenced at 11.04 a.m. by Clerk reading the Governor's proclamation convoking Parliament.

Usher of the Black Rod appeared at Bar and announced that the Senior Commissioner appointed by the Governor to open Parliament (the Honourable Justice Marilyn Warren, AC, Chief Justice of Victoria) requested attendance of Legislative Assembly members in Legislative Council to hear commission read for commencement and holding of present session of Parliament.

Honourable members, accompanied by chief officers of house, proceeded to Legislative Council chamber.

On return of members to Legislative Assembly chamber the Honourable Justice Christopher Maxwell entered chamber and was conducted to chair by Serjeant-at-Arms.

SWEARING IN OF MEMBERS

Commission appointing the Honourable Justice Christopher Maxwell to administer oath and affirmation of allegiance to members of Legislative Assembly read by Clerk.

Clerk announced receipt of return of writ issued by the Governor for election of 88 members to serve for electoral districts set out below and endorsed to show election of following members:

District	Member
Albert Park	John Thwaites
Altona	Lynne Kosky
Ballarat East	Geoff Howard
Ballarat West	Karen Overington
Bass	Ken Smith
Bayswater	Heidi Victoria
Bellarine	Lisa Neville
Benalla	Bill Sykes
Benambra	Bill Tilley
Bendigo East	Jacinta Allan

Bendigo West	Bob Cameron
Bentleigh	Rob Hudson
Box Hill	Robert Clark
Brighton	Louise Asher
Broadmeadows	John Brumby
Brunswick	Carlo Carli
Bulleen	Nicholas Kotsiras
Bundoora	Colin Brooks
Burwood	Bob Stensholt
Carrum	Jenny Lindell
Caulfield	Helen Shardey
Clayton	Hong Lim
Cranbourne	Jude Perera
Dandenong	John Pandazopoulos
Derrimut	Telmo Languiller
Doncaster	Mary Wooldridge
Eltham	Steve Herbert
Essendon	Judy Maddigan
Evelyn	Christine Fyffe
Ferntree Gully	Nick Wakeling
Footscray	Marsha Thomson
Forest Hill	Kirstie Marshall
Frankston	Alistair Harkness
Geelong	Ian Trezise
Gembrook	Tammy Lobato
Gippsland East	Craig Ingram
Gippsland South	Peter Ryan
Hastings	Neale Burgess
Hawthorn	Ted Baillieu
Ivanhoe	Craig Langdon
Keilor	George Seitz
Kew	Andrew McIntosh
Kilsyth	David Hodgett
Kororoit	André Haermeyer
Lara	John Eren
Lowan	Hugh Delahunty
Lyndhurst	Tim Holding
Macedon	Joanne Duncan
Malvern	Michael O'Brien
Melbourne	Bronwyn Pike
Melton	Don Nardella
Mildura	Peter Crisp

Mill Park	Lily D' Ambrosio
Mitcham	Tony Robinson
Monbulk	James Merlino
Mordialloc	Janice Munt
Mornington	David Morris
Morwell	Russell Northe
Mount Waverley	Maxine Morand
Mulgrave	Daniel Andrews
Murray Valley	Ken Jasper
Narracan	Gary Blackwood
Narre Warren North	Luke Donnellan
Narre Warren South	Judith Graley
Nepean	Martin Dixon
Niddrie	Rob Hulls
Northcote	Fiona Richardson
Oakleigh	Ann Barker
Pascoe Vale	Christine Campbell
Polwarth	Terry Mulder
Prahran	Tony Lupton
Preston	Robin Scott
Richmond	Richard Wynne
Ripon	Joe Helper
Rodney	Paul Weller
Sandringham	Murray Thompson
Scoresby	Kim Wells
Seymour	Ben Hardman
Shepparton	Jeanette Powell
South Barwon	Michael Crutchfield
South-West Coast	Denis Napthine
Swan Hill	Peter Walsh
Tarneit	Tim Pallas
Thomastown	Peter Batchelor
Warrandyte	Ryan Smith
Williamstown	Steve Bracks
Yan Yean	Danielle Green
Yuroke	Liz Beattie

Members took and subscribed either oath or affirmation of allegiance to Her Majesty Queen Elizabeth II.

Commissioner withdrew.

ELECTION OF SPEAKER

Ms DUNCAN (Macedon) — I propose the member for Carrum, Jenny Lindell, as Speaker of the Legislative Assembly, and I move:

That the member for Carrum take the chair of this house as Speaker.

Ms MUNT (Mordialloc) — I second the motion.

Ms LINDELL (Carrum) — I accept the nomination.

Motion agreed to.

Clerk declared honourable member for Carrum duly elected as Speaker.

Ms Lindell conducted to chair by proposer and seconder.

The SPEAKER (Hon. Jenny Lindell) — To the Premier, Leader of the Opposition, Leader of The Nationals and all members I say thank you for electing me to the position of Speaker of the Legislative Assembly.

Today I feel the same mixture of pride and humility that I felt on the first day of the first term of the Bracks Labor government on 3 November 1999, when I first took the oath of office as the member for Carrum. To the electors of Carrum, whom I have had the honour to represent, I say thank you for the trust you have displayed by electing me for the third time.

Like many members, I enjoy the robust nature of debate that can occur within this chamber. The cut and thrust of policy debate, the sharp wit and the outrageously funny all have their place in our parliamentary democracy, but, to use a sporting analogy, members should play the ball, not the man — or woman. I certainly look forward to working with all members to ensure that the business of the house is conducted in an orderly and amicable manner. I welcome the opportunity to work with the parliamentary staff not only to make the parliamentary precinct a leader in the sustainable use of energy and water but to facilitate and monitor the collection of environmental data throughout the Parliament, including levels of resource consumption, energy and water use, and waste production.

On behalf of all members I would like to acknowledge the contribution of our former Speaker, Judy Maddigan. As the first woman Speaker of the Legislative Assembly, Judy has earned her place in the history of this chamber. On behalf of all members I thank her for endeavouring to enhance the image of parliamentarians

in the wider community through her efforts to improve the standard of behaviour during debates.

Once again, thank you for the honour you have conferred upon me today.

Mr BRACKS (Premier) — Speaker, I congratulate you on your election to the position of Speaker. You have served this Parliament extremely well over the last seven years as the member for Carrum. As you mentioned, you have been elected on a third occasion. Obviously the people of Carrum have a great deal of regard for your work and have asked you to come back to this place. You were also an Acting Speaker in the last Parliament, and you filled that position extremely well. I know you will carry with you the great independence and great professionalism that the role of Speaker requires, and I know the faith we in this house have in you will be repaid in your work as Speaker over the next four years. Congratulations on behalf of the Labor Party.

I also congratulate the former Speaker, the member for Essendon, who did a great job in this house over the last full term of office. I wish her very well in her future parliamentary duties and thank her on behalf of the Parliament and the Labor Party.

Speaker, we wish you the best in the coming term.

Mr BAILLIEU (Leader of the Opposition) — Speaker, I rise to add our congratulations on your appointment and our best wishes for the term ahead. Your office is one of immense significance to our Westminster system. It is an office steeped in authority, equity and balance, and combines the need for wisdom, decisiveness, fair play and a fair go.

At the end of the day responsibility for the good conduct of the house is one we must all share, and we look forward to working with you to advance the collective cause of the Parliament. We trust that our conduct and the conduct of the house under your stewardship will be in line with the high expectations of our community, and we will be doing our best to make it so. Congratulations on behalf of the Liberal Party and the opposition.

Mr RYAN (Leader of The Nationals) — Speaker, I echo the sentiments of the Premier and the Leader of the Opposition in congratulating you upon your appointment to this high office, which is of pivotal importance to the way in which this Parliament functions. I congratulate you upon your election for your third term here, and on behalf of The Nationals I undertake to work with you in the discharge of your onerous responsibilities in this place.

I note your commentary about the importance of energy and energy wastage — and there is a certain synergy in that with regard to the control of question time! We look forward to participating in a constructive manner in the way you discharge your important role, with the respect and impartiality that behoves it. I congratulate you again.

ELECTION OF DEPUTY SPEAKER

Mr LANGDON (Ivanhoe) — It is my great pleasure to propose the member for Oakleigh, Ann Barker, as Deputy Speaker, and I move:

That the member for Oakleigh be appointed Deputy Speaker of this house.

Dr HARKNESS (Frankston) — I second the motion.

The SPEAKER — Order! Does the member for Oakleigh accept the nomination?

Ms BARKER (Oakleigh) — I am very honoured to accept the nomination.

Motion agreed to.

Speaker declared honourable member for Oakleigh duly elected as Deputy Speaker.

Mr BRACKS (Premier) — I have to inform the house that I have already ascertained that the Governor will be pleased to receive the Speaker in the library, Parliament House, today at 2.10 p.m. I would like as many members as possible to assemble in the library at 2.08 p.m. to accompany the Speaker.

Sitting suspended 11.50 a.m. until 2.30 p.m.

The SPEAKER resumed the chair and read the prayer.

PRESENTATION OF SPEAKER TO GOVERNOR

The SPEAKER — I advise the house that today I presented myself to the Governor as the choice of this Assembly and that he was pleased to address me in the following terms:

Speaker,

I have pleasure in congratulating you on your election to the high and important office of Speaker of the Legislative Assembly.

The able manner in which you have discharged the duties you have undertaken during your parliamentary career is recognised by the members of the Legislative Assembly, who in their wisdom have selected you as their Speaker.

I have confidence that you will fulfil the duties of this distinguished office and hold fast to its traditions and customs.

David de Kretser, AC
Governor of Victoria

GOVERNOR'S SPEECH

Usher of the Black Rod brought message from the Governor desiring attendance of honourable members in Legislative Council chamber.

Members, led by the Speaker, proceeded to Council chamber.

Sitting suspended 3.25 p.m. until 5.05 p.m.

COMMISSION TO SWEAR MEMBERS

The SPEAKER announced receipt from the Governor of commission authorising her to administer oath or affirmation of allegiance to members who have not taken and subscribed same since election.

MINISTRY

Mr BRACKS (Premier) — I wish to inform the house of the responsibilities that will be undertaken by ministers in this Parliament. In the Legislative Assembly, I will be responsible for the roles of Premier, Minister for Multicultural Affairs and Minister for Veterans' Affairs. The honourable member for Albert Park is Deputy Premier and Minister for Water, Environment and Climate Change. He will answer on behalf of the Minister for Planning in the other place.

The honourable member for Bendigo East is Minister for Skills, Education Services and Employment, as well as Minister for Women's Affairs. She will answer for the Minister for Education in another place. The honourable member for Mulgrave is Minister for Gaming, Minister for Consumer Affairs and Minister assisting the Premier on Multicultural Affairs. The honourable member for Thomastown is Minister for Victorian Communities and Minister for Energy and Resources. He will answer for the Minister for Aboriginal Affairs in another place.

The honourable member for Broadmeadows is Treasurer, Minister for Regional and Rural Development and Minister for Innovation. He will answer for the Minister for Industry and State Development and the Minister for Small Business in another place. The honourable member for Bendigo West is Minister for Police and Emergency Services and Minister for Corrections. The honourable member for Ripon is Minister for Agriculture.

The honourable member for Lyndhurst is Minister for Finance, WorkCover and the Transport Accident Commission, Minister for Tourism and Minister for Information and Communication Technology. The honourable member for Niddrie is the Attorney-General, Minister for Industrial Relations and Minister for Racing. The honourable member for Altona is Minister for Public Transport and Minister for the Arts. She will answer for the Minister for Major Projects in another place.

The honourable member for Monbulk is Minister for Sport, Recreation and Youth Affairs. The honourable member for Bellarine is Minister for Mental Health, Minister for Children and Minister for Aged Care. The honourable member for Tarneit is Minister for Roads and Ports. The honourable member for Melbourne is Minister for Health, and she will answer for the Minister for Community Services in another place. The honourable member for Richmond is Minister for Housing and Minister for Local Government.

In the Legislative Council John Lenders is Minister for Education; Gavin Jennings is Minister for Community Services and Minister for Aboriginal Affairs; the Honourable Justin Madden is Minister for Planning; and the Honourable Theo Theophanous is Minister for Industry and State Development, Minister for Major Projects and Minister for Small Business.

The member for Ivanhoe continues to be the Government Whip in the Legislative Assembly.

Honourable members — Hear, hear!

Mr BRACKS — They all want to get on with the whip! The Government Whip in the Legislative Council is Matt Viney.

SHADOW MINISTRY

Mr BAILLIEU (Leader of the Opposition) — I am happy to inform the house of the responsibilities of the Liberal Party in this house. I will have responsibility as Liberal Party leader and as shadow Minister for the Arts. The member for Brighton will be the Deputy

Leader of the Opposition and have responsibility for water, environment and climate change. The member for Box Hill will be the shadow Attorney-General and have responsibility for industrial relations, information and communication technology, and energy and resources.

The member for Nepean will be responsible for skills, education services and employment, innovation, Victorian communities and veterans affairs. The member for Bulleen will be responsible for multicultural affairs and youth, sport and recreation, and will be the Opposition Whip. The member for Kew will be responsible for police and emergency services and corrections, and will be the manager of opposition business in the Assembly.

The member for Polwarth will be responsible for public transport and roads. The member for South West Coast will be responsible for ports, regional and rural development, and racing. The member for Malvern will be responsible for gaming. The member for Caulfield will be responsible for health. The member for Bass will be responsible for local government. The member for Scoresby will be the shadow Treasurer. The member for Doncaster will be responsible for mental health, drug abuse and aged care.

In the other place, Philip Davis is the Leader of the Opposition in the Legislative Council and will have responsibility for education; Andrea Coote is the Deputy Leader of the Opposition and will have responsibility for community services, Aboriginal affairs and children, as well as being the manager of opposition business; Richard Dalla-Riva will be responsible for the scrutiny of government and manufacturing and exports; David Davis will be responsible for industry and state development, major projects and small business; Matthew Guy will be responsible for planning; Wendy Lovell will be responsible for tourism, women's affairs, housing, country Victoria and consumer affairs; Gordon Rich-Phillips will be responsible for finance, including the Transport Accident Commission and WorkCover; John Vogels will have responsibility for agriculture; and David Koch will be the Opposition Whip.

THE NATIONALS: PORTFOLIO RESPONSIBILITIES

Mr RYAN (Leader of The Nationals) — Shadow responsibilities for The Nationals are as follows: I will retain responsibility for the areas of the Attorney-General, regional and rural development, finance and gaming; the member for Benalla will have

responsibility for police and emergency services, corrections and Treasury; the member for Lowan will have responsibility for health, mental health, aged care and for children and will also be the Whip for The Nationals; the member for Mildura will have responsibility for public transport and major projects; the member for Morwell will have responsibility for industry and state development and sport, recreation and youth affairs; the member for Murray Valley will have responsibility for tourism, consumer affairs and veterans affairs; the member for Rodney will have responsibility for roads and ports, Victorian communities and small business; the member for Shepparton will have responsibility for local government, planning, women's affairs, multicultural affairs and the arts; the member for Swan Hill will have responsibility for water, environment and climate change, agriculture and industrial relations, and will also be the spokesman on the River Murray.

In the other place, Damian Drum will have responsibility for community services and disabilities, housing, racing and Aboriginal affairs; and Peter Hall will have responsibility for education, skills and employment, energy and resources, information and communication technology, and innovation.

Mr Mulder — On a point of order, Speaker, I seek clarification from the Premier as to which minister will take responsibility for the rail freight network.

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

QUESTIONS WITHOUT NOTICE

Water: state supply

Mr BAILLIEU (Leader of the Opposition) — My question is to the Premier. Will the Premier guarantee that in 2007 Victorians will have adequate water resources for households, industry and agriculture?

Mr BRACKS (Premier) — I thank the opposition leader for his question. I am very grateful that the public of Victoria has endorsed our policies, including Our Water Our Future, for the next term.

In the overwhelming endorsement of the public of Victoria for our plan, endorsement was given for the largest recycling project in Victoria — in fact the largest in Australia — the \$300 million investment in the eastern treatment plan to recycle water to A-grade quality. The public of Victoria gave support to our plan to have a pipeline — the goldfields super-pipe — for Ballarat and Bendigo, which has been opposed

variously by different opposition parties in the state. They gave endorsement for our plans for recycling in Bendigo, recycling in Ballarat, recycling in Geelong and the connection of the aquifers which we are proposing for the Geelong region as well. They also endorsed our proposals for a water grid, which include significant improvements to the irrigation system in the state, to make sure we can secure water for the future.

The people of Victoria have decided — —

Mr Baillieu — On a point of order, Speaker, it was a very simple question about a guarantee on water resources in 2007.

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

Mr BRACKS — The best guarantee is the guarantee that the public gives to your program, and the public has guaranteed that we have the plans, we have the opportunity and we have the mandate to implement what are going to be the best water projects anywhere in Australia — —

Honourable members interjecting.

The SPEAKER — Order!

Mr BRACKS — In saying that, I point out that the public also rejected the inferior plans of the opposition which were put as well.

Honourable members interjecting.

The SPEAKER — Order! The Leader of the Opposition!

Bushfires: response

Mr HARDMAN (Seymour) — My question is to the Premier. I refer to the bushfires currently burning in north-eastern Victoria and Gippsland, and I ask the Premier to detail for the house what steps the government has taken to better respond to the bushfire threat.

Mr BRACKS (Premier) — I thank the member for Seymour for his question, and I also congratulate him on his elevation to the position of Parliamentary Secretary for Agriculture. I know the member will do a good job in supporting the member for Ripon in his role as Minister for Agriculture in this state.

The bushfires in Victoria have been raging since 1 December. We have to remind ourselves in this house that it is in fact the middle of December and not the middle of February or the middle of March. We are

seeing very large bushfires occurring in this state which are usually characteristic of a very dry bushfire season — a drought — and which would occur at the end of the summer period, not the start of the summer period.

I pay tribute to the thousands and thousands of firefighters who are currently on the front line. As we are meeting here in the Parliament this afternoon we know that there are thousands of paid and professional firefighters and thousands of support staff who are there supporting the efforts of communities right around the state. I am very grateful for their support, and I know that the people of Victoria are very grateful for their support.

The fires continue to be fought by thousands of brave Victorians with support from interstate and overseas firefighters. I take a moment to wish a speedy and effective recovery for the New Zealand firefighters who are currently hospitalised and some who have just come out of treatment as well. We wish them every success. They have been reunited with their families in some cases. They have done a great service for us. We appreciate the service they have given, and we wish them a speedy recovery.

Following the 2002–03 bushfires we received a report from the emergency services commissioner, Bruce Esplin, which indicated that, whilst the fight was effective in 2002–03, there are other things we can do to make it even better. The three major recommendations were, first, that we use more local intelligence on the ground — coming up from communities, firefighters, volunteers and others — to better look at fire behaviour in certain communities and see how to better prepare for that and counter those situations.

The second recommendation was that we reinforce the community effort to have effective fire plans in place, and that has been an enormous success in this state. The fire plans, with which we are leading the country and leading the world in some cases, are part of the effort to have the community be part of the fire fight and to make sure we have clear information for people on whether to stay or to go. If they are staying, they need to have fire plans ready, and if they are going, they need to go early. These plans have been important adjuncts to the fire fight in this state. The third recommendation was for more resources. There was a recommendation in 2002–03 that we further increase resources to support our firefighting effort in Victoria.

On all those fronts we have made sure that with this fire fight, which is taking place in worse conditions than we

had in 2002–03 — they are arguably as bad as the conditions in 1983 and possibly as bad as the conditions which were faced in Victoria in 1939 — we have the best firefighting effort we have ever had in this state, despite these very difficult circumstances. I congratulate the teams and teams of people out there implementing the plans which were outlined as part of the Esplin report in 2002–03. For example, in resources we have nearly doubled the Country Fire Authority's budget to \$200 million per year — that is the highest budget the CFA has ever had in this state. We have provided \$77 million for new firefighting trucks and tankers and \$82 million for new and upgraded stations.

That enabled, for example last Thursday, on a critical day in Victoria in fighting the fires, 4000 firefighters to be on the front line. It enabled 600 tankers to be there supporting those firefighters, as well as 190 bulldozers and 43 helicopters and fixed-wing aircraft to confront the fires burning across a front of some 200 kilometres. We do have more resources, we do have better plans and we do have the support of the community in instituting those fire plans as well.

Nevertheless we have taken some losses here in this state, and certainly our condolences go out to the family and friends of the person who had volunteered to fight a fire, and that includes the heroic action that was taken in trying to support a neighbour and friends in that fire fight. We also offer our support to the people who have lost dwellings as part of the fire episode in this state. Some 30 houses have been lost. We have lost some tourist facilities as well, and some fencing and other equipment have been destroyed. Obviously we will do what we can to support those people who have lost in this fire.

I am very grateful for the cooperation and support of the federal government. I was able to announce — as was the Premier of Tasmania in relation to the fires that occurred there — joint assistance arrangements which the commonwealth has also instituted as part of its disaster plan in addition to that which we have instituted as part of the Department of Human Services recovery efforts in this state.

I want to also say, having visited the fire areas — and I know many members of this Parliament have done that — that whilst we have had some losses, it is remarkable how many houses have been saved. On the night on which we lost several houses, something like 200 houses were directly saved, and if you saw how close the fires got, with everything burnt out — sheds, fences, everything on the properties except houses — you could see how successfully defended those

communities and those householders were as part of that fight.

There is great community spirit in Victoria, and there is great cooperation. I know it is going to be a long effort, and I know that we have to understand in this house that fatigue is going to be there in the future, because what is happening now is going to be repeated in January and February next year. We are coming up to a time when people are preparing with family and friends for events at Christmas. A lot of our communities have been fighting fires and worrying about the threat of fire to their communities. In this house we want to pay tribute to them and pay tribute to those communities and understand that the fire fight is going to be a long one. Again, I reiterate the support we have for our firefighting services in Victoria.

Water: interstate trading

Mr RYAN (Leader of The Nationals) — My question is to the Minister for Water, Environment and Climate Change. Given the reliance which Victoria's Murray River communities place upon irrigation water, why is Victoria proposing to commence interstate water trading in January 2007 when New South Wales has made no such commitment?

Mr THWAITES (Minister for Water, Environment and Climate Change) — I thank the Leader of The Nationals for his question. There is a very simple answer. It is because The Nationals in Canberra and the Liberal Party in Canberra have, as part of the national water initiative, indicated that there ought to be permanent water trading and in fact have imposed a financial penalty on Victoria for not doing the trading. Perhaps the Leader of The Nationals would do better to pick up the telephone and speak to his colleagues in the federal Nationals, speak to the Leader of The Nationals and speak to the federal Minister for Agriculture, Fisheries and Forestry, Peter McGauran, and if he did he might be informed about the national water initiative.

