PARLIAMENT OF VICTORIA

PARLIAMENTARY DEBATES (HANSARD)

LEGISLATIVE ASSEMBLY

FIFTY-FIFTH PARLIAMENT

FIRST SESSION

Wednesday, 5 April 2006

(Extract from book 4)

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By authority of the Victorian Government Printer

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The Lieutenant-Governor

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Standing Orders Committee — The Speaker, Ms Campbell, Mr Dixon, Mr Helper, Mr Loney, Mr Plowman and Mrs Powell.

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Drugs and Crime Prevention Committee — (*Assembly)*: Mr Cooper, Ms Marshall, Mr Maxfield, Dr Sykes and Mr Wells. (*Council*): The Honourable S. M. Nguyen and Mr Scheffer.

Economic Development Committee — (*Assembly*): Mr Delahunty, Mr Jenkins, Ms Morand and Mr Robinson. (*Council*): The Honourables B. N. Atkinson and R. H. Bowden, and Mr Pullen.

Education and Training Committee — (*Assembly*): Ms Eckstein, Mr Herbert, Mr Kotsiras, Ms Munt and Mr Perton. (*Council*): The Honourables H. E. Buckingham and P. R. Hall.

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Outer Suburban/Interface Services and Development Committee — (*Assembly*): Mr Baillieu, Ms Buchanan, Mr Dixon, Mr Nardella and Mr Smith. (*Council*): Ms Argondizzo, Hon. C. D. Hirsh and Mr Somyurek.

Public Accounts and Estimates Committee — (*Assembly*): Ms Campbell, Mr Clark, Ms Green and Mr Merlino. (*Council*): The Honourables W. R. Baxter, Bill Forwood and G. K. Rich-Phillips, Ms Romanes and Mr Somyurek.

Road Safety Committee — (*Assembly*): Dr Harkness, Mr Langdon, Mr Mulder and Mr Trezise. (*Council*): The Honourables B. W. Bishop, J. H. Eren and E. G. Stoney.

Rural and Regional Services and Development Committee — (*Assembly*): Mr Crutchfield, Mr Hardman, Mr Ingram, Dr Napthine and Mr Walsh. (*Council*): The Honourables J. M. McQuilten and R. G. Mitchell.

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Heads of parliamentary departments

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

Parliamentary Services — Secretary: Dr S. O'Kane

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FIFTY-FIFTH PARLIAMENT — FIRST SESSION

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Deputy Speaker: Mr P. J. LONEY

Acting Speakers: Ms Barker, Ms Campbell, Mr Cooper, Mr Delahunty, Mr Ingram, Mr Jasper, Mr Kotsiras, Mr Languiller, Ms Lindell, Mr Nardella, Mr Plowman, Mr Savage, Mr Seitz, Mr Smith and Mr Thompson

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The Hon. S. P. BRACKS

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

Leader of the Parliamentary Liberal Party and Leader of the Opposition:
Mr R. K. B. DOYLE

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

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Campbell, Ms Christine Mary	Pascoe Vale	ALP	Maughan, Mr Noel John	Rodney	Nats
Carli, Mr Carlo	Brunswick	ALP	Maxfield, Mr Ian John	Narracan	ALP
Clark, Mr Robert William	Box Hill	LP	Merlino, Mr James	Monbulk	ALP
Cooper, Mr Robert Fitzgerald	Mornington	LP	Mildenhall, Mr Bruce Allan	Footscray	ALP
Crutchfield, Mr Michael Paul	South Barwon	ALP	Morand, Ms Maxine Veronica	Mount Waverley	ALP
D'Ambrosio, Ms Liliana	Mill Park	ALP	Mulder, Mr Terence Wynn	Polwarth	LP
Delahunty, Mr Hugh Francis	Lowan	Nats	Munt, Ms Janice Ruth	Mordialloc	ALP
Delahunty, Ms Mary Elizabeth	Northcote	ALP	Napthine, Dr Denis Vincent	South-West Coast	LP
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Gillett, Ms Mary Jane	Tarneit	ALP	Pike, Ms Bronwyn Jane	Melbourne	ALP
Green, Ms Danielle Louise	Yan Yean	ALP	Plowman, Mr Antony Fulton	Benambra	LP
Haermeyer, Mr André	Kororoit	ALP	Powell, Mrs Elizabeth Jeanette	Shepparton	Nats
Hardman, Mr Benedict Paul	Seymour	ALP	Robinson, Mr Anthony Gerard	Mitcham	ALP
Harkness, Dr Alistair Ross	Frankston	ALP	Ryan, Mr Peter Julian	Gippsland South	Nats
Helper, Mr Jochen	Ripon	ALP	Savage, Mr Russell Irwin	Mildura	Ind
Herbert, Mr Steven Ralph	Eltham	ALP	Seitz, Mr George	Keilor	ALP
Holding, Mr Timothy James	Lyndhurst	ALP	Shardey, Mrs Helen Jean	Caulfield	LP
Honeywood, Mr Phillip Neville	Warrandyte	LP	Smith, Mr Kenneth Maurice	Bass	LP
Howard, Mr Geoffrey Kemp	Ballarat East	ALP	Stensholt, Mr Robert Einar	Burwood	ALP
Hudson, Mr Robert John	Bentleigh	ALP	Sykes, Dr William Everett	Benalla	Nats
Hulls, Mr Rob Justin	Niddrie	ALP	Thompson, Mr Murray Hamilton Ross	Sandringham	LP
Ingram, Mr Craig	Gippsland East	Ind	Thwaites, Mr Johnstone William	Albert Park	ALP
Jasper, Mr Kenneth Stephen	Murray Valley	Nats	Trezise, Mr Ian Douglas	Geelong	ALP
Jenkins, Mr Brendan James	Morwell	ALP	Walsh, Mr Peter Lindsay	Swan Hill	Nats
Kosky, Ms Lynne Janice	Altona	ALP	Wells, Mr Kimberley Arthur	Scoresby	LP
Kotsiras, Mr Nicholas	Bulleen	LP	Wilson, Mr Dale Lester	Narre Warren South	ALP
Langdon, Mr Craig Anthony Cuffe	Ivanhoe	ALP	Wynne, Mr Richard William	Richmond	ALP

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WEDNESDAY, 5 APRIL 2006

Wednesday, 5 April 2006

The SPEAKER (Hon. Judy Maddigan) took the chair at 9.32 a.m. and read the prayer.

BUSINESS OF THE HOUSE

Notices of motion: removal

The SPEAKER — Order! I advise the house that under standing order 144, notices of motion 121 to 124 and 239 to 249 will be removed from the notice paper on the next sitting day. A member who requires a notice standing in his or her name to be continued must advise the Clerk in writing before 6.00 p.m. today.

EQUAL OPPORTUNITY AND TOLERANCE LEGISLATION (AMENDMENT) BILL

Introduction and first reading

Mr BRACKS (Premier) — I move:

That I have leave to bring in a bill to amend the Equal Opportunity Act 1995 and the Racial and Religious Tolerance Act 2001 and for other purposes.

Mr DOYLE (Leader of the Opposition) — I ask the Premier for a brief outline of the changes, particularly to the Racial and Religious Tolerance Act 2001, as his government has previously said there will not be changes to the legislation.

Mr BRACKS (Premier) — I am very happy to give an outline of the amendments. There are two major matters: one is to change the religious purpose in the Racial and Religious Tolerance Act to include the teaching, conveying and proselytising of religion. They will also adhere to the recommendations Justice Morris made at the Victorian Civil and Administrative Tribunal hearings that frivolous complaints can be dealt with and should not proceed under the act and that the threshold should be higher. They are the two major matters. There has been wide consultation with the council of churches and with all the faith groups and religious leaders around Victoria. This is the result of that consultation over a long period.

Motion agreed to.

Read first time.

PETITIONS

Following petitions presented to house:

Racial and religious tolerance: legislation

To the Legislative Assembly of Victoria:

The petition of the residents of Victoria draws to the attention of the house that:

1. Religious freedom essentially includes the freedom to teach, preach and propagate one's beliefs, and to express opinions about other world views. This applies to all religions and certainly to the Christian religion, where Christ commands His followers to propagate their faith — Matt 28:18–20.

2. The Racial and Religious Tolerance Act 2001 aims to outlaw vilification, but its enforcement places 'an intolerable curb on religious freedom' and threatens free speech itself.

In any case, the legislation is unnecessary in a community that has always had effective mechanisms for correcting intemperate or offensive statements (whether on religion, race or any other topic) — namely, public forums in newspapers, open debate and discussion, talkback radio etc.

In view of the fact that the Australian constitution:

> forbids the making of any commonwealth law 'prohibiting the free exercise of any religion' (section 116), and
>
> decrees that 'when a state law is inconsistent with a law of the commonwealth, the latter shall prevail …' (section 109) —

your petitioners therefore request that the Racial and Religious Tolerance Act 2001 be repealed.

By Mr PLOWMAN (Benambra) (12 signatures)
Mr JASPER (Murray Valley) (48 signatures)

Trescowthick Hostel, Natimuk: airconditioning

To the Legislative Assembly of Victoria:

We, the families of residents in the aged care sector (Trescowthick Hostel) in Natimuk, Victoria, under the name of West Wimmera Health Service, are requesting that airconditioning be fitted in this building at the earliest convenience due to the health factor of heat on these elderly family members.

As accommodation bonds are now requested on entry to aged care, a portion of this money is supposed to be utilised for the general maintenance and upkeep of this building.

These residents are commenting on the heat, and they surely have the right to quality of life and comfort in their own surroundings.

By Mr DELAHUNTY (Lowan) (19 signatures)

Princes Highway: Waurn Ponds–Colac upgrade

To the Legislative Assembly of Victoria:

The petition of certain citizens of Australia draws the attention of the house to the danger of travelling on the Princes Highway from Waurn Ponds to Colac. This single carriageway carries a large volume of traffic, including many semitrailers. There have been at least 20 accidents, some fatal, on this stretch of road since August 2002, including an horrific head-on collision in Winchelsea on Wednesday, 20 July 2005.

The petitioners therefore request that the Legislative Assembly of Victoria makes funds available for an immediate upgrade of the Princes Highway between Waurn Ponds and Colac from a single carriageway to a divided, dual carriageway in the interests of public safety.

By Mr MULDER (Polwarth) (6449 signatures)

Motorcycles: registration tax

To the Legislative Assembly of Victoria:

This petition of the residents of Victoria draws the attention of the house to the $50 tax, levied through the Transport Accident Commission (TAC), on scooter and motorbike registrations in this state. This tax was introduced without proper consultation with stakeholders. This tax singles out and penalises a small but legitimate part of our community based on choice of personal transport. The majority of insurance claims show the car driver was at fault; 38 per cent of hospitalisations from bike crashes are car licence holders riding off-road. Driver awareness programs, which benefit pedestrians and bicyclists too, did not feature. The 'unrider' problem was not addressed. The tax promotes unriding. More than $10 million has been taken from the motorcycle community, but it has not been spent on effective bike safety initiatives or facilities. The tax is unfair, particularly for riders with more than one machine. The tax makes motorbikes and scooters more expensive, so harder to own. This is bad for the industry and the economy. The tax discourages energy and space efficient environmentally friendly vehicles, which is bad for all Victorians. The tax was to be reviewed in October 2005.

We request that the unfair $50 TAC tax be abolished.

By Dr NAPTHINE (South-West Coast) (6707 signatures)

Tabled.

Ordered that petition presented by honourable member for South-West Coast be considered next day on motion of Dr NAPTHINE (South-West Coast).

Ordered that petition presented by honourable member for Polwarth be considered next day on motion of Mr MULDER (Polwarth).

Ordered that petition presented by honourable member for Lowan be considered next day on motion of Mr DELAHUNTY (Lowan).

Ordered that petition presented on 4 April be considered next day on motion of Mr COOPER (Mornington).

DOCUMENTS

Tabled by Clerk:

Lake Mountain Alpine Resort Management Board — Report for the year ended 31 October 2005

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

Bass Coast Planning Scheme — No C56

Bayside Planning Scheme — No C48

Colac Otway Planning Scheme — No C26

Frankston Planning Scheme — No C33

Greater Dandenong Planning Scheme — No C62

Knox Planning Scheme — No C56

Warrnambool Planning Scheme — Nos C22, C38

Yarra Planning Scheme — No C78

Statutory Rules under the following Acts:

Credit (Administration) Act 1984 — SR No 32

Electricity Safety Act 1998 — SR No 34

Fisheries Act 1995 — SR No 28

Magistrates' Court Act 1989 — SR Nos 30, 31

Subordinate Legislation Act 1994 — SR Nos 33, 35

Trustee Companies Act 1984 — SR No 36

Working with Children Act 2005 — SR No 29

Subordinate Legislation Act 1994 — Ministers' exemption certificates in relation to Statutory Rule Nos 28, 36 (two certificates)

Victorian Law Reform Commission — Report on Residential Tenancy Databases — Ordered to be printed.

APPROPRIATION MESSAGE

Message read recommending appropriation for Financial Management (Miscellaneous Amendments) Bill.

MEMBERS STATEMENTS

Monbulk Soccer Club: facilities

Mr MERLINO (Monbulk) — On Saturday, 25 March, I took part in the official opening of new change room facilities at Monbulk Soccer Club. The new change rooms are stage 1 of a long-term plan to revitalise the club.