Questions interrupted.

DISTINGUISHED VISITOR

The SPEAKER — Order! Before calling the member for Eltham, I acknowledge the presence in the gallery of former Speaker Alex Andrianopoulos.

Questions resumed.

Bushfires: Thomson Dam

Mr HERBERT (Eltham) — My question is to the Minister for Water, Environment and Climate Change. Can the minister advise the house what steps the Victorian government has taken to protect Melbourne's water catchment during the current bushfires?

Mr THWAITES (Minister for Water, Environment and Climate Change) — I thank the member for Eltham for his question, and I also congratulate him on his appointment as the Parliamentary Secretary for Environment.

The Mount Terrible fire continues to threaten the Thomson water catchment. The Department of Sustainability and Environment, the Country Fire Authority (CFA) and Melbourne Water are working around the clock to protect the Thomson catchment, which has Melbourne's largest water reservoir. I should also say that the Australian Army is providing assistance in building control lines to protect the catchment.

Since the 2002–03 fires, a lot of work and resources have gone into protecting our water catchments. Managing fire in the catchments is now seen as a core responsibility of Melbourne Water. Indeed, Melbourne Water itself is funding some 82 dedicated firefighters for the fire effort. Melbourne Water is also funding a helicopter which is able to participate in the fire effort as well. All of this is in addition to the resources that the Premier has referred to — the more than \$168 million of extra funding that our government has provided for the Country Fire Authority and the Department of Sustainability and Environment (DSE). I might also say that Melbourne Water staff are doing a great job, and 25 Melbourne Water staff have been specifically trained in firefighting so that they also can participate in the fire effort.

Prior to the fire season a considerable amount of work was done on the preparation and protection of the catchment, and that included clearing of access roads and tracks. Around 160 kilometres of fuel breaks and about 1860 kilometres of roads around the catchment were cleared. The fire-bombing helicopter, as I indicated, is in place, is available and in fact has been used on recent days. Extra firefighting equipment, including bulldozers and 3000-litre trucks, is able to help with the fire effort.

At present a control line is being built along the western flank of the fire. That control line currently runs from Jamieson South down to Matlock and Walhalla — it is about a 50-kilometre control line. The control line is

being constructed, with the aid of around 40 to 50 bulldozers, by, as I indicated, DSE, the army and the CFA. On top of that, aerial incendiaries are being used to maximise back-burning back from the control line in order to do everything we can to stop the fire in its westerly advance. Unfortunately, due to the weather conditions predicted for later this week, there is a real concern that the fire will spread and that there will be spotting which could lead to fire on the east side of the Thomson catchment. It is now only around 5 kilometres from the dam on the east side. Clearly our priority at this stage is to do everything we can to reduce the risk of the fire entering the catchment and causing major damage. In the next few days further work will be done on that control line and on the back-burning to maximise protection.

In conclusion, I also would like to thank all those on the fire front from the DSE and the CFA. I also thank those back in the coordination area, because one of the highlights of the firefighting effort has been the extraordinary coordination between all the agencies, both in the incident control rooms and back at CFA and DSE headquarters. I would like to thank them for all that good work as well.

Water: Ballarat, Bendigo and Geelong supply

Mr BAILLIEU (Leader of the Opposition) — My question is to the Premier. What contingency plans are in place to provide water security in the next 12 months for Ballarat, Bendigo and Geelong?

Mr BRACKS (Premier) — I thank the Leader of the Opposition for his question. Each of those communities do have reserve capacity for providing water resources to their communities. They have been outlined by the government, including, of course, in Ballarat the connection of previously disused reservoirs which have now been connected — in fact I saw that at the White Swan Reservoir, which is being held as reserve capacity for Ballarat; including the advancement of the recycling project at the Wendouree treatment plant; and including the project at the Shell refinery, which is being fast tracked, and the connection to aquifers in the Barwon Downs region in Geelong; and of course in Bendigo's case we are very advanced with the tender processes for the goldfields super-pipe. And we do have other contingencies in place. In each of those communities our plans are well advanced, well received and well supported by the Victorian community.

Bushfires: emergency services

Ms GREEN (Yan Yean) — My question is to the Minister for Police and Emergency Services. I refer the minister to the tremendous efforts of Victoria's firefighters and support agencies in battling the bushfires currently burning in Gippsland and north-eastern Victoria and ask what the government is doing to support those fighting the bushfires.

Mr CAMERON (Minister for Police and Emergency Services) — I thank the honourable member for Yan Yean for her question. I also thank her as a volunteer firefighter in her local community, having done a tour of duty in the north-east of Victoria in the Tolmie district.

I also thank the many honourable members in this house who have supported and encouraged the community during this very difficult period. Many honourable members have in their local areas provided local leadership and encouraged people to go to community meetings. They have certainly helped in their local areas. Can I just say that this is a time when it is very important that we all come together, and we have seen that happening. That is something that has been very good and well appreciated throughout all the communities that are affected by these fires.

As we have heard a lot of people have been involved in these fires. They include those people who are career firefighters and others who are employed full time at the fire front and elsewhere. Also we have had and continue to have thousands of volunteers across our great state. These volunteers really demonstrate the depth of support that we have in our community, and the spirit of Victoria comes through. I would certainly like to pay tribute to all those people. They come from the Country Fire Authority (CFA), the State Emergency Service (SES), the Red Cross, St John's Ambulance, the Salvation Army and from the coastguard, whose members also come out and help. They also come from many local organisations.

Collectively they make sacrifices themselves, but the people around them also make sacrifices, their employers make sacrifices and their families make sacrifices. They are the people who are doing so much, and without them we would be in a very poor state. We should all join together to say thank you very much to them. We know this has been a difficult period during December, but given that it is so early on in the fire season, it is going to be a very long and difficult summer.

The Metropolitan Fire Brigade is also assisting. Its members are backfilling in some CFA stations, which frees up resources that can attend the fire front.

A lot of equipment has had to be located around the state. Yesterday, for example, there were 552 tankers, 229 bulldozers and 28 aircraft involved in the fire effort. The army has contributed, where possible, as well.

The government believes in the importance of preparedness, and after the Esplin inquiry it put a lot of effort into preparedness. In the bushfires of 2002–03 we saw community meetings work very effectively. During the current fires we have seen that extended; there have already been around 100 community meetings in local areas.

The government has more than doubled the budget of the CFA. It has invested \$77 million in new firefighting trucks and tankers and \$82 million in 172 new and upgraded CFA stations and 50 local SES units. That of course has been very important in terms of being prepared. That is in addition to the \$168 million which the government announced post the Esplin inquiry. In the current budget — the 2006–07 budget — there is an additional \$26 million to help firefighting resources. In October and also last week the government announced funding for an additional air crane, that being Malcolm, and additional community awareness campaigns and resources. There were also announcements about hardship grants and firefighters coming from abroad. Not only do we have firefighters from abroad, we also have them from interstate.

The government will continue to work very closely with all of those involved in the firefighting effort. We know there is a long road ahead of us to get to the end of summer. But we on this side of the house are very proud of all those people who have been involved, and we look forward to continuing to work with them and the community during this terrible summer.

Water: Gippsland recycling proposal

Ms ASHER (Brighton) — My question is to the Minister for Water, Environment and Climate Change. I refer to the minister's claim on ABC's *Stateline* on 10 November this year that the feasibility study for the Gippsland water project had been released. I ask: to whom, and will he now make a copy available to the house?

Mr THWAITES (Minister for Water, Environment and Climate Change) — I thank the member for Brighton for her question, congratulate her on her

appointment and welcome her as the opposition's spokesperson on water. I think she is the third or fourth opposition spokesperson on water we have seen. I am pleased that she has been appointed and is in the shadow cabinet, unlike some of her predecessors.

An honourable member interjected.

Mr THWAITES — It's true.

An honourable member — Take it as a compliment.

Mr THWAITES — Yes, I am very pleased she is there. I look forward to our relationship.

The eastern recycling project is a very exciting project. It offers the potential to save an enormous amount of water, to reuse that water for industry and to provide extra water for Gippsland, for the environment and for Melbourne.

At the time we released our central region strategy we released details of that project — details from the feasibility report. We indicated at the time that certain matters were commercial in confidence and were not appropriate to be released. This is a very positive proposal that deserves proper investigation, and that is what we will do.

Bushfires: government assistance

Ms MORAND (Mount Waverley) — My question is to the Minister for Health. I ask the minister to detail for the house how the government's personal hardship grants are assisting the victims of bushfires.

Ms PIKE (Minister for Health) — I thank the member for Mount Waverley for her question. I welcome her to her new role as Parliamentary Secretary for Health. She will be of great assistance to the government.

Under the current state emergency management arrangements my department, the Department of Human Services, is the delegated coordinator of emergency recovery in Victoria, while local government takes responsibility for implementing services to affected individuals and communities. The Bracks government has moved very quickly to ensure that people adversely affected by those fires have immediate financial assistance available to them and then have longer term support as well.

Emergency grants of up to \$900 per household have ensured that the immediate health, safety and wellbeing needs of people affected by the fires are met through

the provision of food, shelter and other support — clothing et cetera. To date 28 emergency grants have been paid, totalling \$12 700. Longer term assistance has also been made available through the major personal hardship grants, particularly to people of limited financial means. At this point the department is working very closely with people who have had their principal place of residence destroyed to ensure that any eligible person obtains a grant as soon as possible.

The Department of Human Services is also working with local government, Centrelink, the Department of Primary Industries and non-government agencies to ensure that further assistance is delivered to affected individuals in a timely and coordinated manner. At these times it is important that different jurisdictions work together so that processes are streamlined.

We are also working with the federal government to deliver the assistance that both the Premier and the Prime Minister have announced. To date the federal government and the Victorian government have each provided \$350 000. Grants of up to \$15 000 will be provided to primary producers and small businesses and also to charities assisting on the ground to support people whose properties have been damaged by fires. Grants will also be provided to local governments to assist them in responding to the fires.

We are also providing psychological support to people through staff from the Department of Human Services and our funded agencies. People are continuing to be trained so that that kind of counselling and psychological support is available.

In conclusion, the bushfire season, as we have heard from the Premier and the Minister for Water, Environment and Climate Change, is expected to continue for several months. I certainly share the concern of all members of this house for our fellow citizens — our fellow Victorians — who have been affected by these fires. I also add my thanks for the tireless work of Country Fire Authority and Department of Sustainability and Environment firefighters and other members of the community, particularly hospital staff and counsellors, who are providing comfort and support to vulnerable Victorians at this time.

Police: Caulfield assault

Mr McINTOSH (Kew) — My question is to the Premier. Why has no action been taken in regard to the serious assault on Mr Menachem Vorchheimer on 14 October 2006, allegedly by members of a group of Ocean Grove footballers, including a serving member of the Victorian police?

Mr BRACKS (Premier) — I thank the member for Kew for his question. Like many members of this house, I was very concerned about the attack that occurred, and of course quite appropriately and correctly those matters are being investigated by Victoria Police. There is an independent position that the Victorian police have, I should remind the opposition, and that is that they are charged with the responsibility of investigation, not members of Parliament. That is how it should occur with the separation of powers, and I would fully hope and expect that the police would be given the opportunity to do their job effectively. Certainly it would be the case with the government that we would allow them to do their job effectively.

Mr McIntosh — On a point of order, Speaker, this question was simply about what action the government had taken. I do not need a lecture about the separation of powers.

Mr BRACKS — Speaker, I will reiterate. You would think that, of all members, the member for Kew would know better. It just shows how convenient political matters have taken over from principles. The police will fully investigate independently, as they should.

Economy: rural and regional Victoria

Mr TREZISE (Geelong) — My question is for the Minister for Regional and Rural Development. I refer the minister to the government's commitment to making regional Victoria a great place to work, live and raise a family, and I ask the minister to detail for the house the most recent independent economic data that demonstrates that the government is delivering on that commitment.

Mr BRUMBY (Minister for Regional and Rural Development) — I thank the member for Geelong for his question. Can I say at the outset that rural and regional Victoria faces a number of challenges. We have heard in many of the answers to questions asked today about the challenge posed by the drought — potentially the worst drought on record. The Australian Bureau of Agricultural and Resource Economics has forecast that farm incomes this year will be the lowest in 30 years. On top of that we have rising interest rates, and of course on top of that we have an Australian dollar which is higher than it should be, dragged up by the resources boom which benefits particularly the state of Western Australia. All that means that we face some challenges in maintaining a strong and competitive economy in regional and rural Victoria.

In that context I am pleased to advise the house of some statistics which show that the economic performance in country Victoria is second to none. Today the Building Commission released the November data on building permit approvals. It shows that rural building permit activity increased by 9.7 per cent over the last year, with particularly high increases in the north-west region — 30.4 per cent; the north central region — 18 per cent; and the north-east region — 14 per cent. That means those permits are now at their highest ever level.

On a second very positive statistic, last week the Australian Bureau of Statistics regional labour force data was released. It shows that the unemployment rate in regional Victoria has fallen to just 5.1 per cent. This is the lowest rate since January 1990, when the rate was 4.9 per cent. It is the lowest rate there for 16 years, and of all the jobs generated in regional Australia over the last year, one in every three has been generated in regional and rural Victoria.

Finally, on population, we are still seeing very strong rates of population growth — 1.3 per cent over the last year, outstripping the Australian average and being the highest rate on record for 15 years. Building permits are at the highest ever, the unemployment rate is the lowest for more than 16 years and population growth is the strongest for more than 15 years. Despite the great challenges, this is a very good performance.

The point I want to make today in answering the question from the member for Geelong is that despite the very difficult circumstances — the drought, the bushfires — the medium-term outlook for country Victoria remains very positive indeed. We have significant new private sector investment and job generation in the pipeline. Some of the projects supported under the government's community regional industry skills program, or CRISP, will see 400 new jobs at Excelior in Shepparton, 100 new jobs at Patties Foods in Bairnsdale — that is a great success story: Patties is now exporting its pies to China and the United States — and around 200 new jobs at Flavorite Tomatoes in Warragul.

In addition we have more than \$1 billion of infrastructure projects under construction or in the pipeline. The largest is the Wimmera–Mallee pipeline, a \$500 million project that is leading Australia in water conservation; and there is the goldfields super-pipe, with more than \$100 million worth of investment, and the continuing rollout of the natural gas program. We already have 400 kilometres of natural gas grid in the ground, with more to come. We have hundreds of millions of dollars in road and rail infrastructure, with

something like \$400 million for the Geelong bypass. That is a fantastic project which is opening up new economic opportunities. On top of that — —

Mr Bracks interjected.

Mr BRUMBY — It is a very good project! On top of that we have allocated \$146 million in drought assistance, which is out there. I will just say that in the 2002–03 drought we provided around \$80 million for support. This time we have already committed \$146 million, \$11 million of which is going out in \$300 000 grants to local government. I know there are now more than 100 grants, which — —

Mr Ryan interjected.

Mr BRUMBY — There are 100 projects which local government is ready to announce.

The final thing I want to say in terms of optimism for the medium term is that we have very strong and very determined farmers in Victoria. Whether you look at the dairy farming sector, the horticultural sector, the beef sector, the wool sector or the fruit growers, they know that circumstances are difficult at the moment. But they know the medium-term fundamentals are good, and they are getting on with the job and are committed to the future. When you put all those things together you build on the very strong foundations that we have. We are very confident about the medium-term outlook for regional and rural Victoria under this raft of policy initiatives announced by the Bracks government, which is really about making country Victoria a great place to live, work, invest and raise a family.

STATUTE LAW REPEALS BILL

Introduction and first reading

Mr BRACKS (Premier) — In accordance with the usual practice, and in order to preserve the privileges of the house, I move:

That I have leave to bring in a bill for an act to revise the statute law of Victoria by repealing spent acts.

Motion agreed to.

Read first time.

WATER AMENDMENT (CRITICAL WATER INFRASTRUCTURE PROJECTS) BILL

Introduction and first reading

Mr THWAITES (Minister for Water, Environment and Climate Change) introduced a bill to amend the Water Act 1989 to facilitate critical water infrastructure projects, to amend the Land Acquisition and Compensation Act 1986 and for other purposes.

Read first time.

MURRAY-DARLING BASIN AMENDMENT BILL

Introduction and first reading

Mr THWAITES (Minister for Water, Environment and Climate Change) introduced a bill to amend the Murray-Darling Basin Act 1993 to approve an amendment to the Murray-Darling Basin agreement to facilitate the operation of the Murray-Darling Basin Commission's water business on appropriate commercial principles and for other purposes.

Read first time.

INTERPRETATION OF LEGISLATION AMENDMENT BILL

Introduction and first reading

Mr HULLS (Attorney-General) introduced a bill to amend the Interpretation of Legislation Act 1984 to provide for style changes in acts and statutory rules and for other purposes.

Read first time.

SENATE ELECTIONS AMENDMENT BILL

Introduction and first reading

Mr HULLS (Attorney-General) introduced a bill to amend the Senate Elections Act 1958 and for other purposes.

Read first time.

**PUBLIC PROSECUTIONS AMENDMENT
BILL**

Introduction and first reading

Mr HULLS (Attorney-General) introduced a bill to amend the Public Prosecutions Act 1994 and for other purposes.

Read first time.

**CONTROL OF WEAPONS AMENDMENT
(PENALTIES) BILL**

Introduction and first reading

Mr CAMERON (Minister for Police and Emergency Services) introduced a bill for an act to amend the Control of Weapons Act 1990 to increase the penalties for certain offences relating to prohibited and controlled weapons and for other purposes.

Read first time.

**STATE TAXATION LEGISLATION
AMENDMENT (HOUSING
AFFORDABILITY) BILL**

Introduction and first reading

Mr BRUMBY (Treasurer) introduced a bill to amend the Duties Act 2000, the First Home Owner Grant Act 2000 and the Pay-roll Tax Act 1971 to improve housing affordability and bring forward payroll tax cuts and for other purposes.

Read first time.

Second reading

Mr BRUMBY (Treasurer) — I move:

That this bill be read a second time immediately under standing order 61(2).

I advise the house that the other parties and the Independent member have been provided with copies of the bill and a briefing in accordance with standing order 61(2).

Motion agreed to.

Mr BRUMBY (Treasurer) — By leave, I move:

That this bill be now read a second time.

At the commencement of the 2006 election campaign, the government announced key reforms designed to make home ownership easier for Victorians as well as reforms to support employment growth in the Victorian economy.

The government has already implemented important reforms making home ownership more affordable for Victorians.

We are the first and currently the only state that has fully abolished stamp duty on mortgages — which saves an average home buyer around \$1400.

We have introduced the first home bonus, which has assisted almost 87 000 home buyers — providing additional assistance for young people purchasing their first home.

And we are proud to have extended assistance to concession card holders. When the government was first elected, a pensioner paid the full amount of stamp duty if the value of the property was above \$130 000. Today, they receive a full stamp duty exemption up to \$300 000 and a discount up to \$400 000.

As a result of these measures, Victoria has led the way with housing affordability. Recent Housing Industry Association data shows that on average Victoria has had the highest level of housing starts of all the states for the past three years, and according to the association forecasts, housing starts in Victoria will continue to outperform other states for at least the next three years.

Last year, Victoria had more first home buyers than any other state in Australia. In fact, we had 40 214 new first home buyers compared to New South Wales with 39 149 — impressive, given that New South Wales has 1.7 million more people.

And the most recent Real Estate Institute of Australia survey shows that once again Melbourne is the most affordable city on the eastern seaboard.

But across Australia, affordability remains an important issue. In recent months higher interest rates have put pressure on Victorian families.

Our election commitments are aimed at continuing to assist first home buyers and to reduce stamp duty for most Victorians who buy a home.

This bill delivers on these important commitments. It provides for a conveyance duty reduction for certain principal-place-of-residence transactions and the extension of the first home bonus — including an increase in the bonus for the purchase of newly constructed homes.

The Duties Act 2000 is amended to give effect to the reduction in duty payable on eligible properties purchased as a principal place of residence. The duty payable will be reduced as follows:

cutting the duty rate from 6 per cent to 5 per cent for properties valued between \$115 001 and \$400 000; and

cutting the duty payable by \$2850 for properties valued between \$400 001 and \$500 000.

The reduction will take effect for contracts entered into on or after 1 January 2007.

The assistance is deliberately targeted to those home buyers who need it most: those Victorians buying a home for themselves and their family to live in.

Reflecting this, the largest percentage reduction in conveyance duty will be enjoyed by purchasers of homes around the median Melbourne price. The rate cut will deliver a saving of around \$2600 on the purchase of a median-priced home, which represents a 14 per cent cut in duty payable.

To ensure that the duty reduction is only available to genuine purchasers, there are some criteria that must be met for eligibility for the reduction. These include:

an age limit of at least 18 years;

a requirement to commence occupation of the residence within 12 months of settlement; and

a requirement to occupy the residence for a continuous period of at least 12 months.

However, the commissioner of state revenue will have a discretion to allow exceptions to the age and residency requirements to deal with certain situations, such as a genuine home buyer under the age of 18 years, legitimate temporary absences or where a home becomes unfit for occupation.

The conveyance duty reductions will save home buyers \$305 million over five years.

The First Home Owner Grant Act 2000 is amended to give effect to the commitments announced around the extension of the first home bonus. The amendments:

extend the \$3000 first home bonus for buyers of existing properties until June 2009 (from June 2007); and

increase the bonus to \$5000 for all first home buyers of newly built homes, commencing 1 January 2007.

The bonus, in both forms, is available for properties valued at or below \$500 000 and purchased as a principal place of residence.

First home buyers will have a choice between the conveyance duty reduction or the first home bonus. However, the first home bonus will always be more generous to give first home buyers an edge in the market.

Three-quarters of all Victorian home buyers will benefit from this new package of bonuses and conveyance duty cuts.

In addition to the benefits to first home buyers, the added incentive to purchase newly constructed homes will provide a boost to the Victorian building industry. While Victoria has led the nation in housing starts, the building industry is especially vulnerable to fluctuations in the economy, including recent interest rate increases. Along with Victoria's off-the-plan concession on stamp duty, this additional grant will provide strong incentives for families to look at purchasing newly constructed homes.

During the campaign, we also made a commitment to provide relief to the business sector. The bill will amend the Pay-roll Tax Act 1971 to bring forward the implementation of the payroll tax cuts announced in the 2006–07 budget. The rate reduction from 5.15 per cent to 5.05 per cent is being brought forward to take effect from January 2007, rather than July 2007. This represents a \$26 million benefit to businesses.

Victoria already enjoys one of the lowest payroll tax rates in the country and this further change represents direct savings for Victorian businesses. Victoria's record on tax reform is second to none, with more taxes being abolished under the intergovernmental agreement than any other state. This comes on top of the already announced abolition of the business rental duty from 1 January 2007.