Soccer is a massive participation sport throughout Australia, and Monbulk Soccer Club has experienced that growth locally, increasing from a one team club to fielding many senior men's, senior women's, veterans, juniors and mixed juniors teams. The facilities at the Monbulk club have clearly not kept place with the demand of people wishing to participate in the sport, particularly the demand for girls and women's teams. The club, the Shire of Yarra Ranges Council and the state government got together to rectify this situation. I want to take this opportunity to pay tribute to the president, Barry Adshead, and the Treasurer, Jim Bras, who led the campaign locally to gather support for the project. I also want to thank former councillor Alan Fincher who also strongly supported the club.

I was very pleased to also get behind the project and advocate funding from Sport and Recreation Victoria. Money was raised through fundraising, sponsorship and in-kind contributions to rebuild the facility — $50 000 from the state government, $50 000 from the council and $50 000 from the club. It was great to see former Monbulk Soccer Club player and current striker for Melbourne Victory, Daniel Allsopp, take part in the celebrations and give back to the club that supported him in his early career. It was a sign of how highly this club is regarded by the community. The club is now focused on improving the facilities for the referees and in the longer term redeveloping the kitchen facilities. Congratulations to everyone involved.

Motorcycles: registration tax

Dr NAPTHINE (South-West Coast) — I wish to draw the attention of members of the house, including the government, to the massive petition tabled today which has 6707 signatories and which expresses opposition to the unfair and discriminatory $53.90 motorcycle tax imposed by the Bracks Labor government. In addition to these 6700-plus signatories, another 1854 people signed this petition, but due to a technical ruling these could not be tabled. A total of 8500 people have signed this petition.

I would like to congratulate Damian Codognotto and Lindsay Swift and everyone involved in collecting signatories for this petition. The message from the petitioners and the 600-plus riders who joined the protest ride against this tax on 18 March is that the Bracks Labor government needs to immediately lift this unfair and discriminatory tax on motorcycle riders. It is supposed to be a safety tax; yet since the introduction of the tax, in the previous 12 months motorcycle deaths went up by 25 per cent, from 34 in 2004 to 42 in 2005. We have seen a massive increase in the number of wire rope barriers across the state of Victoria which are dangerous for motorcycle riders and ordinary motorists.

The member for Essendon, now the Speaker, said in a letter of March 1996:

> Wire rope barriers are dangerous and should not be erected.

The Labor policy of 1999 says:

> Labor will ban the use of wire rope barriers …

That is what Labor said when in opposition, but now it is in government it is putting them right across country Victoria.

Lorraine and Neville Forrester

Ms McTAGGART (Evelyn) — I rise to paid tribute to my constituents Lorraine and Neville Forrester of Wandin. It was a pleasure to meet with them last Monday to celebrate the connection of reticulated natural gas to their home.

I first met Lorraine at a community consultation meeting in February 2005 at which there was an announcement of the connection of natural gas to the Yarra Valley. Lorraine was quite disappointed that their neighbourhood was not identified as the recipient of this $70 million state government initiative. Neville undertook a process to survey his surrounding neighbours to ascertain the interest in pursuing connection to natural gas. He visited some 31 homes and gained access to information pertaining to the usage of liquefied petroleum gas (LPG) and actively promoted the gas program.

He then forwarded three quotes to gas retailers, and to his surprise he was told they would be connected without any additional costs. This was certainly a fantastic outcome for this group of residents, and I know they would like to commend and thank Neville for his hard work and commitment.

Lorraine and Neville have lived in Wandin for 32 years. Like many other pensioners and residents within the valley, they never thought they would actually have access to natural gas. However, as a result of the funding from the Regional Infrastructure Development

Fund, they are worthy recipients. This program not only brings economic benefits to the region, but I believe the social benefits are outstanding to many who have struggled to cope with expensive LPG and wood for heating. This program will connect 6000 homes within the shire. I would like to thank the Minister for State and Regional Development for making this dream come true for many of my constituents. I would also like to thank Alinta and the gas retailers for their connection as it is progressing ahead of schedule. Once again, well done to Neville for his community participation and success with this gas project.

SPC Ardmona: Operation Share a Can

Mrs POWELL (Shepparton) — On Saturday, 1 April, I attended the 10th annual Share a Can day at Shepparton's SPC Ardmona. I am proud to say I have participated in each one of the annual events. I was joined on the hamper production line by the Leader of The Nationals; the Honourable Wendy Lovell, a member for North Eastern Province in the other place; and the Minister for Police and Emergency Services.

I pay tribute to the 450 employees that volunteer their time, the businesses that provide goods and services, the trucking companies which volunteer their trucks and drivers, the many wonderful orchardists and horticulturalists who donate quality fruit and vegetables, and the many sponsors. I particularly acknowledge Nigel Gerrard, SPC Ardmona managing director, for his support of the event and donating the use of the Shepparton factory. All profits from SPC Ardmona factory sales on the day are also donated to charity.

This year more than 2000 tonnes of Goulburn Valley fruit and vegetables and 35 tonnes of baked beans and spaghetti were canned and transported to VicRelief + FoodBank to distribute to needy families. Also, 4252 hampers were transported to Innisfail for the victims of Cyclone Larry.

Operation Share a Can is the largest food relief operation of its kind in Australia and possibly the world. The organisers of VicRelief + FoodBank are grateful for the many millions of dollars worth of food they have received over the many years and would like to see this event recognised. I ask the government to consider giving an award or special recognition to SPC Ardmona for its Share a Can day and to thank it on behalf of the Victorian people and, in particular, those who receive the support.

Alfred Centre: research institute

Mr LUPTON (Prahran) — The Alfred medical research and education precinct in Prahran will benefit from $16 million in Bracks government funding for a new medical research and infectious diseases institute formed through the merger of the Austin research and Burnet institutes.

This new super-institute will be the largest of its kind in the Southern Hemisphere and will be located at the new Alfred Centre in Prahran. It will provide an integrated, internationally competitive centre specialising in research into immunotherapy, vaccines, oncology and infectious diseases. Researchers based at the super-institute will use novel approaches originated in Melbourne to develop vaccines to fight diseases such as malaria, hepatitis C, HIV/AIDS and avian influenza and continue its world-leading work on treatment for ovarian cancer.

The Bracks government is determined to strengthen Victoria's world-class medical and research facilities and attract the best and brightest people to our world-class research base. I am delighted such a significant part of that work is being carried out in Prahran. This work will improve the health of Victorians and people around the world, create new industries and jobs and drive a stronger economy in Victoria. I want to take this opportunity to congratulate the staff at the Burnet Institute and in particular Professor Steve Wesselingh and his team. I wish them great success in the future for their very important research work.