The government has a proud record of taxation reform that benefits Victorian families and businesses. The

measures contained in this bill on housing affordability and payroll tax will further build on this record.

I commend the bill to the house.

Debate adjourned on motion of Mr WELLS (Scoresby).

Debate adjourned until later this day.

DOCUMENTS

Tabled by Clerk:

Australian Centre for the Moving Image — Report 2005–06

Confiscation Act 1997 — Reports 2005–06 under s. 139A

Drugs, Poisons and Controlled Substances Act 1981 — Documents under s. 12H:

Amendments to the Standard for Uniform Scheduling of Drugs and Poisons

Notice regarding the amendment, commencement and availability of the Poisons Code

Environment and Natural and Resources Committee — Inquiry into the Production and/or Use of Biofuels in Victoria, together with appendices and minutes of evidence — Report and appendices ordered to be printed

Financial Management Act 1994:

Report from the Minister for Agriculture that he had received the 2005–06 report of the Northern Victorian Fresh Tomato Industry Development Committee

Report from the Minister for Finance that he had received the 2005–06 report of VicFleet Pty Ltd

Reports from the Minister for Health that she had received the 2005–06 reports of:

Anderson's Creek Cemetery Trust, together with an explanation for the delay

Bendigo Cemeteries Trust, together with an explanation for the delay

Lilydale Memorial Park and Cemeteries Trust

Preston Cemetery Trust, together with an explanation for the delay

Templestowe Cemetery Trust, together with an explanation for the delay

Gene Technology Act 2001 — Review of the operation of the Act

Geoffrey Gardiner Dairy Foundation Ltd — Report 2005–06 (two documents)

Intellectual Disability Review Panel — Report 2005–06

Law Reform Committee — De Novo Appeals to the County Court, together with appendices and minutes of evidence — Report and appendices ordered to be printed

Legal Ombudsman, Office of — Report 1 July 2005 to 11 December 2005 — Ordered to be printed

Legal Profession Act 2004 — Practitioner Remuneration Order under s. 3.4.24

Legal Services Board — Report 12 December 2005 to 30 June 2006

Legal Services Commissioner — Report 12 December 2005 to 30 June 2006 — Ordered to be printed

Necropolis Springvale, Trustees of — Report 2005–06, together with an explanation for the delay

Public Accounts and Estimates Committee — Report 2005–06, together with appendices — Report and appendices ordered to be printed

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

Alpine Resorts — C17 Part 1, C18

Ballarat — C58, C84, C88 Part 1, C105, C112

Bass Coast — C43

Baw Baw — C37, C39

Bayside — C39 Part 3

Boroondara — C58, C62, C70

Brimbank — C80 Part 2, C91

Buloke — C10

Campaspe — C47

Cardinia — C59, C76, C87 Part 2

Casey — C52 Part 1, C80 Part 1, C82, C86, C97

Central Goldfields — C8

Colac Otway — C46

Frankston — C37

Glen Eira — C53

Glenelg — C31, C32

Greater Bendigo — C63 Part 1, C90

Greater Dandenong — C55, C84

Greater Geelong — C101 Part 2, C113, C142

Greater Shepparton — C33, C72

Hindmarsh — C3

Hobsons Bay — C61

Horsham — C29

Hume — C65, C73, C78

Kingston — C54, C58, C69

Knox — C40, C46, C52

Macedon Ranges — C25, C39

- Manningham — C25
- Maribymong — C31, C61
- Maroondah — C57
- Melbourne — C115, C120
- Melton — C62
- Mildura — C20
- Moira — C20 Part 1, C21, C29
- Monash — C67
- Moreland — C35, C37, C64, C73, C75
- Mount Alexander — C32
- Moyne — C20, C22
- Nillumbik — C42, C44
- Port Phillip — C58
- Pyrenees — C15
- South Gippsland — C39
- Stonnington — C62, C66
- Strathbogie — C23
- Surf Coast — C15 Part 2, C18, C29
- Swan Hill — C23
- Victoria Planning Provisions — VC39, VC42, VC43, VC44
- Wellington — C23 Part 1, C23 Part 2
- West Wimmera — C7
- Whitehorse — C41, C50 Part 2, C64
- Wodonga — C39, C48
- Wyndham — C51, C89
- Yarra — C75, C86
- Yarra Ranges — C33
- Yarriambiack — C6
- Professional Standards Council Victoria — Financial Statements 2003–04 and 2004–05 (two documents)
- Statutory Rules under the following Acts:
- Australian Grands Prix Act 1994* — SR 157
- Building Act 1993* — SRs 136, 154
- Catchment and Land Protection Act 1994* — SRs 149, 151
- Conservation, Forests and Lands Act 1987* — SRs 134, 140, 141, 150
- Corrections Act 1986* — SR 132
- County Court Act 1958* — SRs 166, 167, 168
- Financial Management Act 1994* — SR 152
- Heritage Act 1995* — SR 137
- Infringements Act 2006* — SR 145
- Interpretation of Legislation Act 1984* — SR 161
- Magistrates' Court Act 1989* — SR 164
- Metropolitan Fire Brigades Act 1958* — SR 142
- Motor Car Traders Act 1986* — SR 148
- Owner Drivers and Forestry Contractors Act 2005* — SR 153
- Parliamentary Salaries and Superannuation Act 1968* — SR 155
- Planning and Environment Act 1987* — SR 135
- Prevention of Cruelty to Animals Act 1986* — SR 143
- Road Safety Act 1986* — SR 158
- Sentencing Act 1991* — SR 144
- Serious Sex Offenders Monitoring Act 2005* — SR 133
- Subordinate Legislation Act 1994* — SRs 131, 147, 160
- Supreme Court Act 1986* — SRs 161, 162, 163, 169
- Trade Measurement Act 1995* — SR 146
- Trade Measurement (Administration) Act 1995* — SR 146
- Transport Act 1983* — SRs 138, 139
- Victoria State Emergency Service Act 2005* — SR 130
- Victorian Civil and Administration Tribunal Act 1998* — SR 165
- Water Industry Act 1994* — SR 159
- World Swimming Championships Act 2004* — SR 156
- Subordinate Legislation Act 1994:*
- Ministers' exception certificates in relation to Statutory Rules 123, 126, 131, 142, 147, 161, 162, 163, 164, 165, 166, 167, 168, 169
- Ministers' exemption certificates in relation to Statutory Rules 127, 128, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 144, 145, 146, 148, 149, 150, 151, 155, 158
- Victoria Grants Commission — Report year ended 31 August 2006
- Victoria Law Foundation — Report 2005–06
- Victorian Relief Committee — Report 2005–06, together with an explanation for the delay
- Water Act 1989:*
- Avon Water Supply Protection Area Declaration Order 2006
- Little Yarra and Don River Catchments Water Supply Protection Area Declaration Order 2006
- Woori Yallock Creek Catchment Water Supply Protection Area Declaration Order 2006.

APPROPRIATION MESSAGE

Message read recommending appropriation for State Taxation Legislation Amendment (Housing Affordability) Bill.

GOVERNOR'S SPEECH

Address-in-reply

The SPEAKER — Order! I have to report that today the house has attended the Governor in the Legislative Council chamber, where the Governor was pleased to make a speech to both houses of Parliament, of which I have obtained a copy for accuracy. As the speech is printed and available on the table, it is not necessary to read the speech.

Sitting suspended 6.19 p.m. until 8.02 p.m.

Mr PALLAS (Minister for Roads and Ports) — I move:

That the following address-in-reply to the speech of the Governor to both houses of Parliament be agreed to by this house:

Governor:

We, the Legislative Assembly of Victoria assembled in Parliament, wish to express our loyalty to our Sovereign and to thank you for the speech which you have made to the Parliament.

I take this opportunity to acknowledge the traditional owners of the land on which we stand here today, the Kulin nation, and to pay my respects to their elders. I also wish to congratulate you, Speaker, on your appointment, and I know that you will uphold the proud traditions and dignity of this place. Also Speaker, I would like to congratulate you another personal landmark, and accordingly I wish you a happy birthday!

Thank you, Speaker, for the opportunity to speak in reply to the Governor's speech on behalf of the people of Tarneit. Tarneit is a remarkable community. It is a diverse and dynamic community, a place with a history going back to the first settlement of Melbourne, and as a growth corridor it is a place exuding optimism, opportunity and great promise. The seat of Tarneit is the centre of an extraordinary population boom. The city of Wyndham is the third largest growing municipality in Australia by volume of numbers and the fastest growing municipality in percentage terms in the country. If the current trend continues, by 2030 there will be a roughly 75 per cent increase on the current western regional population.

In the city of Wyndham the growth projections are even more dramatic, with conservative estimates over a comparable period suggesting at least a 135 per cent increase in population. The pressure on local infrastructure in the face of this growth is enormous. I am pleased to say the Bracks government recognizes the challenge and is making real and sustained investment with and for the community, whether it be through the new emergency department at the Werribee Mercy Hospital, the upgrading of existing schools like Werribee Secondary College or creating new parks like the 230-hectare Werribee Regional Park. Working families in the west deserve the best, such as access to high-quality education, first-class health facilities and improved parks and open spaces to grow together.

Our record is strong, but we know there is more work to do — work like ensuring that the range of education choices complements the broadening of employment opportunities within the area so that the proposed Werribee science and technology precinct, the largest contiguous section of government-owned land in metropolitan Melbourne, will serve to bring a broad range of skills, activities and jobs into the local community. Actions such as these should assist in lessening the commuting demand upon a community where a disproportionately high percentage of people have to travel long distances to their places of work.

I may be a newcomer to this chamber, but I am not a stranger to this place. As many in this house know, before the state election I was the Premier's chief of staff. In fact, I first walked into the opposition rooms in this building on 22 March 1999, the day Steve Bracks became leader of the state parliamentary Labor Party. In other words, I am well aware of what is expected of MPs and ministers, because I have learnt for the past seven years and nine months from a man of great decency, honour and fortitude — Steve Bracks. What the Premier has impressed upon me in word and deed is this: government is a privilege, not a right.

That integrity and work ethic was apparent from day one in the opposition rooms and has been evident each and every day since. It is evident in the services we have upgraded, including the nurses, teachers, police and public servants employed and the schools, hospitals, police stations, roads and railway lines rebuilt. It is also evident in the way the Bracks government has stood up for working families against the commonwealth's extreme industrial relations laws. How far we have come!

In September 1999 Steve Bracks saw a Victoria which he described as 'a skyline above and a wasteland below'. Today I see a community fashioned from the

bottom up and looking ever upwards, confident but not complacent and aware of the enormous challenges that confront us by revelling in the challenge and a new-found sense of common purpose. The journey from 1 Treasury Place to this place is geographically speaking hardly the stuff of Burke and Wills. In fact, you can walk from my old desk in the Premier's office to here in 5 minutes and still have time to buy a coffee at Treasury Deli.

But like most members, I suspect the forces that drove me to make the leap into public life stem from my family in general and my parents in particular. I am the son of Welsh migrants. My Greek surname, I believe, is the legacy of my great-grandfather, himself a migrant, who found his way by a circuitous route to the coalmines of the Rhonda Valley in Wales, and who unfortunately died at a young age seeking his fortune in the gold rushes in the Yukon in the early part of the last century. He left behind his German wife and two children, one of whom was my grandfather, Jack. I remember as a child being awestruck by his tales of privation during World War I, the son of a German widow living amongst her homeland's enemy.

I grew up in a profoundly more nurturing and affluent community in Toronto, New South Wales, just outside Newcastle, the third of six children. My father was the local general practitioner who believed unquestionably in the value of community service. In the early days that meant years without a holiday or weekend break, not to mention frequent late night and early morning calls from neighbours in need of care. I hated those calls as a child. I have no doubt Dad, who liked to sleep, would have preferred to stay in bed, but day in and day out Dad got out of bed and became the much-loved Dr Pallas. He never shirked his responsibilities.

My father passed away a little over 12 months ago. He was a proud and independent man, which is why it was such a cruel injustice for him to be afflicted by vascular dementia in his final years. I feel for the members of our community who live with the reality of this debilitating disease, and for their families and support networks who know the anguish of the slow journey into darkness. I continue to feel a great debt to the highly professional aged carers who supported my father through his final days without once losing a sense of respect for him as an individual. I remain indebted to those health care workers, just as I remain indebted to my family.

One night, whilst my father was enjoying one of his increasingly rare moments of lucidity, I attempted to impress upon him how much I felt indebted to him,

before the fog of dementia irrevocably stole him from me. I asked him this question: 'How can I ever repay you for what you've given this family and this community?'. Dad's response was instantaneous: 'Give more than you get. Do more for your children than I ever did for you'. It was a reprise of a personal motto my father had told me countless times before, when I was still living under his roof, because, as he used to say, 'If you do give more than you get, you may never be rich but you will always know the true value of things'.

'Give more than you get'. My dad's mantra encapsulates my ambitions for public office. It is in a way my attempt to repay a debt forever beyond my means. I am attempting to follow in my father's footsteps and give more to the community that I am a part of.

'Give more than you get'. In my own way that is precisely what I have been trying to do for almost a quarter of a century through the labour movement, first as a union official, then as an adviser and now as the member for Tarneit. After all, the working men and women I represented then as a union official, just like the working men and women I now represent as a member of Parliament, deserve more — more opportunities, more services and more fairness in the workplace.

One example more than any other demonstrates to me the need for us as a community to stay true to the ethos of a fair go. At one stage when I was working for the Federated Storemen and Packers Union of Australia I found myself involved in an arbitral proceeding against a wool-broking company. Wool-broking companies had employed large numbers of store workers before the advent of wool-packing machinery and forklifts, but over time the number of those workers had dwindled. You could always tell when union fees had been received from the wool stores. They always paid in cash and every dollar was smudged with the lanolin grease they picked up from the constant handling of wool.

The wool store workers were hard and proud men who loved their work, and most knew only one employer and one job. The case I became involved in concerned a company that targeted the older workers for termination, partly to avoid greater liability to their defined benefit fund. To make matters worse, the company argued that, due to the seasonal nature of the industry, the workers were not eligible for even the minimum redundancy payout — in other words, those workers, some of whom had clocked up almost 30 years service to the company, were to be discarded. I

will never forget the impact this act of industrial callousness had on those workers. I remember one storeman — a man with decades of service behind him, with a rugged face worn through years of hard work and new-found emotion — tearfully begging for his job because it was the only way of life he knew. He was utterly devastated. I tried, but failed, to secure the redundancy benefits I still believe those workers deserved.

It was then that I came to the same realisation that a bunch of shearers did in the 1890s in a place called Barcardine — that one of the best ways to protect the welfare of working families is to be engaged with a similarly motivated political party, a Labor party. Because right now, in workplaces across Melbourne and regional and rural Victoria, we need reason and justice to prevail, just like we needed it in the 1890s. We need to treat working people as people, not as wool-packing machines and not as cost units, because our people are our state's greatest natural resource. We need to produce a highly efficient, skilled, flexible work force to compete internationally, rather than the low-skilled, disposable work force that the commonwealth's new, flawed industrial relations regime is geared towards.

What I am talking about is a proper sense of balance, because over the past 150 years of our state's democracy we have been fortunate. More often than not, a sense of balance has prevailed — and that is a credit to generations of employers and unions, as well as governments. I want to make one thing clear: I do not now believe nor have I ever believed in the concept of class conflict, that one group within our community can advance itself only at the expense of another. That is why I am strongly opposed to WorkChoices, which, at its core, is all about conflict over community — conflict not in the sense of combatants fully armed and at war, but in the insidiousness of a cowering disproportionality that ensures economic might dominates over fairness and reason. We must not allow the sum of our fears and insecurities to triumph over hope and aspiration — because we are all diminished, smaller, meaner and less cohesive when we do.

There is a better way. As the Premier has shown in his championing of the national reform agenda, we can harness enough productive potential if we are prepared to invest in our most valuable asset, each other, by increasing the nation's skills base, invigorating and empowering people's working lives, by governments of all persuasions embracing a sense of common purpose and agreeing upon the steps necessary to be taken to get there. The value of this endeavour is critical to our future. If we fail, then we are diminished as a nation, as

a state and as a community. If we succeed, the benefits are enormous, not just to people's working lives but to our national wellbeing.

A recent analysis by the Department of Treasury and Finance calculated the potential cumulative boost of a fully implemented national reform agenda as up to 13 per cent of gross domestic product. Put in context, the Productivity Commission has estimated the total bonus flowing from the impact of national competition policy reforms as of the order of 2 per cent. So there is a chance that a day will come when ageing store workers, and many others like them, will be assured that lifelong learning is a reality and their continuing contribution to our society will be valued and valuable.

At a time such as this, of increased global competition, we simply cannot afford to build a great divide between haves and have-nots. We cannot afford to go backwards. We can only go forward. For me, one of the best ways forward is to realise the true value of community. And to give more than we get. That is what primary carers do, day in, day out, in all too rarely visited nursing homes and aged care centres. That is what the Country Fire Authority volunteers are doing right now, throughout the forests and townships of our state. And that is where the real wealth of our community lies.

One of the challenges that we face is the way our lifestyle is changing and our sense of community is threatened. For many of us the real challenge is to combat a poverty of overabundance and the isolationism of affluence, where for each of us time is often the rarest commodity of all. Many of us are finding solace in materialism when we would be better off looking for it in a broader sense of community. I do not advocate eschewing material possessions or the comforts of modern life — indeed, I am rather partial to them myself. I remember my father's words, 'Know the true value of things'. We need to ensure we wear our possessions lightly. We need to remember that our friends and families and communities are much more important.

The most valuable things that we can build are the bridges between each other. In a public policy sense there is no more important bridge to build than one over the ever-widening gap between our federal and state governments. Our federation is at a crossroads, and the choices for the future direction of this country have never been more stark or profound in their implications. The ever-expanding constitutional and fiscal grasp of the federal government threatens to transform the states into nothing more than service providers. Although constitutionally impregnable, all too often the states can

see their mandates usurped by the predations and arrogance of Canberra's one-size-fits-all approach to governance.

The chasm between providers of services and raisers of taxes has never been more profound. Seven out of 10 times a taxpayer feels a government hand in their pocket it is the federal government, and only about three times in 10 is it a state government. Yet when it comes to service delivery, almost 40 per cent of all government services are provided by the state. So we need either to accept that states have a legitimate role to play in our federation and resource them appropriately or to consign ourselves to a culture of centralism that is bloated and often unresponsive to the needs of local communities. Governments that deliver the services should be held accountable. Unless we have a more cooperative and mature approach to the management of our respective responsibilities, blame shifting and unaccountability will be inextricably part of our federation, and all governments will suffer in the public mind accordingly.

Finally, I would like to thank some of the many people who have made it possible for me to be standing here today. First and foremost, I want to thank my wife, Karen, my son, Jack, and my daughter, Grace. Karen, Jack and Grace have allowed me a great indulgence. To them go my greatest accolade and thanks. They have allowed me to pursue a career and a calling that I love. That calling means I am often away from home and the hours can be long. I promise my family that they will never be a secondary consideration to me, because to me public life must be an extension of our personal priorities and motivations. Without them, I am rudderless; their love and support sustain me.

I also want to acknowledge and thank each and every one of the political advisers I have worked with since 1999 — because good government needs good advisers, and they need to be constantly attentive to the range of good ideas and advice that permeates our community. The hours are long and the recognition minimal, but the role they play is vital to modern good governance.

So to my often unfairly maligned friends, most notably Sharon McCrohan and Ben Hubbard, who have served this government and this state unswervingly and unselfishly for over seven years, and to the other political advisers toiling away in relative anonymity, seeking only one real reward for their efforts — a good Labor government — I say: your contribution matters.

To Irene DeAngelis, who has kept me organised for seven years and carried out countless small acts of

kindness to make my life easier and more productive, I am enormously grateful. The greatest regret of my new career is that I have been unable to bring Irene with me. I am sure that the contribution she will continue to make will be of the highest quality.

I would also, without naming names, like to thank the public servants who took a former union official like me and showed him how public service means being prepared to put forward frank and fearless advice, often in a less-than-welcoming environment.

I say thank you to Leo Donovan, who set me on the path to the place where I am today, to Greg Sword, who allowed me to experience the full range of union responsibilities, and to Bill Kelty, who showed me the value of cooperative interaction with government. Thank you to Bob Hawke, a great advocate for working people, a great Prime Minister and a great friend and counsel to me.

Last but not least I would like to acknowledge and thank my predecessor as the member for Tarneit, Mary Gillett. Mary has been a friend and colleague for over 20 years. We worked together as rookie industrial officers for the then Federated Storemen and Packers Union. My fondest memory of Mary was in the mid-1980s when she stayed up all night making sure a very inexperienced industrial advocate did justice to his case. I did — but only with her invaluable assistance. Mary has served the community and the labour movement with great distinction. The greatest tribute I can pay to Mary is to simply state that she has given more than she has gotten. I hope I can do the same.

I would like to thank the people of Tarneit for the privilege and honour they have entrusted me with. I will not let them down.

I thank the house for the courtesy extended to me this evening.

Ms RICHARDSON (Northcote) — Today the Governor in his speech outlined a program that will bring confidence to the Victorian community. It is therefore my great privilege to make my inaugural speech by seconding the motion. Let me congratulate you, Speaker, on your elevation to the office. To successfully preside over this great chamber you need strength, grace and a keen sense of fairness, qualities you bring with abundance. May I also wish you a very happy birthday.

I also take this opportunity to congratulate the Premier on his leadership and his success in becoming only the second Labor Premier to win a third successive term in

Victoria. For the people of Northcote his achievement is their gain.

To be elected as the Labor representative for Northcote brings feelings of honour and obligation. I thank the people of Northcote for their support of the Labor Party and for their trust in me as their representative. I commit to listening to their concerns and remaining attentive to their needs.

Since its establishment in 1927 the electorate of Northcote has been represented by distinguished Labor parliamentarians: John Cain, Sr, a former Premier; Frank Wilkes, a former parliamentary leader; Tony Sheehan, a former Treasurer; and Mary Delahunty, a former minister for education, planning, the arts and women's affairs. Each has played a significant role in the development of this state, and I hope in time to be judged worthy in this company.

Mary Delahunty reluctantly withdrew her nomination on the eve of the state election for the sake of her health and her family. She made a significant contribution to Labor's success in government, but of all Mary's achievements her distinct contribution in the lead up to Labor's successful 1999 election campaign is particularly noteworthy. Few candidates can take singular credit for an increase in a political party's fortunes, but Mary's by-election win in 1998 had a direct impact on the public perception of Labor. Her success not only created a spike in ALP support in the polls but also set in motion a mood shift in the state's media. The significance of this achievement, given the 1999 results, should not be forgotten.

The electorate of Northcote, well served by Mary Delahunty, is bordered by three of Melbourne's great waterways: the Merri Creek, the Darebin Creek and the Yarra River. The parkland along the creeks — Yarra Bend Park, Darebin Parklands and the All Nations Park, just to name a few — are priceless and are places where families like my own have spent many a glorious afternoon. Commonwealth athletes recently battled for bowling honours at the John Cain Memorial Park, and spectators no doubt had a coffee or lunch in a cafe along High Street or Station Street. Our prized landmarks, Northcote town hall, Northcote Pottery and the old railway bridge crossing the Yarra River on Chandler Highway, are all magnificent reminders of the prosperity and foresight of our forebears. But for animal lovers like myself, special mention must be made of Fido the Dog at Fairfield Village. Fido stands 5.5 metres high and is 8 metres long. Nothing on Queensland's lists of giants can compare to this tail-wagging, eye-glowing monster pooch. Fido not only highlights Northcote's sense of fun but, along with

other public artworks, reflects its vibrant artistic community — one of the largest in Melbourne.

Northcote's most outstanding feature is its cultural diversity. One in three people living in Northcote was born overseas and speaks a language other than English. The Greek and Italian populations in Northcote are among the largest in Melbourne, and they flourish in glorious harmony alongside vibrant Arabic, Vietnamese and Chinese communities. The city of Darebin, which includes almost all of the electorate, is privileged to have the largest indigenous population in Melbourne. As the first elected representative of Northcote to be born overseas — who arrived in Australia speaking a language other than English — I pay tribute to this harmonious, diverse, multicultural community as a model for all Australians.

In recent years the electorate of Northcote has undergone significant change. Most notably house prices have soared, particularly in the southern part of the electorate. In November the median house price for a home in Alphington was \$604 000 — more than triple the price in 1995. In short, many more people have discovered what migrant families and long-term residents of Northcote have known all along: it is a great place to live and raise a family.

Sadly, this same appeal has placed many of the homes in Northcote out of reach of families on average incomes. The increasing popularity of the electorate's suburbs has brought new pressures and strains to the community. Development of residential areas has angered and polarised many residents. Just as there are families struggling to pay for their homes under higher mortgage rates, there are those unable to find a home suitable to meet their changing needs.

This financial struggle is at times exacerbated by the lure of gaming venues. I pledge vigilance in monitoring the impact of gambling on my community. There are too many people appearing before the courts and being convicted of serious crimes who are addicted to poker machines and other forms of gaming. We cannot ignore the high cost of broken families and social dislocation. Gaming machines are a legitimate form of entertainment for many people but they will remain a legitimate cause of concern for me as a member of Parliament.

Another growing concern for the people of Northcote is getting the balance right between a prosperous, sustainable economy and caring for our environment. Labor knows that without economic growth there will be no job growth. Without work there can be no hope. Labor knows that our ecological health is in decline.

Without a solution on climate change and the security of our water supplies there can be no hope. Labor governments have always led in this debate because we do not believe that the environment vis-a-vis jobs represents an either/or proposition.

It is no accident that Al Gore congratulated the Bracks Labor government by saying, 'I want to say how impressed I am with the proposal and initiatives to help solve the problem of the climate crisis', or why leading water expert, Professor Peter Cullen, singled out Victoria as 'the model for the rest of the nation to follow'. Unlike our opponents, Labor's initiatives build consensus among competing stakeholders to provide a platform for sustainable growth.

Before Bob Hawke decisively acted to save the Franklin River and before the Greens party even existed, another environmental battle was fought here in this state. Again it was a Labor government that acted decisively to the advantage of us all. This battle focused on the integrity of Melbourne's water supply in the early 1980s. It had a profound impact on my political views and future direction.

In April 1981 a National Party member for North Eastern Province, the Honourable David Evans, let the cat out of the bag when he proposed the multiple use of Melbourne's pristine water catchment areas. In other words he proposed logging of the Upper Yarra catchment, which, unlike the Thomson catchment, had not been logged for over 100 years. An environmental campaign opposing these plans was launched by a group called TAP TAP. In the fury that followed, the then Hamer-Thompson Liberal government repeatedly denied such plans, yet refused to strengthen legislation to prevent logging in perpetuity. Moreover, it sat on its hands when the authority charged with the task of managing this asset — namely, the Upper Yarra and Dandenong Ranges Authority — recommended in March 1982 that logging be allowed.

Thousands of Victorians rallied on the steps of Parliament House and thousands more signed petitions in opposition. The original 'No advertising materials please' sticker that many of us still have on our letterboxes today was created at that time and sold to raise funds to help the TAP TAP campaign.

In marginal Liberal seats the campaign was particularly intense. On the eve of the 1982 election TAP TAP urged voters to support Labor as the only party committed to opposing logging in these areas. Following his election, this is precisely what John Cain did: he moved to protect the upper catchments from logging in perpetuity — no ifs, no buts.

The campaign made a significant impression on me as it was run from our lounge room by my mother, Veronica Power, who is in the gallery today. I remember protesting, collecting petitions, the constant letter writing and the campaign meetings. I learnt a thing or two about campaigning against the Liberals, but most of all I learned about Labor and its commitment to the environment.

A fundamental aspiration of the Labor Party is to create a society that is measurably better for each successive generation. We do not want our children and grandchildren to lament the damaged environment that we have bequeathed to them. This requires that the prosperity enjoyed today is not bought at their expense. That is why the protection of our environment is a cornerstone principle for Labor governments. It is why the Bracks Labor government leads the way in progressive climate change policies and water initiatives, and by decisively acting in this way it shames the conservatives in Canberra. In short, our commitment to the environment arises from our commitment to justice for our generation and the generations to come.

On 1 May 1891 striking shearers with the same passionate commitment to justice gathered around a tree in Queensland to form the first branch of the Labor Party. This passion for justice drives Labor governments still. We believe that individual prosperity should not be dependent upon your postcode; that the claims of the few do not override the needs of the many; that everyone has the right to be treated fairly in the workplace; that difference should be treated with tolerance; that universal health care is a right not a privilege; and that every person has the opportunity to share in the wealth of the community and to reach their full potential.

If justice is the guiding principle, then there is an obligation to fight on behalf of those who are denied justice. As Pope Gregory the Great said:

When we attend to the needs of those in want, we give them what is theirs, not ours. More than performing works of mercy, we are paying a debt of justice.

This 'debt of justice' is the very lifeblood of the Labor Party as it is in no other. It is for that reason that 100 years to the day after that meeting under the tree I became a member of the Labor Party. I joined because I felt then — and I know now — that only Labor will get the policy balance right, making markets work for people and protecting the environment for all the people yet to come. Only Labor will protect working families from the fundamentalisms of extreme market worshippers and those who wish to drag us back into

the Dark Ages, falsely invoking environmentalism as their excuse.

Getting the policy balance right makes a real difference to migrant families like my own. In 1969 the political circumstances in the country of my birth, Tanzania, became untenable. My family literally shut the front door of their home and walked onto a boat bound for Australia carrying suitcases and not much else. We were not, as many assume, recent arrivals to Tanzania; my family's connection to Africa stretches back many generations to the early 1800s.

An Irish ancestor of mine unfortunately ran foul of the law and found himself on his way to a penal colony in Australia. However, on nearing a South African port he and his convict brother determined to jump ship and risk death rather than face the grim prospect of what lay ahead if they stayed on board. So my family was always destined to reach these shores; we just waited a few generations to receive a warmer reception.

I wonder what those two Irish brothers would say if they knew that their descendant would not only proudly call that former penal colony home but also serve as a legislator in the Parliament of Victoria.

My coming to this house has been a long journey in every way, and I am particularly honoured to have been appointed as the Parliamentary Secretary for Education. The British Labour Prime Minister, Tony Blair, once remarked that the three priorities of his government were 'education, education, education' and that, moreover:

Education is the spark that can light a love of learning, and we know what learning means — horizons broadened, imaginations are fired, confidence and ambition take root. Success only comes through hard work, but how much easier it is to work hard if you can feel the strength of your own inner potential. That is what a good teacher in a thriving school does: they give a child that most precious asset in life — self-belief.

At the November election Labor identified education as its no. 1 priority in government. I could not have asked for a more exciting challenge to make a difference than in this critical area.

Education is the key to equality of opportunity. If we get that right, we can lift the most disadvantaged children out of the desert of despair and into the oasis of opportunity and ensure that anyone with an education and determination can fulfil their potential.

Education is also the key to our economic future. Whether we like it or not, we are being priced out of the market in significant areas of manufacturing. Those

jobs are heading to labour markets where people earn less and endure much lower living standards. Victoria's future lies in giving people the skills and education they will need to be part of a high-growth, high-skilled and ultracompetitive economy. It is that simple.

Education is the only gift that lasts a lifetime, and the Bracks government is committed to ensuring that every child receives that gift. That is why we are embarking on the largest modernising and rebuilding program in decades, committing more than \$2.3 billion over the next five years. Labor will deliver renewed tech wings to every secondary school, build three maths and science specialist centres and build 20 new schools in growth areas. We will also expand the number of selective entry schools like Melbourne High School and MacRobertson Girls High School. We will also expand the select-entry accelerated learning program to schools like Thornbury High School in my electorate. We are committed to ensuring that students with special abilities are given every opportunity to shine in the best possible environment, whether their parents can afford Melbourne Grammar or not.

The government is very proud that students from Victoria's two selective entry government schools, MacRobertson Girls and Melbourne High, achieved the best Victorian certificate of education results for 2006. Any suggestion that these schools should be shut or their programs abolished will be vigorously opposed. Labor is going to fight to ensure all Victorian children are given every opportunity to excel and to reach for the stars.

I pledge to do everything within my power to raise standards and accountability in the provision of education in this state. The future success of our children and Victoria depends on our doing just that.

Just as our children require support to succeed, behind every successful person in politics is an army of sympathisers, enthusiasts and tireless campaign workers. The union movement is led by some of the finest individuals, and I have been privileged to work with many of the best, including Michael Donovan, Russell Atwood, Earl Setches, Tony Murphy and a man destined for great things, Bill Shorten, all of whose knowledge and experience I have counted on and been guided by.

I would also like to acknowledge federal parliamentary representatives Senator Stephen Conroy, Senator Robert Ray and Julia Gillard, whose support I have cherished.

For faithful friendship I would like to thank the Minister for Education and Leader of the Government in the other place, John Lenders; his wife, Elizabeth; as well as you, Speaker, and your husband, Roland Lindell. Thanks also to the Minister for Industry and State Development, Minister for Major Projects and Minister for Small Business, Theo Theophanous, in the other place; the Parliamentary Secretary to the Premier for Multicultural Affairs, Telmo Languiller; newly elected member Robin Scott; and former member Michael Leighton.

I wish to express my undying gratitude to Labor's hardworking activists in Northcote, including the federal member for Batman, Martin Ferguson; the newly elected member in the other place, Nazih Elasmari; Alison Donohue; Steve Tsitas; Giorgia Moar; Ian Dennis; Nesrene Asmar; Andy Mylonas; Philomina O'Connor; Melissa and James Thyer; Denis and Kay Setches; and many, many more. I would also like to acknowledge the support of Jacinta Collins, Henry Barlow, Gail Cracknell, George Logan, Henry Pinski and Will Dowling, all of whom have never wavered.

My sincere thanks to my three parents, Richie Richardson and Tony and Veronica Power; my brothers, Hamish and Alastair; Alastair's wife, Alison, and children Rebecca, Nathan and Jack Richardson. I am what I am largely because of you.

Finally, to my husband, Stephen Newnham, and my children, Marcus and Catherine, you are and always will be my proudest achievement. I hope to do all that I can to make you proud.

Mr O'BRIEN (Malvern) — Deputy Speaker, my congratulations to both you and the Speaker on your election to high office.

I feel greatly honoured to stand in this chamber as the representative of the people of Malvern, and I thank them for the trust they have placed in me. I am the sixth member to represent Malvern since the district was created in 1945. While, like each of my predecessors, I am a member of the Liberal Party, I am conscious that I am charged with the duty to represent all of the people of Malvern, and I will strive to do so to the very best of my ability.

Malvern has been well served in this chamber in the past. I wish to particularly acknowledge the excellent contribution made by my immediate predecessor, Robert Doyle, as both the member for Malvern and Leader of the Liberal Party, and place on the record my thanks to Robert on behalf of both those constituencies. Robert's tireless efforts and commitment to quality

education and a better health system served Malvern and Victoria well.

Another distinguished former member for Malvern is the Honourable Lindsay Thompson, who served as Minister for Education for a record 12 years and as Premier from 1981 to 1982. As education minister, Lindsay built the foundations of Victoria's modern education system. He is a man of policy conviction and personal courage, and was respected on both sides of the chamber.

It is no coincidence that these two former members for Malvern are particularly associated with the field of education. One of Malvern's distinguishing features is the outstanding quality of its schools, some of them government schools but many of them independent. We must cherish the choice that provides, because parental choice is the keystone of a responsive, vibrant and diverse education system — a system that enables any parent or any child to find a school that reflects their values, whether that school be in the government or in the independent sector.

The people of my electorate embrace school choice and quality in education, as do I, because education is fundamental to realising the goal of a society where every individual has the opportunity to develop his or her talents and abilities to their full potential. Education does more than open minds: it opens hearts, and it opens doors.

My mother, Toni O'Brien, brought up her two boys single handed, with her family a world away in Ireland. Yet despite the many difficulties she faced, and at considerable personal and financial sacrifice, my mother ensured that my brother and I received an education that equipped us to take our place in the world with confidence. For that, and for her love and so much else that I can never adequately express, I thank her and acknowledge her presence here today.

I suspect that I am not the first member to say that he became politically charged while at school and university. I joined the Liberal Party in 1989. That was my final year of school and the year in which the Berlin Wall fell. It was a wall which sought to imprison an entire population and symbolised the immorality of an ideology which placed the individual — every individual — at the service of the state. The year 1989 was also the time of the Cain government in Victoria. I am not sure which of those events had the greater influence on my decision to join the Liberal Party, but it is not a decision I have ever had cause to regret.

My political education continued when I enrolled at the University of Melbourne, only to find that what purported to be a bastion of academic freedom and intellectual inquiry operated as a closed shop. This affront led me to join the Melbourne University Liberal Club, of which I have the honour to be a former president and life member, as is the honourable member for Box Hill. Friendships forged in those days with people such as Ian Pattison, Katherine Forrest, Christopher Muir and Scott Ryan have enriched my life and proven that good humour is as essential to politics as it is to life.

I also had the good fortune to learn much about politics from my time working with the federal Treasurer, the Honourable Peter Costello. In 1999 Peter took a chance on a young solicitor, offering him a job as legal counsel on his staff. I thank Peter for throwing caution to the wind all those years ago and for his continued friendship and support.

I also acknowledge the extended family I had in that office, including Elizabeth McCabe, Niki Savva and my former Canberra housemates Mitch Fifield, Tony Smith and Robert Jeremenko. It is a matter of some relief that those walls cannot speak.

As a practising barrister who is now hanging up his robes I would be remiss if I did not refer to a growing concern within the legal profession.

One of the fundamental tenets of our democracy is the independence of the judiciary from the other arms of government. However, that independence is placed under pressure if appointments to the bench are stated to meet any criteria other than strict judicial merit. Any suggestion that judicial appointments ought to be representative of the community, or particular sections of it, is misguided and damaging to the administration of justice.

A court is not a representative forum. That is the privilege and the duty of Parliament, and Parliament alone. A court is a place for the dispensation of justice according to law, and judicial appointments must not be tainted by factors irrelevant to that fundamental task.

Whether it is despite my previous experience in the practise of law and in politics or because of it, I enter this Parliament acutely conscious of the power of government but equally cautious of its potential for misuse.

Over 150 years ago Abraham Lincoln wrote:

The legitimate object of government is to do for a community of people whatever they need to have done, but cannot do at

all in their separate and individual capacities. In all that the people can individually do as well for themselves, government ought not to interfere.

I adopt Lincoln's wise words.

As legislators we must accept our limitations; accept that we are sovereign but not omnipotent; accept that legislative actions by their very nature tend to uniform application when so many individual problems require individual solutions — solutions that are often beyond the understanding of government, much less within the competence of government to provide.

Instead, we must be prepared to place greater trust in our fellow Victorians — trust them as individuals, trust them as families and trust them as communities; trust their industry, their commonsense, their compassion, their sense of justice and their decency; and trust them to do for themselves those things they are capable of doing and to do those things better than can government.

I am confident that Victorians, given the opportunity, will honour that trust.

This brings me to the question of federalism in Australia. Under the Australian constitution our nation is constructed as a federal system. National and state governments are each sovereign, with their own powers and areas of legislative responsibility. This division of powers is not only a product of the wisdom of our constitutional founding fathers, it is a product of the wisdom of the Australian people who ratified our constitution at referenda.

Federalism has a popular mandate in this country that must not be ignored. Moreover, it is a sensible system for a country the size of Australia, where the needs of Cape York may be vastly different from the needs of Cape Woolamai.

Federalism encourages the states to compete, to compare and to contrast. The states have the freedom to act as policy laboratories, to innovate in health, to find new ways to combine economic growth with environmental conservation and to meet the challenges of an ageing population. And where policy mistakes are made in any one state, under a federal system the consequences of those mistakes are quarantined to that state rather than inflicted on the nation as a whole.

There have been many challenges to the operation of our federal system and the role and powers of the states since 1901. The High Court's tendency to favour the legislative power of the national government at the expense of the states is one. Vertical fiscal imbalance is

another, although recent tax reform measures have done much to alleviate that concern.

The latest challenge is, to some extent, self-inflicted. It is the challenge of relevance. Specifically, unless states are prepared to demonstrate that they are willing and able to take responsibility — financial responsibility and political responsibility — for their constitutionally prescribed duties, our citizens will rightly question what it is that we do and why their taxes fund us.

I fear that the influence of our state is diminishing, and we must act now to address the causes that are within our capacity to influence. This is not to say that harmonisation and cooperation between the states and the commonwealth do not have an important place. They do. However, uniformity and centralisation do not, of themselves, benefit the state or the nation. Each issue must be judged on its individual merits.

We cannot claim state rights without accepting state responsibilities. Failure to accept those responsibilities will lead to our citizens turning elsewhere for solutions and to other levels of government stepping into the vacuum, for which we could blame no-one but ourselves.

I sought election to this place to be part of a sovereign Parliament, deliberating and legislating for the good government of Victoria, not to merely be a service provider. So if we wish for Victoria to continue as a sovereign state, we must act like one. That means no more finger pointing and no more blame shifting. That means embracing responsibility for those areas constitutionally reserved to the states rather than looking for opportunities to pass political and financial responsibility to Canberra. It means displaying policy innovation and showing that Victoria can lead the way — the brightest point in the federation star. The continued relevance of this Parliament and of our federal system of government depends on our response to this challenge.

Any successful candidate for election knows that his or her success is a team effort. I wish to thank the Liberal Party's members in Malvern, especially my electorate chairman, Warren Samuel; the vice-chairman, Stewart Stribling; my campaign manager, Narelle Sheezel; and the Deputy Leader of the Opposition in another place, the Honourable Andrea Coote. My thanks also to the hardworking professionals at 104 Exhibition Street, led by state president Russell Hannan, and state director Julian Sheezel. They all kept me cool, calm and elected.

Closer to home my brother, Conor, has been a great friend, a best man and a wise political counsel over the

journey to date. I place on the record my thanks and my affection. I am also very fortunate to have a father-in-law of the acumen and good humour of Les Groves.

Finally, to my wife, Michelle, and my children, Eleanor and Reagan: Michelle, you are my partner in life, my best friend, my greatest supporter and my most perceptive critic. Without your love and support I could not stand here today, nor would I wish to. And to my two beautiful young children, who mean the world to me, I hope and pray that my endeavours in this chamber, and those of all members present, make this great state of Victoria an even better place for you, and for every child, to make your homes and follow your dreams.

Mr CRISP (Mildura) — It is with humility that I stand here today as the elected member for Mildura. I congratulate you, Speaker, the Deputy Speaker, my colleagues in The Nationals and other members, and I offer my acknowledgment to the previous member, Mr Russell Savage, who served the electorate for nearly 11 years. I thank him on behalf of the Mildura electorate for his commitment, and I thank him also for his gracious words in handing the seat over to me on his defeat.

I acknowledge Mr Milton Whiting, the National Party member who last held the seat, serving from 1962 to 1988. I also acknowledge the efforts of a former member of this place, the Honourable Ken Wright, who handed over the reins of representing North Western Province to the Honourable Barry Bishop, a member of The Nationals, who retired at the end of the 55th Parliament. When I decided to stand it was at the urging of Barry Bishop. He asked me to have a go on the basis of my credentials in being committed to the people of the land and in heading the fight against the Bracks government's determination to build a toxic waste facility in the middle of the food bowl, which constitutes the bread and butter of so many of the people in that region.

Especially now, in this place, I put on the public record my heartfelt thanks to my wife, MaryAnn, my family and my extended family, and also to the legion of people who were unflagging supporters throughout my campaign. I owe an enormous debt of gratitude to those people.

Mildura is the unofficial capital of the tri-state economic hub where the Victorian, South Australian and New South Wales borders meet. No matter where they come from, the people of the region are united by one thing — their isolation from their respective state

capital cities. The people in Wentworth visit Melbourne far more often than they do Sydney, and the many people in Mildura visit Adelaide far more often than they do Melbourne.

City people need to look at these communities in different ways. They are communities that have been united by their isolation, by shared hardship and by utter reliance on each other. They farm for the same markets; their kids are all mates; and they share their successes, joys and sorrows. These communities are united by their shared humanity — not divided by artificial state borders designed to suit bureaucrats and politicians who live hundreds of kilometres away.

There have been my detractors. Yes, it is true that I did live in New South Wales and served as a councillor on the Wentworth council and on a health board in the same state literally a stone's throw from Mildura. Those who would seek to condemn me for this action obviously have no idea of cross-border issues such as health, aged care and education. I issue an invitation to those people to visit the region and try to understand how the 250 metres of Murray River water does not just divide two states but unites two or more communities.

My electorate is large and encompasses the desert oasis of Mildura and the surrounding towns of Irymple, Merbein, Robinvale, Red Cliffs, Ouyen and other fiercely proud communities such as Hopetoun, Tempy, Speed, Werrimull, Meringur, Cullulleraine, Murrayville, and so on, that were all founded on both hard work and hard luck, forever relying on the fickle whims of the weather to carve out a livelihood from the soil.