Motorcycles: registration tax

Mr MULDER (Polwarth) — The Bracks government decided in 2002 to unfairly tax 100 000-plus motorcyclists registered in Victoria. The tax was a deliberate attack on motorcyclists, who have seen nothing for their money. The Bracks government claimed the tax would be used for initiatives to reduce the number of motorcyclists killed and injured. Between 2004 and 2005 the fatality rate rose by 30 per cent. As I stand here today the fatality rate for motorcyclists has increased by 70 per cent as against the same period last year. All motorists benefit from road safety works, and any road safety works should be funded from consolidated revenue and not from the pockets of motorcyclists. Wire rope barriers, or shredders, as they are known within the motorcycle fraternity, litter the highways. VicRoads maintenance work is being dressed up as motorcycle safety initiatives.

Let us have a close look at the current Bracks government scenario. Automatic registration increases every year with a $53.90 levy on your motorcycle; and just to add a little reality to your motorcycling, it has thrown in a bit of slice and dice with the wire rope barriers. Let us sneak a look into Labor's crystal ball. It is still cloudy — but wait, it is becoming clearer. Maybe it has a plan: 'Let's get cars and motorcycles off our roads and encourage people onto bicycles. It is much healthier — but wait, revenue is going down! We'll bring in a levy on pushbikes. We can't have them not contributing; they use the roads too, you know'. Thank God the billycart has gone out of fashion. Mind you, even if it had not, the nanny state would make sure there was nowhere for you to use it.

Schools: Frankston electorate

Dr HARKNESS (Frankston) — Frankston's fabulous schools keep on getting better and better under the visionary Bracks Labor government. In the 127 school weeks since I was elected I have had the pleasure of visiting Frankston's schools 175 times. During each of these visits I have listened to issues raised by principals, teachers, students and parents, and I have acted on them. The many local school initiatives I have implemented over the last three years, too numerous to list today, include the annual Victorian day colouring-in competition and the annual Frankston young leaders awards, which recognise the immense and diverse talents of Frankston students and promote enhanced civic knowledge and participation.

The Bracks government has invested heavily in education in Frankston. Standout projects include the massive capital facilities boosts at Frankston High School and Derinya Primary School, as well as huge funding increases for other schools throughout Frankston. Education is the no. 1 priority of the Bracks government. Since 1999 we have invested an extra $5.23 billion around Victoria in education and training; employed more than 6000 extra teachers and support staff; reduced class sizes to the lowest in 30 years; and increased retention rates, with more students than ever completing year 12.

Instead of closing schools and sacking teachers, which is the only contribution the Liberal Party ever made to education, the Bracks government is getting on with the job of enhancing the education of our children. There can be no doubt that education is our main priority. These are the formative years for our future generations. Frankston is fortunate to have excellent staff at its schools, and I congratulate all principals teachers, staff, parents and of course the children for making our schools the best place to be.

Willow trees: control

Mr SMITH (Bass) — I rise today to raise my concerns about the raping and pillaging of the rivers and streams around Victoria by the various catchment management authorities who appear not to understand the damage they are doing to our local fisheries and wildlife by the removal of willow trees.

There has been considerable publicity in the *Weekly Times* from Steve Cooper and also from Mick Hall of the Australian Trout Foundation who said that this wanton damage takes decades to repair. They do not say the trees should not be removed but that if they must be, it should be done in a more controlled manner to allow the fish habitat to remain untouched. It is about the rate of removal, not the removal itself.

It seems strange that the money earned from fishing licences, which is about $400 000, is being used to kill off the very sport that fishermen have their licences for. This desecration has to stop. The killing of not only the trout and native fish, but crayfish, bats, birds and in some cases platypus is a disgrace. It is ruining our waterways. Is this once again a case of the greenies in the Department of Sustainability and Environment dictating directions to the minister who will not raise a hand to stop them because he does not really care? It is about time the minister called a moratorium on this matter and allowed some input from the real environmentalists — the fishermen.

Basil Finnigan

Mr STENSHOLT (Burwood) — Last weekend I had the pleasure of presenting Basil Finnigan with the junior club person award for the STC South Camberwell Cricket Club. Basil joined the club at the age of 45 in 1974 and played 154 games at STC South Camberwell, which is in the Eastern Cricket Association competition and has its clubrooms at Nettleton Park in Glen Iris.

Basil was club champion in 1974–75 and played up until 1991, when he was 62. He scored 4660 runs at 37.58, including 9 centuries, 15 half centuries and a score of 250 not out. He also took 424 wickets at 14.47 and held 82 catches. He claims it was 86! He is a life member of the club.

Now over 75 and retired from a lifetime on the trams, Basil continues his work with the club as coach of junior teams. Three times a week he catches the bus from Mount Martha to Frankston, catches the train and two trams and then has a 10-minute walk to coach the boys at Glen Iris as well as going to matches on

Saturday. This year two of the teams from the club won pennants. For the first time ever the Saints had a team in the under-12 division 1 and took out the grand final. The under-14 team was also successful.

Basil is a legend and a fount of all cricket wisdom. He does it because he loves the game of cricket and loves to see the boys succeed. Basil, the Victorian Parliament salutes you.

Rail: rural and regional crossings

Dr SYKES (Benalla) — I wish to highlight the dangerous condition of many railway level crossings in north-east Victoria. In the electorate of Benalla I am told there are over 30 level crossings on the main Melbourne to Sydney railway line and many others on the Melbourne to Shepparton line and other lines. Many of them are in urgent need of repair.

Last week I inspected the railway crossing at Balmattam just east of Euroa. It is an accident waiting to happen. In the words of a local, the crossing surface is as 'rough as guts'. Local residents are extremely concerned that the local school bus laden with 50 children may be hit by a train. What a horrific thought! Works are urgently required to smooth the rail crossing so that vehicles traversing the crossing do not inadvertently stall in the path of an oncoming train.

I acknowledge the support of the Minister for Transport in making similar dangerous crossings at Avenel safe, and I note that funding has been allocated this financial year to repair five other rail crossings in the shire of Strathbogie. I ask the minister to ensure that all Victorian rail crossings, especially those in the electorate of Benalla, are made as safe as humanly possible as a matter of urgency.

Highton Bowls Club

Mr CRUTCHFIELD (South Barwon) — I would like to congratulate a wonderful community organisation — the Highton Bowls Club. As the *Geelong Advertiser* said in its headline of 20 March, 'Highton on a high'! Highton Bowls managed to reach six grand finals on the weekend of 18 and 19 March. In division C3 Highton, 94, defeated Portarlington, 51; in division C2 Highton, 81, defeated Lara, 50; in division C1 Highton, 71, lost to Geelong, 80; in division B1 Highton, 83, lost to Portarlington, 110; in division A3 Highton, 115, defeated Anglesea, 79. In particular I congratulate Noel Baalam, who is a very experienced bowler, and as a South Barwon and Geelong Football Club supporter, I hope he has a premiership trifecta this year.