Whether because of climate change, man-made causes or natural causes — I will leave that to the experts to debate — my electorate and indeed not only the entire state of Victoria but two-thirds of the nation in which we live are experiencing tough times, the like of which have not been seen for many decades. We are all short of water. My electorate is full of smart primary producers — producers of many of the agricultural and horticultural products that grace the tables of not only Melbourne's city-living residents but also the tables of interstate and international consumers. They include grapes, wine, fruit, honey, vegetables and the grains that provide the staple for so many of our meals. The majority of these producers are family farms which form the backbone of communities and the fabric of country society and country life. There is a deep concern that managed investment schemes will affect that fabric.

The producers in my electorate have been smart with their water, their chemicals, their diversification and the like. However, this is not solving the big issues currently facing them. All the communities of which I speak with affection — for I have knocked on many of their residents' doors — have similar issues that plague them on many levels. Be it on a business or a family level, these issues include water, red tape, health, safety, education and the fact that their livelihoods could be wiped out by the establishment of a toxic waste dump on their doorstep. My constituents daily face the downturn in local tourism, the lack of a decent rail network to take their produce to market or port, the lack of equity of access to health services and the lack of adequate housing. These are issues that I am keen to tackle.

In particular I would like to focus on four main issues: rail, our hospital, water and the toxic waste dump that the government has earmarked to be built at Nowingi.

The electorate of Mildura has a crumbling rail network. I urge the government to recognise the value of country rail in the same way it identified the value of regional rail in the 55th Parliament. The rail network is now and will be into the future a vital economic country asset for the continued competitiveness of our commodities. Failure to adequately address this issue will see commodities move from road transport with the unavoidable degradation of our road transport asset. A smart Victoria does not pass the buck.

Mildura has a public-private partnership for hospital care. Since the establishment of the current Mildura Base Hospital Mildura has grown, yet the service has not kept up. There are key statistics that show how busy Mildura hospital has become. The community is aware of this, as there are often delays and even overcrowding in accident and emergency departments. I urge this government to find a way to meet the community's needs, particularly before the peak demand of the winter period. The community does not care about complications; it just wants the problem fixed.

On the question of water, I would like to start with a quote from Mark Twain:

Whiskey is for drinking. Water is for fighting over.

Our challenge is not to let the second part of this quote become a reality. We need to secure the future water needs of our state. This is particularly important for those in my electorate who are the last users of the River Murray in Victoria. It will rain again, the river will run again, but we must learn from this part of our history and work to avoid it being repeated. Addressing the distribution losses and the consideration of another

reserve storage at Murray Gates on the Jingellic arm of the Murray are just two of the many proposals that should be considered.

Mildura has turned water into gold and all of Victoria has benefited from this, but without the security of a constant supply of water, the river of gold that makes the cities prosperous will disappear. I am reminded of another quote:

If a country is well, the cities will thrive, but if the country is ill, grass will grow in the streets.

We need to secure Victoria's water.

In May 2004 the state government forever changed its unspoken social contract with the city of Mildura. After a revolt at three preferred locations, the government decided that Nowingi was just the right distance away from Melbourne to locate a toxic waste dump. In fact there was no more distant major Victorian community that the government could have identified for its toxic dump. Already reeling from difficult times in grape, dried fruit and citrus markets, the community copped it again with the toxic waste dump destined for some of the most prized dryland forest in the world.

That decision upset a lot of people in the Sunraysia district who felt betrayed by the state government. After all, their local independent member had paved the way for the government to take control in 1999 and they were still waiting for an upgraded railway line which had been promised many years before. The avoidable toxic waste dump just joined the rest of the dots.

In September 1997 the current Minister for Planning in another place launched the 'Give Toxics the Boot' campaign to protect Werribee from the toxic waste dump which was being proposed by the Kennett government. The member for Broadmeadows, and then opposition leader, took the podium in support of that cause. The planning minister has now received the panel report on the environment effects statement (EES) for the proposed toxic waste dump at Nowingi, near Mildura. The EES was a very narrow inquiry and is considered likely to give the go-ahead for the toxic waste dump on environmental grounds.

The government had earlier chosen three rural sites for the toxic waste dump, but these local communities were able to create sufficient political protest to frighten it off. The government then settled for Nowingi, which is located about 50 kilometres south of Mildura on the Calder Highway. The proposed site sits in the middle of two national parks and it has always been treated as a national park. It is a beautiful piece of land.

The Save the Foodbowl Alliance was formed in Mildura to oppose the establishment of the toxic waste dump. It has a strong and well-reasoned view that no toxic waste dump should be built anywhere in Victoria until such time as industry meets international best practice for reducing toxic waste levels. At present Australia is way behind Europe, Japan and even the USA in reducing toxic waste. This is not a not-in-my-backyard, or NIMBY, argument by Mildura residents. The toxic waste dump in itself is absolute madness. The present major toxic waste dump is located at Lyndhurst near Dandenong, with some going to Tullamarine. About 95 per cent of the state's toxic waste comes from Melbourne. Suddenly this will have to be transported to Nowingi.

The present toxic waste load is about 89 000 tonnes a year and the cost of disposal sits at around \$300 a tonne. The toxic waste dump proposed for Nowingi is designed to receive around 10 000 or 15 000 tonnes a year, yet with the current waste load this means the facility will be filled in three or four years. In order to get the toxic waste down to that level, it is estimated that disposal costs will need to go past \$3000 a tonne in order to make the facility last the proposed 25 years. Either way the present solution does not work and it is a huge and wasteful expense. A brief report prepared by the Save the Foodbowl Alliance suggests the estimated cost of this dump is about \$200 million over its life. Victoria can better invest its money.

One of the additional sleepers is that a consolidation yard will need to be established in Melbourne to accumulate toxic waste for transporting to Mildura. In some of the submissions to the EES panel, the government stated that rail transport is an economical option for freighting the toxic waste. However, the track is literally falling apart and it is estimated that a total refit cost is around \$200 million, which is based on the estimates gleaned from various sources, including the fast rail experiences. The dog spikes holding down the rail can be literally pulled out by hand; others litter the trackside.

If the government were prepared to tackle industry and invest half the money allocated to the toxic waste proposal in treatment technologies and industry assistance, there would be no need for this new toxic waste dump at Nowingi. The load could be reduced to around 10 000 to 15 000 tonnes per annum, perhaps even lower, and local councils invited to tender for the facility.

I urge the government to build a better Victoria, not one that dumps on country Victoria — a government that unites rather than divides. Division leaves people

disenfranchised and disillusioned. There are better ways. The Bracks government needs to give toxics the boot. Let us do what we are all committed to do — build a better Victoria.

Debate adjourned on motion of Mr BATCHELOR (Minister for Victorian Communities).

Debate adjourned until later this day.

SCRUTINY OF ACTS AND REGULATIONS COMMITTEE

Membership

Mr BATCHELOR (Minister for Victorian Communities) — I have a number of motions I seek to move by leave, and I will move them sequentially.

Firstly, by leave I move:

That the members for Bundoora, Brunswick, Murray Valley, Kew and Sandringham be members of the Scrutiny of Acts and Regulations Committee until 28 February 2007.

In moving this motion I wish to point out to the house that this comes before the house with the agreement of the other parties. It is an expedient resolution, because the other parliamentary committees are not yet ready to be established and constituted. But we have agreed as a Parliament, as you will hear through the course of this debate, that because of the role of the Scrutiny of Acts and Regulations Committee in examining legislation and providing advice to the chamber, it would be best in terms of the performance of Parliament and the outcomes that Parliament is seeking to achieve in considering in detail the various bills that are going to be brought forward by the government, that this committee be constituted now. We have also agreed that when the other parliamentary committees are constituted in the February sitting weeks, we will have the opportunity to reconstitute this committee.

Those members who are being appointed today know that there is that sunset provision, but in the interregnum they will be required to carry out the work of the Scrutiny of Acts and Regulations Committee and provide advice to the house. During the period of time until 28 February 2007 it is the intention, certainly at this point in time, to have that committee reconstituted along with the other parliamentary committees, so when members on both sides of the chamber are considering putting their names forward for membership of parliamentary committees, particularly joint parliamentary committees, of which this is one, they will be able to do so in full knowledge of the suite

of opportunities available to them to serve this Parliament.

I would point out to you, Deputy Speaker, that the other place has already carried a similar resolution with the same sort of sunset provision, nominating the members from that chamber to this committee.

I have pleasure in moving this motion in the expectation that once this committee is established by its successful passage, those members, together with the members of the upper house, will be able to provide advice to this chamber on bills and be reconstituted by the 28 February sunset provision.

Mr McINTOSH (Kew) — The opposition supports this motion. I do not need to go into any further detail other than to adopt the words of the Leader of the House.

Mr DELAHUNTY (Lowan) — On behalf of The Nationals, I do not oppose this motion. We have one member on it — the member for Murray Valley — who tells me that today is the first day of his 10th Parliament. So today is a bit of a birthday for him too.

The Nationals are happy that the 28 February 2007 sunset provision be included in this motion. We have a taxing bill before us today, and that will obviously go through, but the Scrutiny of Acts and Regulations Committee provides good advice to the Parliament. We support it, and we support this motion.

Motion agreed to.

BUSINESS OF THE HOUSE

Sessional orders

Mr BATCHELOR (Minister for Victorian Communities) — This motion relates to sessional orders for the 56th Parliament. I move, by leave:

That the following sessional orders be adopted to come into operation with effect from the next sitting day:

1. Days and times of meeting

Unless otherwise ordered, the house will meet each Tuesday at 2.00 p.m. and each Wednesday and Thursday at 9.30 a.m.

2. Act titles

- (i) The Clerk of the Parliaments must alter the title appearing before the enacting words or if there is a preamble before the preamble in a bill that is to be

presented to the Governor for royal assent by substituting the word 'Act' for the word 'Bill'; and

- (ii) the alteration of the bill to give effect to paragraph (i) is not to be taken as an amendment to the bill.

3. Incorporation of statements of compatibility

The statement of compatibility tabled under section 28 of the Charter of Human Rights and Responsibilities Act 2006 will be incorporated in *Hansard* without leave being required.

By way of a brief explanation, the house will recall that during the term of the last Parliament — the 55th Parliament — the Assembly took a decision to consolidate a series of sessional orders that had grown in number and complexity over a number of parliamentary terms in the revised standing orders that came to this house by way of recommendation from a joint committee.

On a day like today, the opening of a new parliamentary term, the intent that was expected at that point in time has come to fruition, so that most of the rules of procedure that were previously incorporated into the standing orders will continue to operate.

In the last term we had one sessional order, and that related to the days and times of meeting. It was argued at the time, and it is still being put forward now, that setting the days and times of meeting should be a conscious decision of each incoming Parliament. That is why these operational provisions are contained in the sessional orders rather than in the standing orders.

The second element enables the clerks of the Parliament to alter the title, either at the beginning or before the preamble of a bill which is to be presented to the Governor for royal assent, by substituting the word 'Act' for the word 'Bill'. This is a technical procedure. It is very similar to the procedures carried out by the clerks after the end of one calendar year and the beginning of the next, when the passage of some bills overarch those two calendar years. Then the clerks have the administrative ability and are required to change the titles of those bills to conform with the year in which they are passed. This motion makes the procedure much more streamlined.

With the passage of legislation that brings new law into play, this motion will facilitate a process which starts with legislation in the form of a bill but concludes with the royal assent being given by the Governor. The clerks will be able to make that administrative change which does not affect the substance of either the bill or the act but has the legislation appear in the correct form for the giving of royal assent.

The third of these amendments to the standing orders deals with the incorporation of statements of compatibility under section 28 of the Charter of Human Rights and Responsibilities Act which was passed last year. The minister, when introducing a bill to the house, must deliver a statement of compatibility to make sure that the bill is compatible with the charter of human rights. We are endeavouring to have a mechanism to enable statements of compatibility to be incorporated in *Hansard* in a similar way the second-reading speeches are placed on the *Hansard* record. The context of how this would work is that at some stage during the presentation of the second-reading debate the sponsoring minister would make it available.

The option we could have undertaken was simply to have a table and members would have had access to it on that day and subsequent days when each piece of legislation was being debated, but the intent here is not only for that procedure to be made available to members of the house on the day of its debate, but for it to be incorporated into *Hansard* so that those looking at the procedures for each passage of legislation could also see not only the second-reading speech and the second-reading debate but also the statement of compatibility.

This goes a long way towards putting into effect this government's decision to have a charter of human rights and to require statements of compatibility. This will be achieved through a very simple machinery of government, a sessional order, that will be put into effect. I would expect it would receive widespread support.

Mr McINTOSH (Kew) — The opposition certainly does not oppose these sessional orders, and indeed we accept the first two as being very necessary to the process. However, the opposition pauses to draw breath to some extent, not so much from the point of view of statements of compatibility being incorporated in *Hansard* but perhaps in relation to the way the government has gone about this without much thought. At the end of the day, whether you support the idea of a charter of rights or not, the statement of compatibility is a very integral part of that process, and all those members who were in the previous Parliament will recall that the statement of compatibility was the cornerstone of this charter.

Given that any legislation that we as members of Parliament pass in this place can change and alter people's rights and liberties and that an ordinary act of Parliament can be amended from time to time, it is most important that a statement of compatibility be made in a positive sense so that a bill conforms with the charter of

rights. Likewise you could say that when a bill does not conform with the charter of rights for certain reasons, those reasons should be set out quite clearly.

The other thing I draw breath about is that this is essentially unlike any other activity in this place. I said at the time of the debate that the statement of compatibility may very well be justiciable in a court because a court has to consider the statement of compatibility; it can actually pass judgment as to whether or not it accepts what the minister says. It is still the law, but the way this will operate is that on the rare occasion it comes before a court, that court will be able to actually pass judgment on whether the minister or this place got it right.

Likewise, it was certainly everybody's understanding that this would be a significant part of the process in passing a bill through this place. We know that the Scrutiny of Acts and Regulations Committee will now have that expanded responsibility to also pass judgment in relation to every single act that passes this place as to whether it conforms with the charter of rights and responsibilities.

The most important thing about this particular aspect is that one would have thought it would have been something upfront and crucial to the whole process of the debate rather than just being tabled. I thank and acknowledge the clerks who picked this up — not the government but the clerks — who have provided a mechanism whereby it can at least form part of the record of this Parliament through *Hansard*.

I would like to think that mature heads would suggest that if it has to be made before a second-reading speech it ought to be something like a section 85 statement and it should be clearly stated by a minister as part of that second-reading speech, even if it is at the beginning of that second-reading speech rather than just being tabled at some other time. Essentially and most importantly, that is the time when we all find out about the detail of a bill that comes before this Parliament — that is, at the time of the second-reading speech, when you get a copy of the bill and you get a second-reading speech read out. I would like to think that when people are considering a bill, from the first moment they know what a minister is saying about whether it complies or does not comply with the charter of human rights and responsibilities.

Having said that, I hope that wise heads prevail and that this statement is made up front like a section 85 statement, although there is a different precondition as to when that statement has to be made. I would like to think it would be made by the minister orally during a

second-reading speech rather than merely being tabled as a document. It would form part of the record of this Parliament, but it would also form part of the body politic of this place, because it would be a crucial and important document. It would be one of the only times I can think of when what we do in this place could ultimately become justiciable.

Mr DELAHUNTY (Lewan) — On behalf of The Nationals I say that we are not opposed to this motion. With regard to the days and times of meetings, the motion states that we will start at 2.00 p.m. on Tuesday and at 9.30 a.m. on Wednesday and Thursday. It does not give the finishing times and I just want to record that The Nationals are very keen to continue the sitting times we had during the 55th Parliament.

We travel long distances to get here for the sittings of Parliament and it would be wrong for us to go back and sit in our hotel rooms or units when we could be sitting in here doing some work on behalf of the people we represent in country Victoria. The member for Mildura has about a 6-hour drive to get here, although if he is lucky enough to catch a plane it takes about 1 hour. The member for Swan Hill has a 4-hour drive and it is about a 3½-hour drive for me. We would rather see debates continue as they are. We hear that the finishing times could change, so I record that we would rather continue with the current times.

The second part of the motion deals with act titles to provide a greater understanding of the acts of Parliament, and we see no problem with that. Again, we congratulate the parliamentary staff for bringing forward this change. It is the sort of commonsense stuff that we in The Nationals are in favour of, so we support it.

The third part of the motion deals with the incorporation of statements of compatibility. Section 28 of the Charter of Human Rights and Responsibilities Act requires that a member introducing a bill table a statement of compatibility before making a second-reading speech. Already in this 56th Parliament we have heard one second-reading speech before this motion has been passed. I listened to the three or four-page second-reading speech and I do not believe there was any reference to the charter of human rights and responsibilities legislation.

When that bill was debated in the Parliament earlier this year we opposed it. We believed it would create confusion and division within the Victorian community, but more importantly it has already shown that it has created some confusion within the Parliament. We do not believe the charter of human

rights legislation provides for anything that the government wants people to think it will provide for. We will wait to see whether it truly provides the things the government said it will. We believe the statute law and common law have served our Parliament and Victorians for many decades. That is one of the reasons why we opposed the legislation.

Today I obtained a copy of the Charter of Human Rights and Responsibilities Act which was passed this year. Section 28 deals with statements of compatibility. Section 28(3) states:

A statement of compatibility must state —

- (a) whether, in the member's opinion, the Bill is compatible with human rights and, if so, how it is compatible; and
- (b) if, in the member's opinion, any part of the Bill is incompatible with human rights, the nature and extent of the incompatibility.

Section 28(4) states:

A statement of compatibility made under this section is not binding on any court or tribunal.

There are many ways for the government to get out of this. Section 29 is headed 'No effect on Victorian law' and states:

A failure to comply with section 28 in relation to any Bill that becomes an Act does not affect the validity, operation or enforcement of that Act or of any other statutory provision.

That is how the government got out of including it in the second-reading speech today.

It is interesting to note that the government's first motion dealt with the Scrutiny of Acts and Regulations Committee. Section 30 of the Charter of Human Rights and Responsibilities Act states:

The Scrutiny of Acts and Regulations Committee must consider any Bill introduced into Parliament and must report to the Parliament as to whether the Bill is incompatible with human rights.

Already we have seen that that has not proceeded. The legislation is not yet six months old and we are already jumping the hurdles that it has created. Section 39 is headed 'Legal proceedings' and section 39(3) states:

A person is not entitled to be awarded any damages because of a breach of this Charter.

Even if we did something wrong, there are no legal or financial penalties for the government at this stage. As we said back in June or July when the legislation was debated, we do not believe it will deliver the things the government says it is promising. We do not think it is necessary. We believe it is more about social

engineering. If the charter of human rights was so important, why did the government not incorporate it into the second-reading speech we heard earlier today? The charter will cause confusion and be divisive, but we have to operate within it. However, for those reasons The Nationals will not be opposing the motion before us.

Motion agreed to.

Proclamations

Mr BATCHELOR (Minister for Victorian Communities) — I move, by leave:

That this house authorises and requires the Clerk to table copies of proclamations of the Governor in Council fixing dates for the coming into operation of acts, as published in the *Government Gazette* from time to time.

This is a procedural or operational sessional order. It simply facilitates the expeditious operation of the house. It requires the Clerk to table copies of proclamations when acts come into operation. It enables the Clerk to do that procedurally time after time without having to bring the matter before the house on each occasion via a procedural motion. It is a simple and straightforward procedural recommendation that will make the operations of the house much smoother.

Mr McINTOSH (Kew) — The opposition supports the motion.

Mr DELAHUNTY (Lowan) — The Nationals also support the motion.

Motion agreed to.

STATE TAXATION LEGISLATION AMENDMENT (HOUSING AFFORDABILITY) BILL

Second reading

Debate resumed from earlier this day; motion of Mr BRUMBY (Treasurer).

Mr WELLS (Scoresby) — On behalf of the Liberal Party I rise to speak on the State Taxation Legislation Amendment (Housing Affordability) Bill. The purpose of the bill is to give effect to the government's election promises on housing affordability and payroll tax; to provide stamp duty reductions for the purchase of residential property which is clarified as a principal place of residence; to extend the first home owner grant scheme and to provide additional grants to first home purchasers of newly constructed residential premises;

and to bring forward previously announced payroll tax cuts by six months.

The first of the main provisions concerns stamp duty reduction for the purchase of residential property which is bought as a principal place of residence. It applies to properties with a dutiable value between \$115 000 and \$500 000. There will be an approximately \$2600 reduction on a median-priced property of around \$360 000. The maximum saving under this program will be \$2850. The cost to the budget is \$305 million over five years. First home buyers will have a choice between taking the new stamp duty rate reduction or the first home bonus — they do not get both.

The second part of the bill provides for an extension of the first home owner grants, with increased grants for new properties. The first home owner grant scheme was to expire on 30 June 2007 and the government wants to extend it to 1 July 2009. The bill provides \$5000 grants to first home purchasers of newly constructed residential premises and \$3000 for used properties. The cost to the budget will be \$234 million over four years.

The payroll tax cuts which were promised in May last year will be brought forward by six months. The cut of 0.10 per cent, from 5.15 per cent to 5.05 per cent, will commence from 1 January 2007 rather than 1 July 2007. The government claims that 23 000 businesses will benefit from those cuts. The direct cost to the budget will be about \$26 million.

The opposition will not oppose the bill but I would like to make some further comments on it.

The government announced these measures in a press release of Sunday, 29 October. It states that the Premier released:

... Labor's housing affordability policy to help Victorians buying a home for the first time and those already in the property market, while ensuring access to affordable accommodation for all Victorians.

It is important to mention some of the points because I want to come back to the way members of the Labor Party went about putting together their election promises and the way they did their audit for this particular process.

Mr Lupton interjected.

Mr WELLS — We will get to that. It might be very interesting for members to know just some of the processes that Labor chose. I will go to some of the things that Deloitte said. The press release of 29 October goes on:

Cuts to stamp duty from 6 per cent to 5 per cent on family homes ...

As I have mentioned, it refers also to:

A \$2850 cut to stamp duty on houses ...

Extending the \$3000 first home bonus until 30 June 2009.

In a press release two days later Labor referred in glowing terms to the way that Deloitte reviewed the Bracks government's election promises. In a press release of 31 October the government goes to great lengths. It states:

Accounting services firm of the year, Deloitte, has been engaged by the Australian Labor Party to review the cost and budget impact of the Bracks government's election commitments, Premier Steve Bracks and Treasurer John Brumby announced today.

'Deloitte has independently assessed the Labor Party's election commitments to ensure our policies are affordable and responsible ...

...

Deloitte has concluded: 'recurrent expenditure commitment estimates have been prepared with due skill and diligence and accurately in all material respects with appropriate supporting assumptions'.

It sounds great. It goes on:

'They are also satisfied that all of our capital investment commitments are capable of being accommodated within existing budget forward estimates', Mr Brumby said.

'This means our policies are funded without a single additional dollar of debt — every promise made by Labor will be delivered within the budget.