In the Ballarat and Geelong premier division, Highton capped a great year by defeating Sebastopol by 15 shots — a deserving result as it had been the best side all year. In the group 2 regional final, the division 1 pennant final played at the City Memorial Club, Colac, on 26 March Highton won all three games against Corangamite, Western and Far Western and was the only team to do so on the day.

Team 1 included Cal Inderberg, Henry Dahler, George White and Peter Barnes, skipper. Team 2 included Adam Lee, Mac Smith, John Doherty and Dennis Delaney, skipper. Team 3 included Gordon Andrews, Ron Marell, Gary Banks and Craig Elliott, skipper. Team 4 included Terry Hilton, Bill Williamson, Ron Wilkinson and Craig Hodges, skipper.

The Highton team will now go on to Barham on 5, 6 and 7 May for the country final. Best of luck to them in May, and well done to director Alan Mathers and men's president Clive Savage on a great year.

Mornington Peninsula: footpath policy

Mr COOPER (Mornington) — Nearly every retail business operator in Main Street, Mornington, is outraged over the introduction by the Mornington Peninsula Shire Council of a new footpath policy for the commercial areas of the municipality. The operators are outraged, because this new policy was produced without anyone consulting the business operators themselves or the body that represents their interests, the Mornington Chamber of Commerce and Industry. They are also outraged because the policy has blatant double standards in its application.

While most business operators will be charged a fee for putting trade displays or tables and chairs on footpaths, a few will be exempted. The council apparently has no intention of removing its own street furniture that does not comply with its own policy, nor has it committed itself to improving the poor condition and uneven levels of most of the footpaths in Main Street.

The chamber of commerce tells me that under this council policy, future shops will not be allowed to put out permanent ramps for wheelchair access. How idiotic is that! The Minister for Local Government in the other house needs to intervene in this matter and require the Mornington Peninsula Shire Council to pull back — possibly to pull its head in! — from the implementation of this policy and initiate proper and decent consultation with the business community in Main Street, Mornington.

The minister needs to note that this lack of action and consultation by the council has now forced the Mornington chamber of commerce to take out a display advertisement in a local paper that details a list of 10 important items which the council has either failed to address or refused to do. This issue must be quickly fixed by the minister.

Woodend Winter Arts Festival

Ms DUNCAN (Macedon) — Last Thursday night I had the pleasure of attending the launch of the Woodend Winter Arts Festival at the lovely Sequoia Restaurant and Larder. Last year this inaugural festival attracted visitors from around Victoria and interstate. Its first year was a resounding success — no small feat for the first year of such an event, which was organised by volunteers from the local community who are motivated by a love of art and culture and a desire to support their town.

Many of the concerts were held in St Ambrose church in Woodend. The quality of the artists and the acoustics in the church were so good that the ABC recorded these concerts and replayed them on Classic FM during the Melbourne International Festival last October. A similar format is planned for this year, and again the festival is a treat of literary events featuring the likes of Terry Denton and Alex Miller; visual arts including an exhibition of work from the Woodend Art Group; and of course music, with concerts by national celebrities, including the Tim Stevens Trio and piano recitals by Ian Munro, to name just a few; films by Paul Cox; and lots more as well.

Congratulations to the organising committee, local businesses that support this event, and of course the driving force of Jacqueline Ogeil, the musical director. This is a world-class concert, and I would urge all members to come up to Woodend over the Queen's Birthday weekend, enjoy our lovely restaurants, stay over at one of the beautiful B & Bs that we have to offer around Woodend and the surrounding areas, and of course enjoy the festival. There is something in this program for everyone who enjoys the best in art and literature.

Arthurs Seat chairlift: liability insurance

Mr DIXON (Nepean) — I raise once again in this place the issue of the Arthurs Seat chairlift. The chairlift has basically been rebuilt to an incredibly safe standard, while providing one of the best tourist experiences and views in Victoria. Unfortunately government bureaucracy has reared its head again with respect to the chairlift. Last September all parties agreed to the terms and conditions of a new lease of the Crown land on which the chairlift is situated. Nearly seven months later that lease still has not been signed. In fact, Parks Victoria has not been able to provide the operator of the chairlift with a lease for three of the past six years.

The latest delay has been caused by an earnest bureaucrat in Parks Victoria who has decided, out of the blue, to change the agreed terms of the lease by doubling the amount of public liability insurance required from $10 million to $20 million per annum. The premium on this amount is untenable for the operator, who could not continue to profitably operate the chairlift. The doubling of the required cover for the Arthurs Seat chairlift has serious ramifications also for ski lifts throughout Victoria and their profitability too.

I ask the Minister for Environment to quickly back down on this demand that threatens the future of this chairlift, and others in Victoria's ski fields.

Commonwealth Games: Carrum schools quiz

Ms LINDELL (Carrum) — Many winners were involved with the Commonwealth Games, and this morning I would like to congratulate the boys and girls from my electorate who were winners of the Commonwealth Games quiz, which I ran in conjunction with my local schools.

From over 1000 entries the winners were Luke Gilfedder from Chelsea Heights Primary School, Nicole Kemp from Kananook Primary School; Maygen Cooper and Molly Rumble from St Louis de Montfort Primary School; Kelly Goodwin and Matthew Hoy from Edithvale Primary School; Con Georgiou from Carrum Primary School; Rebecca Green from Seaford Primary School; Jake Anderson from Seaford North Primary School; Dylan Rhys-Jones from Aspendale Primary School; Margaret Hare from Bonbeach Primary School; Jackson Fry from Patterson Lakes Primary School; and Hannah Thornell from St Joseph's Primary School.

I would like to thank all the school staff who assisted in distributing and collecting the quiz sheets; Roma Connell, a local retired teacher who helped with the corrections; obviously all the students who participated; and the member for Forrest Hill, Kirstie Marshall, for her time in coming down, speaking to the winners and presenting them with their book vouchers and certificates.

Children: nutritional health

Ms LOBATO (Gembrook) — Last week I had the pleasure of launching the Children's Whole Health Foundation and a book written by Dorothy Edgelow, of

whom many members may have heard through her work with the Ian Gawler Foundation in the Upper Yarra. The book is called *Apple-A-Day* and is a nutritional reference guide and cookbook aimed at parents catering for their young children.

This book is the first major achievement of the Children's Whole Health Foundation, a foundation Dorothy has established to increase the physical, spiritual and emotional health of all children. The way to do this is by giving parents and families the tools they need to make wise decisions in the interests of maintaining and improving their health.

The book sets out sound nutritional principles and makes clear that it is what we eat and how we live that plays such a strong role in determining health. It is encouragement for us to move us away from surrendering responsibility for our health and that of our children into the hands of drug manufacturers, and to become aware of the alternatives based on proven natural therapies. The foundation also offers a meditation CD appropriate even for young children, so that they can learn to relax and deal with stress. This is another exciting step forward for the foundation, and along with the book will be a fantastic tool for engaging people from all walks of life in understanding nutrition and health.

Dorothy and I are about to take another major step forward as we seek to implement the vision of the Children's Whole Health Foundation at Millgrove Primary School, where we plan to commence a pilot program. Dorothy's ability to inspire and motivate others is outstanding. I congratulate her on the fantastic book.

Planning: Geelong pedestrian bridge

Mr TREZISE (Geelong) — This week I presented to the Premier a petition bearing 204 signatures objecting to the Westfield Group's proposal to build a retail bridge over Yarra Street in Geelong. The retail bridge is designed to link the current Westfield Bay City shopping centre to a planned extension of the centre on the east side of Yarra Street in Geelong's central activities area.

In addition to the signatures collected over a 3-hour period is a list of 100 formal objections lodged with the City of Greater Geelong. I need to declare that as a local member of Parliament and nearby resident I have registered with the City of Greater Geelong my formal objection to the proposal.

The two-level, 44-metre-long bridge would consist of shops and cafes on the first level and a roadway and car park on the second, and would be similar to the retail bridge over the Nepean Highway in Cheltenham. As you are well and truly aware, Deputy Speaker, objectors to the project are concerned first and foremost that the retail bridge will block the magnificent views down Yarra Street to the bay and from the bay up to the St Mary of the Angels Basilica. There is also a concern that the central activities area will be moving east of its current and traditional boundary of Yarra Street.

This is an important planning issue for the people of Geelong. Yarra Street provides a beautiful scenic vista down to our bay and, as objectors have pointed out, this proposed construction will destroy that iconic view. As such, on behalf of petitioners I ask that the Premier note with concern local objections to the Westfield proposal.

Cycling: Upfield shared pathway

Ms CAMPBELL (Pascoe Vale) — Congratulations to all involved in the community support for the extension of the Upfield shared pathway. I begin by congratulating Graham Brandt, who has been the Moreland district police inspector for the last six years, on the wonderful work he has done and also for his support of the Upfield shared pathway project. In a letter of support he said:

> As a police member who rode to work to the new Fawkner police complex it was necessary to ride through the Glenroy area or down busy Sydney Road.
>
> A shared pathway would be beneficial to the safety and convenience of cyclists, pedestrians, rail travellers and the disabled who use wheelchairs and motorised buggies.

I also want to thank Helen Jackson, principal of Pascoe Vale Girls College, who has supported this project by writing:

> Many of our students come from all over the city of Moreland as well as the city of Hume and are keen cyclists. Each year many of our students take part in the great bike race whilst several others are taking part in triathlons. The Upfield bicycle path is a safe track for training for these events and many more. Other students love cycling, feeling safe in this specified area and know that they can ride along leisurely enjoying the countryside and the companionship of other schoolmates.

Also thanks go to Adrian Cram, who has supported the pathway's extension. He wrote:

> I occasionally use the Upfield path, and now my children are becoming involved.

I also thank Giovanni Pilla, whose first language is not English. He has put together a great letter — —

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

Eileen Goss

Ms MUNT (Mordialloc) — I rise today to pay tribute to the life of Eileen Margaret Goss (Ryan) who was born on 5 March 1919 and passed away on 4 March 2006, one day short of her 87th birthday. I attended her funeral at St Patrick's Church, Mentone, on 9 March 2006.

Eileen was a local for much of her life. She lived on Cremona Street and shortly after that on Commercial Road, Mentone, from the 1940s. Eileen was very involved in our local community, in everything from mothers clubs to politics — much like myself — and worked for Senator John Button as a secretary-cum-researcher and attended political rallies, much to the embarrassment of her daughter, Sue. She was the leader of the local Rovers group and much-loved member of a local ALP branch. My early memories of Eileen were of her warmth and welcoming nature. She was also a great walker, and I often saw her striding along the footpaths of Mentone.

Eileen will be missed by the local community and our local Labor Party for whom she worked tirelessly. My deepest sympathy to her much-loved and loving family, sons Barry, Dennis and Michael, and daughter Susan and their partners, children and extended family. Rest in peace, Eileen. As her daughter said:

> I speak your name with love and pride.
> I smile through the tears I cannot hide.
> A special person you had been.
> The greatest mum the world has seen.
> A special smile, a special face
> And in my heart, a special place.
> The gates of Heaven have opened wide — —

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

Mountain Monthly: 25th anniversary

Mr HARDMAN (Seymour) — I rise to congratulate the community of Kinglake and the many people who have dedicated a great deal of time to ensure that members of the rural area are in touch with each other. On Sunday the *Mountain Monthly* celebrated 25 years of dedication and service to the community, and we heard a great deal about its history. The *Mountain Monthly* started because community members wanted to ensure the community had the ability to communicate and to ensure that information about services and trades available in the community could be communicated to residents.

With a small state government grant the *Mountain Monthly* began with a typewriter and many volunteers cutting, pasting, editing, printing and distributing the glue of the Kinglake community — the *Mountain Monthly*. We heard about changes to practice and the movement to computers, offset printing and the eventual change to the professional printers who now produced the monthly. For over 10 years I have looked forward to seeing that cover, which always depicts a photograph of a beautiful scene, such as a view, a sunset, a local attraction or the natural beauty of the area. At the celebration on Sunday many gathered to celebrate. Congratulations to the many people involved. People are not too sure, but it may be that well over 100 people have been involved in producing the *Mountain Monthly* over 25 years. May it have 125 years more!

GRIEVANCES

The DEPUTY SPEAKER — Order! The question is:

> That grievances be noted.

Major projects: management

Ms ASHER (Brighton) — Today I grieve for the government's waste and mismanagement in major projects. We have so far had three ministers for major projects under this administration, and unfortunately we have seen the same failure in all three ministers. Every single major project is either late, over budget or both — and the third minister has made no difference.

I refer in the first instance to an article in the *Herald Sun* of 7 February 2005, a profile on the third minister appointed to major projects. It is under the embarrassing headline 'MP will stem major blow-out'. The article says:

> With the combined blow-out on Bracks government projects heading towards $1 billion, Mr Lenders' key goal will be to prevent further losses.
>
> 'I personally have an absolute abhorrence of waste', he said.
>
> 'Waste is something that really irritates me, because I think that resource can either be used for greater services, more infrastructure, tax cuts; whatever you want to use it for. So if we can efficiently run these projects, we can do a lot more good things'.

It may well be that the current minister has told the media that he abhors waste, but unfortunately he is presiding over it.

I note in particular that, to make matters worse, the budget update tabled at the end of last year shows that $5 million has been set aside for spin — or 'political fiction', according to Peter Fitzgerald — in an election year. An amount of $3 million has been allocated for something called the world-class infrastructure program, which is the ad campaign on television, and $2 million has been set aside for what is called a stakeholder program, which of course is about more spin, or political fiction, trying to convince the Victorian public that the government can deliver major projects when of course the public knows it cannot.