'Deloitte will also complete a second stage sign off in relation to the impact on future budgets following the release of the pre-election budget update by the secretary of Treasury'.

The opposition accepts that. I refer to the letter that Deloitte signed off. It is very clear. It is addressed to the state secretary of the Victorian branch of the Australian Labor Party. In the second paragraph it says that it has:

... calculated whether the total value of the capital investment commitments to be made as part of the 2006 election are within the unallocated capital budget contained in the Department of Treasury and Finance forward estimates contained in the 2006–2007 Victorian budget papers.

Based on the work performed, we have concluded that:

The recurrent expenditure commitment estimates appear to have been prepared with due skill and diligence and accurately in all material respects, with appropriate supporting assumptions.

The total capital investment commitments appear to be capable of being accommodated within the Department

of Treasury and Finance forward estimates contained in the 2006–2007 Victorian budget papers.

The opposition accepts that. If one goes to *Labor's Financial Statement 2006 — The Third Term of a Bracks Labor Government* and looks at the section headed 'Summary of Labor's 2006 Election Commitments', one sees that total new capital investment is \$3277 million — in other words, about \$3.3 billion in new capital. I went to the same place as Deloitte went to and looked at unallocated capital. In budget paper 2, *2006–07 Strategy and Outlook*, the total amount for unallocated provision for future allocation is \$2210 million. The total unallocated provision for future allocation is \$2.2 billion but Labor's commitment to capital is \$3.3 billion, so under its own audit process the government is \$1.1 billion short on capital expenditure.

In the press release the government stated that there would be another update, and there was. On 21 November Deloitte put out another letter, also addressed to the state secretary — as the parliamentary secretary races off to grab the Treasurer, just to make sure that all these points can be clarified — in which it states:

Based on the work performed, we have concluded that:

The estimated net recurrent initiatives prepared by Labor could be accommodated within the forecast — —

Mr Stensholt — On a point of order, Deputy Speaker — and I congratulate you on your appointment to your position — I was just wondering whether we are debating the bill or previous budget papers and other things dealing with capital expenditure? The bill is actually dealing with taxation, not with capital.

Mr WELLS — On the point of order, Deputy Speaker, the reason we are debating this bill is because it reflects an election promise. I am merely looking at the process of those election promises, using the Labor Party's own audit system, so I ask you to rule out the point of order.

The DEPUTY SPEAKER — Order! I have heard enough on the point of order. I will rule on the point of order. As the member for Burwood and other members would know, a certain amount of leeway is given to lead speakers in a debate. However, I believe the member for Scoresby should be a little clearer on how he is relating those remarks to the content of the bill. I recognise there is some leeway, but I think he is straying just a little bit.

Mr WELLS — Isn't it an interesting night! We are talking about an election promise and an audit process,

and all of a sudden members of the Labor Party backbench are all going to water over it.

Honourable members interjecting.

Mr WELLS — We are talking about the State Taxation Legislation Amendment (Housing Affordability) Bill, which contains an election promise. The reason that it was introduced today is because the government wants that promise to be in place by 1 January 2007. I am merely looking at the audit process for this particular piece of legislation. When I go to the Deloitte letters I am referring in part to this particular piece of legislation.

I go to the Deloitte letter of 21 November which refers to this particular piece of legislation, among others, and states:

Based on the work performed, we have concluded that:

The estimated net recurrent initiatives prepared by Labor could be accommodated within the forecast net results from transactions reported in the pre-election budget update for the three years ending 30 June 2010.

The second point in the letter reads:

The impact of the estimated net recurrent initiatives prepared by Labor on the forecast net results from transactions reported in the pre-election budget update indicates a budget operating surplus in excess of \$100 million per annum.

What I ask, and it is a simple, straightforward question — —

Mr Stensholt — That is a long bow to draw.

The DEPUTY SPEAKER — Order! The member for Burwood has a very loud voice.

Mr WELLS — The question I am asking is very simple and straightforward. In the first letter Deloitte mentions the capital, and it is happy about the audit process for that, but in the second letter there is no mention of capital. We have a \$1.1 billion shortfall in capital. The government's own audit process does not stack up. We are still waiting for an intelligent conversation or an intelligent point of order for something to happen to be able to justify why the government's own audit process was flawed.

Mr Stensholt interjected.

Mr WELLS — I can understand the member for Burwood getting really upset because I guess he played a part in working out the audit process, and it has not worked at all. It is incredibly disappointing. Let us go a step further and look at the pre-election budget update

that was intended to make sure the government had enough money to pay for its budget promises.

Mr Holding interjected.

Mr WELLS — When you make sure you have the money available to pay for the State Taxation Legislation Amendment (Housing Affordability) Bill you have to — —

Mr Holding interjected.

Mr WELLS — The government did not realise there was a cost to the budget, and it stuck it in. As the finance minister you do not understand there is a cost to the budget. You do not understand there is a cost to the budget!

The DEPUTY SPEAKER — Order! The member for Scoresby, through the Chair. And the minister will cease interjecting across the table.

Mr WELLS — Through you, Deputy Speaker, when we look at the update we find that the unallocated provision for future investment is \$2.5 billion. No matter which way you look at it, Labor does not have the money to fully fund its capital expenditure. It is around \$800 million short under its own audit process. That is why members on this side of the house are struggling with how the Labor Party is going to pay for its election promises, such as the one we are debating tonight.

I raised the point that the government's audit process is flawed, and we have great concerns about how it is going to pay for what is outlined in this particular bill. We are also concerned about the \$800 million shortfall in capital expenditure. When the Treasurer is summing up we will be listening with great interest to how he explains that.

When you look at what the government was putting forward during the election campaign you see that the Liberal Party was also focusing very strongly on stamp duty, and their promises were not too dissimilar. But one of the big differences between the two parties is that we believed that first home buyers who really needed the money should be given both the first home bonus and a cut in stamp duty. We wanted to make sure they received those benefits. We are disappointed that there was no mention of land tax by the government during the election campaign, and we are disappointed with this bill. Land tax is destroying many small businesses today. We promised to make sure that all properties valued between \$540 000 and \$2.7 million would receive some sort of benefit.

Earlier I mentioned payroll tax. There will be a cost to the budget of \$26 million. That was foreshadowed in the budget in May this year when the government said it would further reduce payroll tax to 5 per cent over three years: from 5.25 per cent to 5.15 per cent, and then to 5.05 per cent. These cuts were said to be worth \$533 million over four years.

It is interesting to note and needs to be put on the record that this government talks about equity when it comes to taxation. Let us look at some of the history of the Labor Party in regard to the three things we have mentioned. Since Labor came to government in 1999 it has raised the take from stamp duty tax from \$1 billion in 1999 to \$2.7 billion in 2006. It has increased the stamp duty on a median-priced house in Victoria by 71 per cent to \$17 560, it has increased stamp duty on a median-priced house in Melbourne by 91 per cent to \$18 160 and it has collected \$14 billion in stamp duty from home buyers since 2000. It did not offer 1 cent towards a change in stamp duty until the death knock of the election.

When we look at the extension of taxes we see that there is now a payroll tax on fringe benefits and termination payments, payroll tax on apprentices and trainees, stamp duty on mortgage debentures, stamp duty on extensions to land-rich companies, new payroll tax on employment agencies, a transit city tax and land tax on properties owned through trusts. We understand there is a certain amount of criticism of what the Labor government has promised, taking into consideration the amount of money it has collected over the last seven years and the amount it is giving back to taxpayers.

The Housing Industry Association (HIA) put out a flyer on 6 October 2006 with the heading 'Cutting stamp duty will assist home buyers'. It states:

First home buyers in Victoria pay more in stamp duty on an average priced home than in any other state according to the HIA.

In Victoria, stamp duty on new homes can represent as much as 6 per cent of the cost of a new house with first home buyers paying \$13 600 on a \$300 000 home compared to New South Wales where first home buyers pay no stamp duty at all on any new house up to a value of \$500 000.

After making those few points, I indicate that the Liberal Party will not be opposing this bill, but we look forward with great interest to what the Treasurer has to say in regard to the financing and audit processing of this particular election promise.

Dr SYKES (Benalla) — It gives me pleasure to rise in behalf of The Nationals to speak on the State Taxation Legislation Amendment (Housing

Affordability) Bill. The Nationals support the bill on the basis that if it is good for country Victoria, we will support it. That view has repeatedly been espoused by the Leader of The Nationals. It is encouraging that that seems to have been recognised by the electorates of country Victoria, which supported us very strongly at the recent election with something like a 12 per cent swing and a couple of extra seats coming our way.

The key aspects of the bill have been covered very succinctly by the member for Scoresby. Whilst, as I said, we Nationals support the bill, we strongly believe it does not go far enough in its support of country Victorians — and young country Victorians in particular. There is a continuing drift of young people away from country Victoria to the big smoke. This long-term trend of youth exiting from country Victoria has been compounded by a series of here-and-now crises, including the drought and its associated lack of water, the closure of the tobacco industry in the north-east river valleys and, as we discussed earlier in the day, the severe fires that started in north-east Victoria and are ravaging the high country.

I would like to spend a moment or two on those fires, given that other speakers have raised the issue during the day and given that they are impacting very heavily on my electorate. The fires — about 50 of them — started a couple of weeks ago after lightning strikes. I was involved from the start as a result of the regional fire manager of the Department of Sustainability and Environment (DSE) contacting me and inviting me to participate in briefings in order to remain abreast of the issues.

I should say I was very impressed with the commitment to the principle of fighting the fires with a focus on, as mentioned earlier today, local knowledge, asset protection and aggressive control measures. There have been hiccups, but when they were fed to me they were fed on to management, and I am very pleased to say that those hiccups have been addressed where necessary. I add my thanks to the Country Fire Authority and DSE firefighters, to those who have come from interstate and overseas, and also to the State Emergency Service, the police, the Red Cross, local government and the timber workers and contractors out there. As has been said, there are up to 50 bulldozers working 24 hours a day, seven days a week, building the fire control line to protect Melbourne's water supply. Members of the general community have made a heck of a contribution, and they have been under enormous stress.

I return to the legislation. This bill seeks to improve home affordability, especially for first home buyers.

The Nationals fully support the reduction in stamp duty, but we ask why stamp duty has not been reduced to zero for first home buyers of houses up to \$500 000, particularly in country Victoria, which would encourage young people to stay in country Victoria or return there to raise their families. Similarly, we ask why there is not a preparedness to go further and reduce stamp duty to zero for young people buying their first farm in country Victoria, which would facilitate the intergenerational transfer of farms in Victoria and maintain Victorian farmers at the forefront of international agricultural pursuits.

The provisions detailed in the bill have parallel provisions in similar, related legislation. Although there is a limited amount of time to assess the bill, it appears to be an appropriate and sound way of achieving the objective of improving the affordability of houses.

Business interrupted pursuant to standing orders.

Sitting continued on motion of Mr HOLDING (Minister for Finance, WorkCover and the Transport Accident Commission).

Dr SYKES (Benalla) — The advancement of the introduction of the second stage of payroll tax reductions from 5.15 per cent to 5.05 per cent is welcome, but again The Nationals suggest that this does not go far enough to encourage employment in country Victoria. We believe there should be a 20 per cent payroll tax reduction in country Victoria, because it is necessary to encourage employment growth in country Victoria in order to maintain the opportunity for people to gain productive employment and therefore meet their housing repayments or rental requirements, if that is what they seek to do.

As I mentioned earlier, country Victoria is in an extreme economic and social plight at the moment. In basic terms it is damn tough. The drought is a 1-in-100-year or 1-in-1000-year event, depending on who you listen to. From a farming point of view the drought has reduced feed availability. We have seen an increase in feed prices, water is becoming scarce and stock prices are crashing. The flow-on impact on the local communities and local businesses is very significant. Some businesses are operating with a 70 per cent reduction in their incomes, which is having a flow-on affect on communities. Young people and others are now unemployed and looking to go elsewhere. At this stage the drift of young Victorians away from country Victoria is increasing.

In addition to the drought, there have been three waves of frost which have knocked the stuffing out of the

grape industry particularly in the Ovens and King valleys but also elsewhere in my electorate. To survive is a real test of the persistence and resilience of the people who work at vineyards. Whilst the closure of the tobacco industry is supported by a fairly significant federal government package and there has been a commitment by the Victorian Minister for Agriculture to support growers making a transition to other industries, the reality is that we are going to have to struggle to retain our young people in country Victoria unless we make an effort to provide alternative forms of employment and seek to ensure that there is affordable housing.

Now we have fires which may be the straw that breaks the camel's back. The social and economic implications of the fires are massive. Last Saturday the front page of the *Border Mail* carried a report that suggests the fires have already had a \$100 million economic impact on our area. It does not matter how cheap housing is — if you do not have an income or a job and there is nowhere to work in the area, low-cost housing is not relevant. My phone and email service are running hot at the moment because people are raising their concerns. I would like to draw some of them in a constructive fashion to the attention of the government.

Lena Birti from Kancoona Valley Wines outlines in a letter to me that her business experienced the fires in 2003. It was just recovering from the 2003 fires, but on top of that it has suffered smoke damage from the recent fires. The business has attempted to set up a cellar door cafe, but no-one is coming to the area now because of concerns regarding the safety of tourists. The net result is that the business is doing it tough. She asked whether there is going to be any form of financial assistance available to farmers and tourist operators. I have mentioned that there are some forms of assistance available to people who have been affected directly by the fires, but that assistance must be extended to involve businesses that have lost their custom but not necessarily had their infrastructure burnt down.

I have also had an email from Yvonne Evans of the neighbourhood centre at Mount Beauty. She made it quite clear in her email that her community is facing a severe economic crisis, particularly in her area because it was affected by a poor snow season. Businesses in the Mount Beauty area did not have a good snow season to generate income to survive the tough period the area is currently experiencing.

In 2003 the Bright Country Golf Club, which I visited last week, lost \$30 000 in income. People did not come to the area because of the bushfires. It is already \$5000 down in profits. The club secretary says the business

cannot survive unless there is support. We may end up with cheap housing in north-east Victoria, but people will not live there because there will not be any jobs. We need to address the broader issues of employment and economic recovery to complement the provisions of this bill.

I have another email from a business in Mount Beauty. The business is very grateful for the support from the firefighters and the government's input so far, but it is struggling because of a drop in its income as a result of tourists being discouraged from coming into the area.

Finally, a very competent tourist operator has suggested a solution. A letter from the operator says that when solutions are being put in place, they should include a tourism promotion strategy like that following the 2003 fires. Those strategies must be implemented immediately and must use local expertise. During the last fires around \$2 million was invested in tourist promotion strategies, but very little of that money actually came to north-east Victorian businesses. We are saying, 'Get those strategies in place immediately and ensure that the money comes locally so that everyone in the local area benefits'.

The government should be encouraged to make packages available to businesses — as I said, not just those businesses or properties that have had their infrastructure burnt, but those which have had their income substantially reduced. The government should also look at reimbursing the cost to local government of combating the fires. Mansfield shire has already incurred a debt of over \$250 000, and it cannot stand to carry that loss.

Turning to the issue of drought, there is no point in pursuing affordable housing if we do not have people to live in it, so we are asking the government to address the water issues by ensuring pragmatic and equitable solutions. The \$1000 tank rebate applies only to people on reticulated supplies. Other people are missing out, and that is illogical. At a local level we have the Mount Buffalo Chalet under economic pressure. Some 4000 people have signed a petition saying 'Save the chalet'. That can be done at very little cost to the government if it comes up with a more appropriate and longer lease for the chalet and if it looks at reducing operating costs.

In summary, we in The Nationals support the bill as far as it goes, but we call on the government to live up to its claim of governing for all Victorians. We ask that the government work with members of The Nationals — who have been given a resounding endorsement by country Victorians to represent

them — to implement the provisions of this bill, but also to adopt the additional measures, some of which I have mentioned today, to ensure there is a viable, economically sustainable country Victorian community after we get through this drought and that country Victoria remains a great place to live, work and raise a family.

Mr DONNELLAN (Narre Warren North) — I welcome the support of The Nationals and the use of our little catchcry. That was very good!

It is an honour to speak on the State Taxation Legislation Amendment (Housing Affordability) Bill. This bill very much implements commitments the government made during its successful campaign in 2006 to provide stamp duty relief, to change the first home buyer bonus scheme and to bring forward the payroll tax cut as announced previously.

In the 2006–07 budget the government announced a reduction in payroll tax from 5.15 per cent to 5.05 per cent to take effect from 1 July 2007. We have brought this forward to 1 January 2007. The first home buyer bonus of \$3000 was due to expire on 30 June 2007. We have now extended this scheme to 30 June 2009. Under the extended scheme total grants for first home buyers will be up to \$10 000 for established homes and \$12 000 for newly constructed homes, which is a great bonus for many people in my electorate. Amendments will be made to the Duties Act of 2000, the First Home Owner Grant Act of 2000 and the Pay-roll Tax Act of 1971.

In relation to tax relief for home buyers, the legislation provides that you have to be 18 years of age or over to qualify for stamp duty reduction; it contains a definition of a newly constructed home, which is the same as the definition in the GST legislation; and it contains a definition of a principal place of residence, which is very much the same as that used in the Land Tax Act. Clearly these definitions are required to ensure that only those people who deserve to receive the stamp duty and to be part of the first home buyer scheme are eligible. The total cost of the package is of the order of \$565 million over five years. The package has been well supported by the Real Estate Institute of Victoria and by the Victorian Employers Chamber of Commerce and Industry, and I know that it has been well received in my local community.

The outcomes of this legislation have been very well targeted. The government's policies for housing affordability have been very well formulated. The proposed tax relief for home buyers addresses the issue of affordability, targeting those people purchasing

homes below \$500 000. They account for about 27 per cent of all property purchases and 26 per cent of all residential transactions. The first home buyer bonus has had a very high take-up rate since May 2004, involving some 84 000-plus people.

This legislation will provide incentives in the construction industry and also provide people with incentives to look at purchasing housing, whether it be their first or their second home, as long as it is their principal house of residence.

Our record on taxes and housing affordability is very strong. Since 2000–01 total revenue in Victoria has grown by about 38.1 per cent. That is less than the growth of the Victorian economy, which has been about 41.2 per cent, and much less than the growth in the commonwealth revenue of 43.2 per cent. Taxation has grown at about 31 per cent, which is less than the gross state product of 41.2 per cent. We have a great record on tax reform. We have gone from having the second-highest number of taxes in the country to the second lowest. Payroll tax has been cut by 13 per cent, which is the second lowest in Australia. We have forgone \$2 billion in land tax. Duty on non-residential leases has gone. Financial institutions duty has gone. Duty on quoted marketable securities has gone. Duty on unquoted marketable securities has gone. Duty on mortgages has gone. Bank account debit taxes have gone. Business rental duty is to be abolished from 1 January 2007.

We have done a marvellous job. We introduced the payroll tax maternity leave exemption, effective from 1 January 2003.

Looking at land tax specifically — —

Mr K. Smith — You're off with the pixies!

Mr DONNELLAN — There are no pixies in the Labor Party! Apart from the headline figure on land tax — we have foregone \$2 billion — we have increased the tax-free threshold by 135 per cent, decreased the top rate from 5 per cent to 3 per cent, and introduced an exemption for aged care facilities, caravan parks and rooming houses, and we have capped bills at 50 per cent for 2006 and 2007. Land tax revenue has increased by about 43 per cent, while property values have increased by 103 per cent. So we have done a good job in not taking as much as we could have.

Virtually all small businesses with land holdings between \$380 000 and \$3.4 million pay the lowest land tax of all states in Australia.

If the Liberal stamp duty plan had been imposed, for houses valued somewhere between \$500 000 and \$600 000 there would have been a top rate of about 9 per cent, which would have been the highest rate in all the Australian states. So we would have had a Treasurer who would have introduced a stamp duty rate of 9 per cent for properties valued between \$500 000 and \$600 000, which would have probably made us the laughing stock of Australia. I commend the bill to the house.

Ms ASHER (Brighton) — Congratulations, Deputy Speaker, on your election.

I wish to make a few comments on the State Taxation Legislation Amendment (Housing Affordability) Bill, which of course the Liberal Party will not oppose. The bill contains stamp duty cuts for principal places of residence in the bracket of \$115 000 to \$500 000, with a maximum saving of \$2850. The bill also encapsulates some changes to the first home owner grant scheme. It extends the scheme to 1 July 2009, whereas previously the Labor Party was going to terminate the scheme on 30 June 2007. The government will increase to \$5000 the first home owner grant for the purchase of a new house whilst keeping at \$3000 the level of assistance for an existing property.

The bill also brings forward payroll tax cuts, and I am always happy to give credit where it is due. As a minister in the previous government, which introduced payroll tax concessions in three consecutive budgets in very hard times, I am pleased to see the payroll tax cut in this bill. The cut was included in the May budget, when a three-tiered cut process was announced by the government, and this particular cut has been brought forward to 1 January 2007. The government has indicated its intention to have the rate of payroll tax at 5 per cent from 1 July 2008 whilst maintaining the current threshold.

The bill is based on the government's housing affordability policy, which it released for the 2006 Victorian election. However, notwithstanding the obvious mandate the government has, I have a number of observations on these tax cuts. The first is that if the government thinks these cuts are going to make housing affordable, then it is kidding itself. These are small changes and should be acknowledged as small changes.

My second point is that there is very limited stamp duty relief in the bill before the house. It is very important to realise the overall stamp duty collections that have been the domain of this government. In 1999, when this government first came to office, the total stamp duty tax

take was \$1 billion. In 2006 this has grown to \$2.7 billion. So on the back of a property boom the government has clearly enabled itself to collect a huge amount of revenue, and after seven years of doing absolutely nothing it is now saying it will — —

An honourable member interjected.

Ms ASHER — In terms of stamp duty you have done absolutely nothing. It is now saying it will return a small amount back to some buyers.

I also note it is a very limited form of relief for first home buyers who have been given a choice — which is an odd word — between a stamp duty cut or the first home bonus.

The third observation I would make is that this bill fails to address the fundamental flaw in the stamp duty system that the Labor Party has not addressed for seven years — that is, that the stamp duty scale has been unchanged for that duration, except through this bill now before the house. Basically stamp duty is based on bracket creep. As property values have increased — and we have seen a massive property boom, particularly in Melbourne — the government has just raked in the revenue. It was \$1 billion when the government came to office, and it is now \$2.7 billion.

What the government should have done is adjust the stamp duty scales to allow for changes in property values. Of course the government will never do that, because it is too hooked on the revenue from property taxes. Again I refer the new Parliamentary Secretary for Treasury and Finance — and I congratulate him on his appointment — to an element of the Liberal Party policy which actually addressed the issue of bracket creep in stamp duty.