As a quick reminder to the house of some of Labor's great failures, let me look back at projects that occurred under previous ministers. The regional fast rail project, which was meant to be finished in late 2002, resulted in a $670 million blow-out, plus some additional expenses that have been found by the member for Polwarth and itemised in the press of late. Others include the National Gallery of Victoria redevelopment — a two-year delay and a $28 million blow-out; the Sidney Myer Music Bowl redevelopment — an 11-month delay and a $2.5 million blow-out; and the museum redevelopment — an 8-month delay and a $33 million blow-out. They are projects that occurred primarily under the first two ministers for major projects in this administration.

I want to use the opportunity provided to me in the grievance debate to provide a report card on this minister, who was meant to be a Mr Fix It and who said he had an abhorrence of waste. Let us look at the way he has handled the projects for which he is and has been responsible. Firstly I refer to the Melbourne showgrounds redevelopment. The original completion date was September 2005. There is now a one-year delay, and it is expected — expected — to be completed in September 2006. Its original cost was $101 million; in the last budget we saw a budget blow-out of $7.9 million. Of course the Auditor-General, in his *Report on the Finances of the State of Victoria, 2004–05*, is the one who let the cat out of the bag and told the public that this project was a year late. He said at page 131:

> The showgrounds redevelopment was originally forecast to have commenced in April 2002 and to be completed in time for the 2005 Royal Melbourne Show. Due to delays in the tendering and commercial arrangements, the works are now expected to be completed and ready to use for the 2006 Royal Melbourne Show.

So on project no. 1 there is a budget blow-out and a year's delay on the minister's watch.

Let us look at the Australian Synchrotron. That project was meant to be completed by 2006, but the current completion date is 2007 — a one-year delay and a budget blow-out of $57.2 million. As part of this minister's performance we have seen a concoction of open day attendance figures. This minister told the Parliament on 24 May 2005 that 6000 people attended the open day. The Treasurer said in this place that 12 500 people attended the open day. Then the minister, as part of his taxpayer-funded spin — part of the $5 million of taxpayers money allocated to spin this year — claimed last November that 20 000 people attended the open day at the synchrotron. Now in the latest edition of his department's magazine he has had to retract that and has indicated instead that the publisher, his department, was responsible for the error, even though that ridiculous claim was made under his signature.

I simply raise these issues to indicate that the $5 million of taxpayer-funded spin is of course all nonsense. This is just a wonderful example I am providing to the house of this nonsense — and it is all nonsense. Again yesterday we read in the *Age* about industry grants being given to MiniFab — $150 000 of industry grants to the only private sector investor in the synchrotron project.

Let us look at the hazardous waste long-term containment facility, as the government describes the toxic waste dump. The member for Footscray presided over a report on it some time ago and the government's original completion date was mid to late 2002, so now we have had a delay of more that three years on that project. Of note to the residents of Mildura and everyone en route to Mildura is the minister's astounding comment on the toxic waste site at Nowingi on ABC *Stateline* on 6 May 2005, when he said:

> If one of these trucks overturns, you simply scoop it back onto the truck. You don't have to be worried about it running into your water system.

I would have thought that was a foolish comment from the Minister for Major Projects, who is in charge of delivering that project.

The Melbourne Exhibition and Convention Centre expansion was to have a two-year delay, according to cabinet documents which the opposition eventually received under freedom of information. In its April 2004 economic statement the government said that the project would be finished in 2008. However, the minister's *Building One Victoria* document, released in

June 2005, states that the project is now scheduled to open in 2009.

Another project which is the responsibility of the minister is called the Melbourne Recital Centre and Melbourne Theatre Company project, but it used to be called the Yarra arts integration project. What the minister does when he cannot deliver a major project on time or on budget is change the name of the project. It does not matter what it is called; there has still been a one-year delay — and a $35.4 million blow-out in the last budget.

Let us look at the State Library of Victoria refurbishment, which is a very embarrassing project for this government. It has had a six-year delay and has an expected budget blow-out of $47.4 million. Even on this minister's watch, on 7 February 2005, in his very first press release as the Minister for Major Projects, he said that the library refurbishment would be fully competed by 2007. However, in the 2004–05 annual report of the Department of Infrastructure, the government revised that to 2008. So even on the new minister's watch the completion of that project has been delayed by an additional year.

Let us look at the Austin Health redevelopment and Mercy Hospital for Women relocation project. Again, that has had a budget blow-out of $221.3 million.

Let us look at the former fish market site and the removal of the Flinders Street overpass. The completion date for that whole project has been delayed by three years. What the minister has done is pull out the removal of the overpass and try to manage that as a separate project. He maintains that that project was delivered on budget. The problem for him is that the initial government contribution to the cost of the removal of the overpass was $6.5 million and now he has acknowledged that the cost was $9 million — so the cost of the removal of the overpass has increased by $2.5 million. The minister keeps saying that the project was on time and on budget; the government's own figures palpably demonstrate that that is not the case.

The Minister for Major Projects also has responsibility for the West Gate Bridge memorial park, which is interesting because that project was actually opened before he became the Minister for Major Projects.

The small Bonegilla Migrant Experience Heritage Park project suffered from a two-year delay. Under this minister the completion date for the project was delayed from mid-2005 to late 2005. It was opened in December last year, with $20 000 being spent on a party — again much in the same style as the synchrotron open day and the Spencer Street open day and all the other forms of nonsense and celebration that the government runs to try to hoodwink the public and waste taxpayers money.

On the Commonwealth Games project, I note that the minister's list of responsibilities include that:

> The Minister for Major Projects will have a supporting role in advising cabinet in conjunction with the other relevant minister on measures required to resolve delivery issues.

Look at these: the William Barak Bridge — $2.9 million over budget; the Melbourne Cricket Ground — $77 million more of Victorian taxpayers money spent on that project, with compensation claims which may be anywhere between $50 million and $100 million to come; the Commonwealth Games Athletes Village — let us withhold judgment on that until we find out what the full cost is; and the Melbourne Sports and Aquatic Centre — a $10 million budget blow-out, from $50 million to $60 million, in part for accommodating a gum tree. That project was meant to be completed by March the previous year. The State Netball Hockey Centre was opened 11 months late. Even on those projects where he has some responsibility, he has been a miserable failure.

The big embarrassment is Spencer Street station; after its renaming, Southern Cross station was meant to be opened on 27 April last year. Many people noted with interest the comments by Peter Fitzgerald — a Labor insider; a man Labor has praised for his expertise on public-private partnerships (PPPs) — that the government has paid $1.8 billion to build a nice roof. The public is not so much interested in the roof; it is interested in what is happening underneath the roof. That station is still not open and still not functioning properly.