I invite the Labor Party to have a look at this because it would be a much fairer system. There should be an annual adjustment of stamp duty scales to reflect changes in property values. You can easily set up a system like that involving the Valuer-General signing off, and I invite the Labor Party to think seriously about stamp duty reform and to address the inherent bracket creep that it has still in its stamp duty rates.

I also cannot resist making another observation on the housing affordability statement, the Labor Party's policy for the 2006 Victorian election, because I love sitting in this chamber and hearing members of the Labor Party. If there is a problem, it is all the federal government's fault. I note here the government's constant desire to take credit for something that the federal government has done. Ever since the goods and services tax was introduced government members have

taken credit for the \$7000 the first home owner grant that is funded by the commonwealth government but is administered by the state.

I note that the Labor Party's 2006 election policy on housing affordability says, on page 5:

Along with the first home owners grant, this will bring the total state government assistance to \$12 000 for newly built or constructed properties under \$500 000.

That is not accurate. The \$7000 has come from the federal government as part of the agreement between the commonwealth and the states which brought in the GST arrangement. The state administers the money. I do not expect a lot of honesty from this government, but I would have expected that if you were going to claim you were an open, honest and transparent government, you would at least acknowledge where the funding was coming from.

Finally, I would like to take up the invitation of the parliamentary secretary, and which was contained in the second-reading speech, to compare Melbourne housing affordability with housing affordability on the eastern seaboard. I make the observation, as I have done previously, that in my electorate of Brighton, if the government wants to talk about stamp duty, I know where it is getting its revenue from. In September 2006 stamp duty levied on a median-value property in Brighton was \$68 475. Were that same valued property located in New South Wales the stamp duty would be \$53 965; and were that property of the same median value located in Queensland, the stamp duty would be \$43 912.

The record of this government on stamp duty compared with Queensland and New South Wales — and I will take the parliamentary secretary to task on this — is abysmal. This government is a voracious tax collector, and it particularly enjoys collecting taxes on property. It has a view about who can afford to pay the bill and who cannot. Again, in the case of a median-value property in Brighton East the stamp duty is \$43 960. Were that property located in New South Wales, the stamp duty would be \$31 715; were it located in Queensland, the stamp duty would be \$27 412.

To look at a median property of lesser value, if you like, than a property in Brighton, let us consider Hampton, where on the median for September 2006 stamp duty of \$45 088 was charged by this voracious tax collector of a government. Were that property located in New South Wales the stamp duty would be \$32 561, and were it located in Queensland the stamp duty would be \$28 117. I think I have made my point.

I could use Elsternwick, Elwood and Hampton East as examples in terms of median values, but my point is the same. This government has chosen to make a claim in the second-reading speech that Melbourne housing affordability is better than affordability on the eastern seaboard. Again the parliamentary secretary made the point that he wished to make some comparisons. I am making the point that this government rips people off with its stamp duty. Were the same properties located in Queensland or New South Wales, a lesser rate would be paid.

The Liberal Party does not oppose the bill before the house. From my point of view, I think the payroll tax reduction being brought forward is a good initiative — and one that of course we pursued when in government. However, the facts of the matter are that the stamp duty relief contained in this bill does not go far enough and does not address the voracious practices of this government in ripping stamp duty out of the high end of the market and not adjusting the property scales. The government did nothing for seven years until its introduction of this bill.

Mr LUPTON (Pahran) — May I congratulate you, Deputy Speaker, on your election to your office earlier today. It is a particular pleasure for me to support the legislation before the house tonight. On the first sitting day of this new Parliament the government has brought in legislation to start putting into place its election commitments, which were so thoroughly endorsed by the people of Victoria on 25 November.

One of the important policy statements that we took to the election was that we would improve housing affordability and reduce payroll tax rates for business in this state. I am very pleased that this legislation — the first legislation to be introduced by the third Bracks government — implements those election commitments. In particular it brings in reductions in conveyancing duty, it brings in extensions to the first home bonus scheme and it brings forward by six months already announced reductions in payroll tax.

The changes in conveyance duty that will be brought in under this legislation from 1 January 2007 will mean that the 6 per cent marginal tax rate will be reduced to 5 per cent for home purchasers — that is, purchasers of a principal place of residence — valued between \$115 000 and \$400 000. On the purchase of a home valued between \$400 000 and \$500 000 a purchaser will receive a \$2850 reduction in duty. The first home bonus scheme, which was brought in by the Bracks government, and the amount paid by the state government as a tied grant pursuant to the GST arrangements through the federal government mean

that the first home bonus scheme in Victoria will be extended from its original expiry date of June 2007 to 30 June 2009. In addition, the Bracks government will increase the bonus to \$5000 for the purchase of new residential premises valued up to \$500 000.

The payroll tax cuts announced in the 2006–07 budget are also being brought forward by six months.

In the last budget the Treasurer announced reductions in stamp duty to 5.15 per cent from 1 July 2006, to 5.05 per cent from 1 July 2007, and to 5 per cent from 1 July 2008. The rate reduction from 5.15 to 5.05 per cent is being brought forward by six months from 1 July 2007 to 1 January 2007. This will reinforce Victoria's position as the second-lowest payroll tax state in Australia. It will mean we will continue to drive economic growth, drive down unemployment and have a low unemployment rate, and continue to make sure Victoria is a great place to employ people.

Economic growth and business prosperity will increase under these changes. I commend the bill to the house.

Mr K. SMITH (Bass) — Deputy Speaker, I congratulate you on your appointment, and I welcome to this Parliament all the new pinkos, greenies, union thugs and left-wing loonies sitting on the government benches. I can only say, 'Welcome, your nightmare is back'. I must say it is a great pleasure to be back in this Parliament and to stick up for the decent people of Victoria who did not vote for this government. I can say that in another four years it will be out, and the sooner the better.

The DEPUTY SPEAKER — Order! I welcome the welcome from the member for Bass, but I ask him to now speak on the bill!

Mr K. SMITH — I am pleased to have the opportunity to get that off my chest. It has been building up for about three months.

It is a pleasure to be here to speak on the State Taxation Legislation Amendment (Housing Affordability) Bill, which we are not opposing. The surprise for me tonight — I suppose it is one of the biggest surprises of my life — is that this government is actually doing something that it promised to do. This legislation is something you promised, but the truth of the matter is that you have not gone anywhere near far enough.

What you have done to the poor people of Victoria with the promises that you have made is a bit of a joke. This government really has not delivered any savings to first home buyers, who now have to choose between taking stamp duty reductions or the first home owner grant. That just does not seem fair to me.

This is about something being offered to young people who are going into their first home, and the first thing you say is, 'You have to make a decision. Do you want to save \$380 or do you want to save \$150?' — that is what it gets down to — instead of saying, 'We are making you an offer that is going to put you into your own home. You are getting \$7000 from the federal government — —

The DEPUTY SPEAKER — Order! Through the Chair!

Mr K. SMITH — We have heard from the member for Brighton where the \$7000 comes from. It comes from the feds as part of the GST deal. You want to keep calling it yours, and we know it is not. What you are doing is trying to dud people. You are going to extend the first home owner grants to the year 2009 — and so they should, Deputy Speaker. I thought that is what you were looking at me for!

For seven years now you have been ripping money out of the pockets of Victorians and home buyers. You have been taking stamp duty from these people for a long period of time. It started off at \$1 billion, and now, seven years later — not a long period of time — it is up to \$2.7 billion because the prices of properties go up. You do not make any allowance for bracket creep. Instead you are taking every bit of advantage there is out of bracket creep, and you have not reduced the amount of money you have been taking — —

The DEPUTY SPEAKER — Order! I ask the member for Bass to speak through the Chair. With a number of new members in the chamber, it is important to start the day off well.

Mr K. SMITH — I did not want them to get too excited, so I thought I would talk to them a bit about it!

What the government has been doing to the people of Victoria is just not fair. Regarding payroll tax, the cuts it is offering to businesses are not good enough. What we are trying to do is encourage employment in this state. We have the Prime Minister, John Howard, doing an absolutely fantastic job creating employment with his industrial relations WorkChoices legislation, but this government is ripping money out of the pockets of the employers of this state, particularly small business people, who are struggling to try to make ends meet.

What are they doing to them? They are not doing very much as far as payroll tax is concerned. They are reducing it by 0.1 of 1 per cent. Is that right? This government is offering to the people and the businesses of Victoria a small, miserable amount of money. Government members come in here thinking they are

doing these people a favour, but they are not doing these people a favour at all.

It is important for people to understand that this government is all about smoke and mirrors. It thinks, 'We will take it out of one pocket and give them back a little bit out the front'. But the offers are not really good enough for the people of Victoria. The government knows how much extra money it has been getting out of the people of Victoria for a long time — in fact, for seven years. Do you, Deputy Speaker, know how big the budget is now? It has gone from the \$19 billion it was seven years ago to \$32 billion now. All of that has come from the pockets of the people of Victoria. It has come about from stamp duty, land tax and its rip-off fees on public transport. It has come from all the government's fines. It has all come out of the pockets of the people of Victoria, and it is time that this government was fair dinkum in trying to deliver something back to the people.

I am pleased the government is rushing this legislation through Parliament — good on it — but why did it not make it fair dinkum and bring in something that was worthwhile for the people of Victoria and for the first home buyers who would benefit because they would get into their homes a little sooner? Not that far down the track those home owners are going to have a development levy imposed, because developers are going to have to pay for the growth corridors. The people who are going into their first homes will have to pay several thousands of dollars, because the developers are not going to take it out of their profits, and neither should they have to. It is the government that is going to take it out of the pockets of the developers, who are going to take it out of the pockets of young people who are trying to get into their first homes. This government is not being fair to those people.

It is not being fair to the people paying payroll tax and land tax. Millions and millions of dollars in land tax are being paid by the small business people of Victoria. People in the electorate of Bass — perhaps people on Phillip Island who have holiday homes that may well have been in the family for years — are suddenly, because property values there have gone up, in a position where they have to pay land tax. This government is offering absolutely nothing to those people, and it is offering nothing to the struggling small businesses that have to lease factories or have to pay land tax on their properties. It is unfair to the people of Victoria.

This government could have done something to assist the people, but it has not done so. It is not fair that it is

not giving decent reductions in stamp duty. It knows that the median price of a house has gone up by about 50 per cent, yet the amount of money it is taking in stamp duty has gone up by something like 90 per cent. The amount has gone from about \$9000 to \$17 000 for a median-priced property. We and they know that, but they are just ignoring the fact that they have been ripping the people off for such a long time.

We are not opposing this piece of legislation. We are pleased to see something being done for the people of Victoria, but it is a pretty sad and sorry night when we have to be sitting here at 10.35 p.m. to rush legislation through that is not really going to be of benefit to young home owners or to business people who have to pay payroll tax or land tax. It is just not very fair that we should be doing this.

It should be a reasonable amount of money that this government is offering to the people of Victoria. We do not oppose this legislation. I hope it gets through quickly, but I wish the government was doing more for the people of Victoria.

Mr LANGUILLER (Derrimut) — Deputy Speaker, I commend you on your elevation to the position. I welcome every member to this house, including the member for Bass, although the member for Bass, in my judgment, is again wrong. In the limited time that has been made available let me put the facts squarely on the table.

The first thing is that, according to the Real Estate Institute of Victoria, Melbourne happens to be the most affordable city for housing. Victoria leads Australia in building approvals and in first home buyers. In 2005 Victoria had the highest number of first home buyers in Australia. As a matter of fact Victoria had 40 214 first home buyers compared to New South Wales with 39 149, and it has 1.7 million more people than Victoria. Victoria invested \$1.75 billion between 2000–01 and 2006–07.

As there is a limited amount of time left, I wish to conclude by calling on the opposition parties to come clean on the following subject. Since Labor came to office seven years ago the federal government has cut the commonwealth-state housing agreement by \$900 million. The \$900 million taken by the Howard government under that agreement has translated into 6000 homes that have not been built in Victoria because of that unfair deal.

One promise we made and will uphold is that we will continue to pursue a fair arrangement between the states and the federal government in relation to the

housing arrangements. We will make sure that under a Labor government we retreat from that unfair and absolutely unjust arrangement that we have currently with the federal government. Simply in order to compensate for the \$900 million that we lost, the Bracks government has put in additional funds of the order of \$450 million.

What a wonderful bill it is that we will be passing just before Christmas. It will deliver thousands of new homes to Victorians who would not have been able to afford homes had it not been for the Bracks government and the policies and legislation we are now bringing about. I commend the legislation. I commend the implementation of the promises that we made during the course of the election. I am very proud of the fact that this government is the one that made the promises and the one that is delivering them right on time for Christmas.

Mr THOMPSON (Sandringham) — The reforms proposed by the legislation do not go far enough. The Bracks government has had an excessive reliance on stamp duty, as evidenced by an increase of some \$1 billion to \$2.3 billion over the last six or seven years.

As we are approaching the Christmas period I encourage those members of the Bracks government who are interested in achieving a work-life balance, or a work-family balance, and in pursuing recreation or fitness activities to make a booking at the Tulip Street tennis centre in Sandringham. It is a wonderful 13-court complex with barbecues. Families have gathered there for the last 25 years. Unfortunately when they arrive there in the union bus for the annual picnic, they will find a testament to the Bracks government's land tax. The consequence of the taxation policies of the Bracks government is the closure of one of the best sporting facilities in the Sandringham electorate — a 13-court tennis complex with ancillary facilities. It is a direct consequence of the land tax policies of the Bracks government. What the Treasurer will see, if he joins the union picnic down at the Tulip Street centre, is the remnants of a sign saying 'Axe the Bracks land tax'.

Turning to the bill, we can look in the same way at stamp duty and its impact upon the Victorian taxpayer. In the electorate of Sandringham, for a property that might be worth \$550 000, the stamp duty is \$28 000, in contrast to \$20 000 in New South Wales and \$11 500 in Queensland — a massive difference between Victoria and Queensland of some \$17 000. If we take the suburb of Alphington as another example — we heard the maiden speech of the member for Northcote earlier this evening — we see that the median price there is \$604 000. The stamp duty on a median-priced house in

Alphington is \$31 000 compared to \$22 000 on an equivalent property in New South Wales or \$13 000 in Queensland. The member for Northcote, as she distributes her maiden speech, can point out that those who seek to buy in her electorate pay \$18 000 more than the equivalent home purchaser in Queensland. This is not fair; this is not just. It is an inequitable burden.

Going back through the mists of time, in the closing days of the Cain-Kirner administration there was a proposal to increase the revenue base of the state by imposing an ad valorem tax on the purchase price of a small business in exactly the same way as stamp duty affects real estate and a first home. After the purchaser of a small business had paid for the goodwill of the business and paid the electricity bond, the accounting charges, the legal charges, the insurance costs, the purchase price of the business and other ancillary costs, they were going to have to pay a tax on the value of the business on an equivalent scale again. No wonder that administration was thrown out in 1992 as it was seeking to gain funds and money to prop up a range of schemes.

The reality is that the Bracks government, through the increase in the revenue base of the state from \$19 billion to \$32 billion, has had an excessive reliance upon tax policy in this state. The one landmark event that will endure in the minds of those in the Sandringham electorate over the next four years will be the closure of one of the best sporting facilities in the district as a direct consequence of the Bracks government's taxation policies.

Ms MUNT (Mordialloc) — May I add my congratulations to your appointment as Deputy Speaker. I know you will do a wonderful job.

I would like to make a very brief contribution to debate on the State Taxation Legislation Amendment (Housing Affordability) Bill. The bill has three main parts: the first is to make savings in the stamp duty people have to pay, the second is to increase the first home owner grant and the third is to decrease the level of payroll tax. There was an election in November that gave the government a clear mandate to put these policies into place. One of the reasons we are sitting this week is to bring all of these things into place by 1 January 2007. They join a raft of other great legislation that the Bracks government has put through. There have been tax cuts in every year that I have been a member of this place. It is a great bill, and I commend it to the house.

Mr BRUMBY (Treasurer) — I thank all the members who spoke in this important debate. The government recalled the Parliament before Christmas so that we could give effect to this tax bill. This is what we promised during the election. We promised to extend the first home buyer scheme, we promised to introduce a bonus of \$5000 for newly constructed homes, we promised to cut stamp duty for principal-place-of-residence purchases up to \$500 000 and we promised to bring forward payroll tax reductions to 1 January 2007. This is about the government getting on with the job. It is about government keeping the faith with the people who supported its election and who expect it to implement its mandate, and it is about delivering on election commitments.

This is a good bill. It reduces the tax burden on Victorian families and Victorian business. It continues with the government's program of taxation reform and tax reduction. I want to make a couple of comments about the contributions to the debate.

I particularly thank the member for Narre Warren North, the Parliamentary Secretary for Treasury and Finance, for his contribution to and work on this bill. I thank other speakers for their contributions.

I will make a couple of general points. Points have been made about the level of taxation in Victoria today compared with the past. If you go back a decade to the former government in 1996–97 you will see a graph included in all the budget papers that Victorian taxes at that time were well above the national average as a share of gross domestic product (GDP) on any figure that you care to take.

Honourable members interjecting.

Mr BRUMBY — As I said, it was in 1996–97. Under the Kennett government not only were we above the rates of national taxation, but for a number of years we were also above the rates of New South Wales taxation. The payroll tax rate was 5.75 per cent, today it is 5.15 per cent and reducing to 5.05 per cent. Do you know what the top rate of land tax was under the low-tax Liberal Kennett government? It was 5 per cent. Do you know what it is today? It is 3 per cent! Let us not hear this hypocritical drivel from the opposition that has been there for seven years and still could not come up with a funded tax policy for the election.

Tonight the shadow Treasurer no. 5 made a complete and absolute dill of himself, and I will explain how in a moment, in his first speech in the portfolio. He went on about this issue of unallocated capital. I will explain it

and refer back to the last budget of the former Liberal government, when Mr Stockdale was the Treasurer, to explain what a dill the member for Scoresby is.

Mr Wells interjected.

The DEPUTY SPEAKER — Order! The Treasurer will speak through the Chair and the member for Scoresby will cease interjecting.

Mr BRUMBY — I am embarrassed for the member for Scoresby because he has been fed a line by the former shadow Treasurer, no longer the shadow Treasurer, the member for Box Hill, because he double-counted election promises and was out by \$285 million. He was fed a line tonight which unfortunately the member for Scoresby was gullible enough to swallow.

What had been included in the pre-election budget update numbers, which I happen to have with me tonight, on page 23 is what we call the unallocated provision. The unallocated provision is the cash available for expenditure in that year. Typically the total estimated investment (TEI) is two to three times the unallocated provision. The reason for that, and you do not have to be too bright to work it out, is that when you promise a hospital, for example, you cannot build it in one year. Typically you announce the TEI — say, the Royal Children's Hospital — as a \$1 billion project but it gets built over five years. The first year unallocated provision is the amount of cash available for expenditure that year against the TEI. Typically the rule of thumb used by the Department of Treasury and Finance is that the TEI will be around three times the unallocated provision.

Just so we can help the new shadow Treasurer — perhaps the short-lived shadow Treasurer — I refer to the budget statement for 1999–2000 — —

Mr Wells interjected.

Mr BRUMBY — You might understand this. I am trying to help you, you dill!

Mr Wells interjected.

Mr BRUMBY — You made a goose of your first speech.

The DEPUTY SPEAKER — Order! The member for Scoresby will cease interjecting.

Mr BRUMBY — You would not take any advice from the deputy leader, because she is a failed shadow

Treasurer as well. In 1999–2000 Alan Stockdale was the Treasurer.

Honourable members interjecting.

The DEPUTY SPEAKER — Order! The Treasurer, to finish summing up.

Mr BRUMBY — Here we have page 7 of former Treasurer Stockdale's budget statement for 1999–2000, headed 'Investment in infrastructure':

This budget provides for the commencement in 1999–2000 of new infrastructure projects —

that is, TEI —

with a total estimated cost of \$1.356 billion. This includes first year funding of \$360 million.

That is how it works; that is the unallocated provision. The total estimated investment is around three times that amount and every budget — —

Mr Wells interjected.

The DEPUTY SPEAKER — Order! I have asked the member for Scoresby on several occasions to cease interjecting in that manner, and I ask him once more to cease interjecting.

Dr Napthine interjected.

The DEPUTY SPEAKER — Order! The member for South-West Coast can cease interjecting as well. The Treasurer, to conclude his summing up.

Mr BRUMBY — There were other factual errors in the contribution which I should also comment on. The member for Brighton repeated the claim twice that the \$7000 first home owner grant is 'funded by the commonwealth'. That is just not correct; it has not been correct for three years. The only time it was funded by the commonwealth was when we were receiving budget balancing assistance from the federal government. We have been out of budget balancing assistance for three years.

I am sure the new member for Malvern, who used to work for the federal Treasurer, would happily confirm the advice I am providing tonight: the only time in which the commonwealth could have been said to be paying for the \$7000 was when the state was out of pocket — that is, when it was receiving budget balancing assistance. For the period since we have been out of budget balancing assistance, the full amount of the \$7000 has been paid for by the states. Again, there are many people who would confirm that to the deputy leader, including the writers of all the papers which are

tabled each year at the treasurers conference and signed off by the federal Treasurer.

The other point that I want to make in this debate is on the issue of housing and stamp duty in Victoria. We lead Australia in residential and non-residential building approvals. We are, despite what the deputy leader says, the most affordable city on the eastern seaboard, according to figures from the Real Estate Institute of Australia and the Housing Industry Association (HIA). Stamp duty in Victoria as a proportion of gross state product is below the national average, and the source for that is the Australian Bureau of Statistics. We lead Australia in new housing starts, as I said today in the second-reading speech. We have led in the last three years, and according to the HIA we will lead in the next three years. In calendar year 2005 we led Australia in first home buyers — not a bad effort considering New South Wales has 1.7 million people more than we do.

We provide the most generous pensioner stamp duty concessions in Australia, and I heard some of the stamp duty numbers run out tonight. Opposition members never provide examples about pensioners, they never provide examples about home buyers and they never provide examples about people who buy off the plan. The fact is that we provide the most generous stamp duty concessions for pensioners anywhere in Australia. As I said today, when we were elected the limit was \$130 000; today you get a full benefit up to \$300 000, phasing out over \$400 000.

We are the only state to provide off-the-plan concessions. We were the first state to abolish stamp duty on mortgages, and to my knowledge we remain the only state in Australia which has fully abolished duty on mortgages, saving the average home buyer about \$1400 on a mortgage. We have through Melbourne 2030 identified 25 years of land supply, and our building activity is the highest on record.

In terms of stamp duty, the reality is that a median first home buyer price in this state in 1999 was \$166 438, on which \$6143 was paid in stamp duty. Today a median first home buyer price is \$255 000, and the stamp duty is \$10 960. From the first home bonus and the first home owner grant they would get a cheque for \$10 000, so the net stamp duty cost is \$960. That is an 84 per cent reduction in stamp duty. If you look at a newly constructed — —

Honourable members interjecting.

Mr BRUMBY — You can compare the amount of stamp duty paid on a median house price then and a

median house price now. Back then on a median house it was \$6143; today it is \$960. If you look at a newly constructed home from 1 January, where we are paying the \$5000 grant, again if you go to the median-priced house in 1999, the stamp duty was \$6143. In 2007 — this is post 1 January, with the \$5000 grant — stamp duty will be \$10 960. With the first home bonus at \$5000 plus the first home owner grant at \$7000, totalling \$12 000, they in fact have \$1000 in their pocket. The reduction in tax is 117 per cent.

Finally, I am not familiar with the particular case the member for Sandringham raised in relation to the impact of land tax, but I can say that for most land tax payers, certainly small business payers, between \$300 000 and \$3.4 million with unimproved capital value at that level, the way in which we have structured the scheme means that they pay the lowest land tax in Australia — the lowest. So it is not going to please everyone, but as I have said before in Parliament you cannot get any lower than lowest.

These are good bills. They are sensible bills. They are affordable. They are provided in the context of strong budget numbers going forward, with a minimum budget surplus of \$100 million a year. They were what we promised to do. We are doing them. They will be implemented from 1 January. They will make a difference to small business. They will make a difference to first home buyers, and they will make a difference to those who purchase their principal place of residence. I commend the bill to the house.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

Remaining business postponed on motion of Mr BRUMBY (Treasurer).

ADJOURNMENT

The DEPUTY SPEAKER — Order! The question is:

That the house do now adjourn.

Port of Hastings: development

Mr K. SMITH (Bass) — I would like to address my concerns to the new Minister for Roads and Ports, and I ask that he extend the consultation and submission times for the residents of the city of Casey and the shire

of Cardinia in regard to the proposed road and rail routes on the Gippsland rail corridor. The concerns that I raise and the concerns that the residents of Casey and Cardinia have involve the secretive way this issue was hidden from people in the election campaign. It only surfaced because of an observant local citizen, and only then because of the lack of answers from the Port of Hastings Corporation and the government as to what was proposed.

We now know that the proposal relates to the development of the port of Hastings and the road and rail access to Melbourne and beyond to the north and west and the connection to Gippsland and to the eastern suburbs. I am not against the development of the port of Hastings. In fact I have supported the development of the port for 25 years, but I do have great reservations about the proposal to run the rail connection from Hastings along Baxter-Tooradin Road through Pearceedale, along Clyde-Five Ways Road, then parallel to Ballarto Road through the farming and residential properties in the Clyde, Cardinia and Officer areas, where people who have come to those areas for a peaceful lifestyle will now have that ruined by the expected 16 trains and the 3500 truck movements a day, carrying containers and small amounts of break-bulk — that is, timber, coal, paper, steel, vehicles et cetera — from Gippsland.

This port will be used for both export and import and will become the cargo hub for Victoria and Australia, so a great deal of thought must go into the planning and implementation. That could happen sooner rather than later, depending on the environment effects statement report on the dredging of Port Phillip Bay. The lack of consultation has been abysmal, and the new minister must be prepared to extend the period of consultation and submissions to the end of March 2007.

The minister and the Port of Hastings Corporation must explain to the residents and the farming population the effects that the public acquisition overlays will have on their local properties and the extent of the devaluation of their properties. The minister must make amends for the appalling and secretive way this proposal has been handled by his department and the Port of Hastings Corporation.

Rail: Broadmeadows line

Mrs MADDIGAN (Essendon) — I have a problem and I would like some assistance from the Minister for Public Transport. My electorate of Essendon contains five railway stations on the Broadmeadows line — Strathmore, Glenbervie, Essendon, Moonee Ponds and Ascot Vale. We are having an increasing problem with

commuters from further out on the Broadmeadows line driving through our residential streets to seek parking at those stations. I would like the minister to investigate the possibility of a park-and-ride facility at a station further out on the Broadmeadows line.

It is not really possible to have one within the confines of Essendon, which is a very old suburb and where there is very little vacant land around any of the railway stations. It is causing considerable problems for my residents, particularly those in areas around Ascot Vale and Moonee Ponds who do not have off-street parking, because people are attempting to park all day in residential streets.

It is a considerable problem and having a park-and-ride station further out on the line would enable a large number of people to park their cars and catch the train to the city, which would be much better and healthier for them and would also be a considerable relief to residents in stopping unwanted traffic in the streets.

Sheep: pens

Mr WALSH (Swan Hill) — I raise an issue for the new Minister for Agriculture. Following the Royal Society for the Prevention of Cruelty to Animals raising the issue of individually penned sheep with the Animal Welfare Advisory Committee last week, I seek from the minister his assurance to the Victorian Sharlea ultra-fine industry that he will not begin his term of office by caving in to his Labor mates in the animal liberation movement and banning individual pens for sheep.

This branch of the wool industry produces a very strong, very fine fibre for a high-quality, specialised niche market. The name Sharlea came from the first property to develop these techniques at Horsham, now known as the Horsham Wool Factory. Unfounded RSPCA claims that these sheep are starved, stressed from being separated from the mob, housed in inappropriate sheds, affected by cold and heat, denied the opportunity to ruminate and bored by confinement are unsubstantiated and erroneous.

Significant investment is required to develop a Sharlea operation. The cost of infrastructure, feed, livestock and labour needed to succeed is so great that producers protect their investment by giving diligent attention to animal welfare and farm management. In any type of livestock operation the most powerful evidence of well-cared-for stock is the quality of the meat or fibre products they produce. If animal health, wellbeing and contentment are compromised, the effect is easily seen.

Stressed or hungry sheep produce less wool, which breaks easily and has little value.

However, Sharlea wool regularly brings a premium price because it is not only ultra fine but has the highest tensile strength of any in the world. Sheep are housed in moderated temperatures, have constant access to water, are fed an exact and nutritious ration, have their health monitored daily and are given the opportunity to graze and ruminate on long fibre for at least 5 hours a day. Sheep can see and touch other sheep and are rugged off-shears. As a result of this, shedded sheep have long lives and a low death rate.

Compare that to the fate of animals in the more natural environment of the farm paddock suffering the extremes of heat, dust, cold and drought; susceptible to predators like foxes and crows; victims of fly strike, pink eye, footrot and internal parasites; and handled, of necessity, in dusty and muddy yards. A code of practice is in place, and the industry welcomes the development of a dedicated code of practice specific to the Sharlea industry.

I invite the minister to visit Ian and Kaye Appledore's operation at Brim with me to see these issues for himself. I urge him to recognise the attention that Sharlea growers give to their animals' welfare and call on him to reject spurious claims that individual pens are cruel and should be banned. I know the minister went home to attend a speech night tonight and may not be back in time to answer, but I implore him to take this issue on board.

Sunbury: day hospital

Ms DUNCAN (Macedon) — In the lead-up to the recent state election — and what a wonderful election it was, the good people of Victoria choosing to re-elect the Bracks government for a third term! — the Bracks government committed to building a day hospital in Sunbury. Some \$15 million was allocated to this task, and the action I seek from the Minister for Health is to ensure that this money is allocated in a timely manner to ensure that this critical piece of health infrastructure is available to the people of Sunbury and the surrounding areas as soon as possible.

In 2002 the Bracks government built the new community health centre, which is an integrated care centre, in Sunbury with the intention of extending this facility in the future; it was built in such a way that a second storey could be added later. In early 2006 the local private hospital announced its intention to close its operating theatre. This was a real blow to the people of

Sunbury and runs counter to the hospital's earlier stated intention of maintaining these services.

While this decision of the private hospital is regrettable, it has provided an opportunity to provide these services in a public facility. I am proud to be part of the Bracks government, which has been prepared to fill this gap with the provision of a public day hospital. It is intended that this new service will provide same-day surgical services, rehabilitation, pathology, diagnostic services and specialist outpatient clinics. We will also work with local GPs to establish an after-hours urgent care clinic. Much of the planning work has been done for this new facility, but there is still a lot of planning work to be done. I ask the Minister for Health to ensure this planning work is completed so the construction of this facility can commence as soon as possible and so the people of Sunbury and the surrounding areas of the Macedon Ranges can benefit from these additional services that will be provided locally by this facility.

We have seen previously that the health services provided by the private hospital have declined in recent years, and we know if they are not profitable, they will cease operating. I am committed to working with the Bracks government to ensure that the provision of these critical health services are provided in a sustainable way within a public setting so that the people of Sunbury and the Macedon Ranges can have confidence that this new service will be there to stay.

Planning: Glenelg development

Dr NAPHTHINE (South-West Coast) — Deputy Speaker, I congratulate you on your appointment.

I wish to raise a matter for the Minister for Planning in the other house through the Minister for Skills, Education Services and Employment. The action I seek from the minister is that he take immediate action to lift the current freeze on all planning applications and processing on land covered by development plan overlay 5 (DPO5) in the Glenelg shire. I urge the minister to understand the effects of this planning freeze on the dreams and aspirations of many families who simply want to build homes on their land, the impact of this freeze on local tradespeople, suppliers and the local economy and the effect of this freeze on investment confidence in Portland and the district.

This freeze is a direct result of a decision by the previous Minister for Planning, and it is having a devastating effect on local land-holders and the Portland community. It means that young families who own their own land in a subdivision and have houses all around them, simply cannot get a planning permit to

build their dream home. It means that a person whose shed is falling down cannot get a permit to replace the shed even if it is on the same footprint. It means that a young couple in a one-bedroom house on their own land at Narrawong cannot get a permit to build extra bedrooms so they can start a family. The minister needs to listen to the local community and the shire council, which are urging him to provide an exemption for land covered by DPO5 in the same way the previous minister provided exemptions for DPOs 1, 2, 3, 4 and 6.

This is a very serious issue. The land covered by DPO5 in Portland covers a variety of locations and most of the areas where there is significant development in the Portland district and the Glenelg shire. These people are frustrated, angry and very concerned about the future value and use of their land. We have a situation where there is an absolute freeze on any planning applications being able to be processed, evaluated and proceeded with.

We need the minister to provide an exemption for DPO5 so that planning applications can be dealt with in the usual way. We are not looking to fast-track any planning applications, and we are not looking to take any shortcuts. We simply want the freeze lifted so that we can get on with processing planning applications in the normal way for land covered by DPO5 in the Glenelg shire in and around Portland and district. This is vital for the local economy and local confidence but, most importantly, it is absolutely essential for landowners who have bought land with the clear view of building their dream homes and getting on with their lives. I urge the minister to take this matter very seriously.

Planning: Stonington Mansion

Mr LUPTON (Pahran) — Speaker, can I take this opportunity to congratulate you on your election to that office today. I am sure you will do an outstanding job as Speaker of the Legislative Assembly.

Tonight I raise a matter for the attention of the Minister for Planning in another place. In recent days there has been some media speculation around the future of Stonington Mansion, which is owned by Deakin University and has housed its Toorak campus for some years. Currently Deakin University is in the tender process for a potential sale of Stonington Mansion.

I am concerned that the future of such an important historic building in Victoria should not be put at risk through that process and that, whatever the outcome of the tender process being undertaken by Deakin University, the heritage values of the mansion and its

status on the Victorian heritage register is maintained. I call upon the Minister for Planning to monitor the progress of the tender outcome and to ensure that the heritage values of such a substantial and significant Victorian property are not diminished in any way.

The background to the building is one of some interest and importance in the context of the current debate. It was built in 1890 for the Cobb and Co. coach line proprietor, John Wagner. The mansion was acquired for use as Victoria's vice-regal residence in 1901 and was used for that purpose for 30 years. After that time it was used as a girls school, a hospital for the care of child polio victims, a Red Cross convalescent hospital and a health department administration centre. In 1957 it was transferred to the then Education Department and was used for educational purposes by the then State College of Victoria as a teachers college. In 1992 the State College of Victoria was merged with Deakin University and in September 1995 the then Kennett government transferred the title for the site to Deakin University as an unrestricted Crown grant.

The status of this very substantial historic building is important. The heritage values of the building need to be maintained. It is an historic building on the Victorian heritage register. I call upon the Minister for Planning to ensure that, whatever happens through the tender process, none of the heritage values of this property are diminished in any way.

Police: memorandum of understanding

Mr McINTOSH (Kew) — I raise a matter for the attention of the Premier or the Minister for Police and Emergency Services. The matter I raise is the firstly denied and finally admitted but still secret memorandum of understanding (MOU) that the Premier entered into with the Police Association on 6 November. The action I seek is to have this secret memorandum of understanding released immediately so that all Victorians can know and assess what the Premier has committed the Victorian government to do and pay into the future.

I should raise a number of points. Firstly, from all the press reports or otherwise, only the Premier seems to be involved. There does not seem to have been any involvement of the former or current Minister for Police and Emergency Services. It would perhaps be of some note to the people of Victoria that such an important document should at least have involved the Minister for Police and Emergency Services.

Another matter is that the MOU was entered into on 6 November. The Victorian government was

committed to a course of action during the caretaker period of government, the writs having been issued on 31 October. Certainly the first impression is that that would be in breach of the caretaker provisions. Accordingly I would have thought that the people of Victoria need an explanation as to the contents of this document and why it was entered into during the caretaker period.

Members have heard government members talk often about not involving themselves in the operational decisions of Victoria Police, but one of the other people who was specifically excluded in the process was the Chief Commissioner of Police. It would appear that while this government is quite happy to bleat about not involving itself in operational decisions, it is also quite happy to cut the Chief Commissioner of Police out when it suits it, notwithstanding the fact that the Chief Commissioner of Police will have to pick up the pieces in negotiating the enterprise agreement with the Police Association.

There is also the suggestion that, as the opposition sees it, the clear purpose of this was to silence a significant critic of the Victorian government — that is, the Police Association. We know the Police Association has been very critical of the government about the Office of Police Integrity and the armed offenders squad. All of a sudden, after the Premier was involved, there was a resolution of that impasse. That seems to be bizarre in the extreme.

We also saw the Police Association being very critical of the lack of police in Bendigo, Ballarat and Geelong. The people of Victoria deserve to know — —

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

Bushfires: emergency services

Ms GREEN (Yan Yean) — I take the opportunity to congratulate you, Speaker, on your appointment to the office of Speaker.

The matter I wish to raise is for the Minister for Police and Emergency Services. The action I seek is for the government to provide all encouragement possible for the community to support wholeheartedly the efforts of our fire and emergency services and their volunteers.

Victorians have looked on in awe at the magnitude of the fires currently threatening our state. They are dwarfing the massive area damaged in 2003 and threaten to dwarf the 1983 and 1939 fires. I want to particularly commend the agencies and the thousands of workers and volunteers from the Country Fire

Authority (CFA), the Department of Sustainability and Environment, Victoria Police, the Metropolitan Fire Brigade, the State Emergency Service, St John's Ambulance, the Red Cross and the coastguard. I pay tribute to their families, loved ones and particularly the employers who have supported them through this difficult time.

In my own electorate, volunteers and appliances from brigades such as Epping, South Morang, Wollert, Mernda, Whittlesea, Doreen, Yarrambat, Plenty, Wattle Glen, Hurstbridge, Kangaroo Ground, Arthurs Creek, Panton Hill, Christmas Hills, Research, North Warrandyte, Kinglake West, Kalkallo and St Andrews and my own brigade at Diamond Creek have put in a fine effort and spent many hours defending lives and property at fires in the north-east, Gippsland and the south-west so far this season.

It is particularly frightening to see these fires threatening our state this early in the season. I find it quite amazing that the federal government still says climate change is a myth. Anyone who has been on the fire ground over the past couple of years knows that climate change is with us.

I have been privileged to meet many of these volunteers in recent weeks. Last Saturday I had the privilege of visiting those fighting the Stoneyford fires near Camperdown. I was there on behalf of the government to express my thanks for the efforts being made by many local brigades in region 6. They have largely looked after this fire on their own, accompanied by many other local volunteer organisations and the local community. Last weekend they were being assisted by volunteers from region 5. I particularly want to thank Malcolm Fallon, the area manager from region 6, for his work in showing me around and the work he has done in the past couple of weeks. I also thank Senior Sergeant Ken Stilsby and the police who have provided great support to the CFA in the area. I further thank the Red Cross volunteers who have kept the emergency services on the ground fuelled and watered over that time.

I was privileged to be part of a region 14 strike team defending Tolmie a couple of weeks ago. I want to commend everyone involved. I urge the minister and employers to support everyone — —

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

EastLink: construction

Mr WELLS (Scoresby) — I would like to raise an issue of concern with the Minister for Water, Environment and Climate Change. The concern I would like to raise is the inability of the Environment Protection Authority (EPA) to take action over the building of the Scoresby freeway, or EastLink, and in particular the amount of gritty dust that is showering the neighbourhood of Cathies Lane as a result of the rock-crushing processes.

The residents of Cathies Lane in Wantirna South, which runs alongside EastLink, have three main concerns which need to be addressed. The first is they are having problems with cracks in the walls and ceilings of their homes. The second is they have concerns about the noise walls, and the third concern is this gritty dust which comes onto the houses from the project. It is this third issue on which I seek the attention of the minister and ask for action to be taken.

Mr Alan Mortimer is the hardworking representative of the residents and also president of the EastLink tollway residents action group. The group believes it has typically been given the run-around by the Environment Protection Authority and Knox council. Over the last few weeks the residents have been complaining to the EPA about the level of gritty dust entering people's houses. The EPA has informed the residents that they need to contact Knox council. Knox council has then informed the residents that it is the responsibility of the EPA and that they should take the matter up with that body. As a result, no-one is taking responsibility for monitoring the dust in this area.

The residents point to thick layers of dust over tables, furniture and windows. It is also increasing the number of problems being experienced by the children who live in this area. An article in the *Age* of 5 December reported that:

At least three families who live within 100 metres of the rock crusher say it is causing serious respiratory problems in their children.

Local doctors confirm this. The minister needs to take immediate action to fix this mess and ensure not only that the EPA visits the site but that the EPA or the relevant authority takes control of the dust levels coming from the area.

The residents certainly deserve answers, and they deserve some action. They are sick and tired of getting the run-around from the EPA's passing the matter on to other authorities. In a recent letter that was sent out they say that the EastLink people, the Southern and Eastern

Integrated Transport Authority community advisory group, state that EPA representatives have been visiting the site, but we still do not understand why they are not taking action. I ask the minister to get the EPA to intervene in this important issue.

Melbourne Water: Edgars Creek rehabilitation

Ms CAMPBELL (Pascoe Vale) — My congratulations also, Speaker.

Tonight I raise a matter for the Minister for Water, Environment and Climate Change. The action I seek is for Melbourne Water to work on a clean-up of Edgars Creek between Murray Road and Hopetoun Avenue. I also ask that they work with the local community on the replanting of native vegetation after the creek is cleaned up.

The Newlands and North Coburg communities greatly appreciate the Edgars Creek surrounds and its recreational opportunities for walking, running, cycling, golfing, athletic training and a free-range dog park. We also appreciate its flora and fauna. The waterway which is the responsibility of Melbourne Water and is severely degraded is obviously a critical component of the ambience of this important park. Over the last couple of decades investment by Melbourne Water in its upkeep has been extremely minimal or even nil. As a result of this lack of attention the creek bank has severely eroded in a couple of parts and in one section is in danger of collapsing.

Over 12 months ago I took some of the most senior personnel in Melbourne Water on a site visit to highlight their lack of attention to their responsibilities. We saw a waterway overgrown and its banks covered with blackberries and other weeds. Safety fencing was in poor repair. In round figures Melbourne Water collects approximately \$3 million through a parklands levy on Moreland properties. Moreland deserves a significant level of these fees spent locally, particularly given the state of Edgars Creek. It is time for Melbourne Water to act on Edgars Creek.

To give recognition where it is due, at my instigation Melbourne Water has cleaned up some sections of the Merlynston Creek and worked with Mercy College on a tree-planting day. Another is planned when the drought breaks. The current drought has had diabolical consequences, but one benefit of it is that this is an ideal time to clean up the waterway itself and Edgars Creek in particular. Once the clean-up is finalised, let us replant the banks with native vegetation. Moreland council and ratepayers have generously maintained the surrounding parklands for decades, but the waterways

have been neglected in the vain hope that Melbourne Water would play its part and act on its responsibilities.

With the Kodak site redevelopment there is an ideal and very exciting opportunity to clean up the creek and beautify its banks so that between Murray Road and Hopetoun Avenue, a picturesque waterway and tranquil surrounds can be created.

I repeat that I took Melbourne Water to this site over 12 months ago. In this time it has stagnated on the issue, yet Santa has managed to circumnavigate the globe twice. Melbourne Water should act!

Responses

The SPEAKER — Order! The Minister for Skills, Education Services and Employment to respond to issues raised by the member for Bass for the Minister for Roads and Ports on the railroad corridor for the port of Hastings; by the member for Essendon for the Minister for Public Transport on park-and-ride facilities; by the member for Swan Hill for the Minister for Agriculture on penned sheep; by the member for Macedon for the Minister for Health on the day hospital in Sunbury; by the member for South-West Coast for the Minister for Planning in the other place on lifting the ban on development plan overlay 5 (DPO5) in Glenelg shire; by the member for Prahran — —

Mr K. Smith — On a point of order, Speaker, as this is the very first adjournment debate of this Parliament at the very least one would have expected ministers to be at the table to represent their departments in giving answers to the questions raised by members of the opposition. I just feel that having one junior minister at the table is not sufficient to enable the questions to be answered. I would ask you to draw this to the attention of the Premier.

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

The member for Prahran raised a matter for the Minister for Planning in the other place about Stonington Mansion.

The member for Kew raised a matter for the Premier on the memorandum of understanding signed with the Police Association.

The member for Yan Yean raised a matter for the Minister for Police and Emergency Services about encouraging community support for volunteers.

The member for Pascoe Vale raised for the Minister for Water, Environment and Climate Change a matter

about Melbourne Water cleaning up Edgars Creek between Murray Road and Hopetoun Crescent.

The member for Scoresby raised a matter for the Minister for Water, Environment and Climate Change asking the Environment Protection Authority to take responsibility for the dust problem on Cathies Lane.

Ms ALLAN (Minister for Skills, Education Services and Employment) — Like many other members of the house, Speaker, I wish you all the very best in the four years ahead.

I am delighted to be able to stand here and respond tonight on behalf of the ministers to whom you have referred. The matters that the 10 honourable members have raised will be referred to those ministers for their response and action.

The SPEAKER — Order! The house is now adjourned.

House adjourned 11.28 p.m.