Further examples of waste under the minister include the launch this year of Building One Victoria, a $2 million propaganda program, with a $56 000 breakfast. Another example of waste occurring under the minister is VicUrban. For example, the minister has just allocated $645 000 for a five-berth marina for super yachts for the rich and famous. If the minister thinks that there is economic value from having five super yachts in town, he has completely lost the plot.

There is certainly economic value from cruise ships. There is economic value from a range of things such as a marina, which has a public component to it — but a marina for the rich and famous? He would have to be kidding!

We were all very excited when we saw the new minister appointed. I was particularly excited to think that finally the third major projects minister in the Bracks Labor government would stem the major blow-outs in major projects. He went on record as saying, 'I personally have an absolute abhorrence of waste'. Under the third Minister for Major Projects we have even more waste.

In the major projects area we have a clear case of failure by the Bracks Labor government — failure in the first minister, failure in the second minister and failure in the third minister. There is a clear case of waste which is burdening taxpayers with additional costs that they did not need to pay. This is money that could have gone to some other projects or some other service delivery. Members can ask someone who has paid land tax, stamp duty or a speeding fine what they think of these blow-outs in major projects; they will have a very clear opinion on the ineptitude of the Bracks Labor government and its ongoing capacity to waste taxpayers money. Major projects also constitute a clear case for the better handling of taxpayers money, and we on this side of the house offer that opportunity.

Again I place on record that the first Minister for Major Projects was in fact the minister for no projects. The second Minister for Major Projects was the minister for slow projects. Unfortunately, despite all of the expectations that Mr Fix-It in the upper house — the Leader of the Government in the upper house; a member of the leadership group — would fix up this area, which is why he was brought into the portfolio, nothing has been further from the truth. On his watch every single major project still continues to be late, over budget or both. All he appears to have done is rename a couple of projects and run a $5 million advertising campaign to mislead the public in this area.

Australian Wheat Board: oil-for-food inquiry

Mr ROBINSON (Mitcham) — This morning I wish to grieve about the collapse of ethical standards within the prominent corporation, the Australian Wheat Board Ltd (AWB), and the implications of this collapse of standards for Australian businesses.

A sorry procession of AWB employees before the Cole royal commission in recent weeks has demonstrated how accountability in that organisation over recent years has been replaced with an avalanche of half-truths, mistruths, obfuscations and deceit, as well as more than a fair sprinkling of sheer incompetence.

Writing recently about this in the *Australian*, Tim Costello said:

> I believe people aren't surprised by such allegations, and many believe that in order to do business internationally you have to be prepared to make corrupt payments. It's part of the game and better to play it than to have our national interests and economic health damaged by any 'misguided' ethical stand. If we don't pay, our competitors will. Sadly, if this is the reality, I fear that efforts to promote corporate social responsibility in this country are doomed to founder unless we can break this culture of acceptance.

I heartily agree with Tim Costello.

The behaviour of the AWB is breathtaking in a number of ways, particularly the reckless indifference displayed to the consequences of the actions of its employees. In 1996 that company, more than just about any other, would have accurately understood the role of the newly established United Nations (UN) oil-for-food program. A good definition is contained in a report by the US congressional committee on international relations, which says:

> The UN designed the program to feed and care for Iraqis suffering as a result of Saddam Hussein's continued non-compliance with provisions of the cease-fire that ended the Gulf War —

in the early 1990s, in which Australia participated actively.

Notwithstanding this knowledge and the strong support of the Australian government and the Australian community for the humanitarian aims of the program, AWB actively and deceitfully aided and abetted the siphoning of $290 million of funds from the UN program to the Iraqi government, the very institution the program was established to counter. It became a willing partner to a systematic corruption of this important humanitarian program.

Incredible as it is, the AWB appears never to have concerned itself with the consequences of its actions other than of avoiding being caught doing it, even though the Australian government's language about the Iraqi regime and its non-compliance with the United Nations requirements became more strident through the late 1990s and the early years of this decade.

There were consequences, and it has taken the United States congress in the form of its Committee on International Relations in December last year to provide explicit advice as to what Iraq did with the kickbacks it received. Lest anyone think that this congressional committee is manufacturing a conspiracy theory, it is important to note that it is chaired by respected long-serving Republican Congressman Henry Hyde. The committee's report found that amongst other things, payments of $25 000 were paid from kickback accounts to surviving families of Palestinian suicide

bombings — that is to say, the proceeds of this rorting of the United Nations humanitarian program were used to sponsor terrorism.

Only the total collapse of ethical standards within the Australian Wheat Board can explain this treachery, and this behaviour can be best be defined as treachery. This behaviour over a number of years has undermined the position of successive Australian governments. It has undermined grievously the long-term interests of Australian wheat growers. It has undoubtedly contributed to the suffering of people under the tyranny of Saddam Hussein, and it has certainly devalued the efforts of Australian servicemen and women who were deployed to curb the excesses of that regime.

AWB's behaviour should concern all Australians profoundly, but there are some who inexplicably seem to think this issue is overrated, because, as Tim Costello notes, there is a perception that everyone does it. There are some who think that the issue will simply blow over; there are some who think it is just a political side issue confined to the federal Parliament in Canberra. They should think again. This is a scandal that will not go away and nor should it.

As everyone knows, Commissioner Terrence Cole is investigating whether the activities of AWB and related companies breached commonwealth law. The extension and then the further extension of the commission's reporting deadline indicates that Commissioner Cole has much to investigate. Indeed, the *Weekend Australian* of 31 January, in a report by Jennifer Sexton and Katharine Murphy, notes a comment by Commissioner Cole that:

> It does seem to me that there are a large number of prospective offences under the commonwealth code that will have to be considered by this inquiry, and in relation to a significant number of them the culture of the organisation may be a material matter.

The article goes on to note that:

> Under the code, it is an offence to bribe a foreign official 'to obtain or retain business' —

and that the offence —

> carries a maximum penalty of 10 years jail or a fine of $66 000.

That much of Commissioner Cole's inquiry and his terms of reference is well understood. What appears to be less well understood is that Commissioner Cole has also been asked by the federal government to investigate whether any actions of the three Australian companies mentioned in the final report on this matter might have constituted a breach of any law of any state. This is of particular relevance to this place because the AWB is based in Melbourne, only about a kilometre from this place. Victorian law is directly relevant. Current and former AWB staff might like to consider this. They might like to acquaint themselves with the provisions of the Victorian Crimes Act. To assist them with this, I draw their attention to a number of provisions of the act. For example, section 82 refers to obtaining financial advantage by deception; section 83 refers to false accounting; section 83A refers to falsification of documents; section 176 refers to the receipt or solicitation of secret commissions by an agent; section 178 refers to the giving or receiving false or misleading receipt or account; section 181 refers to the aiding and abetting of offences within or outside Victoria; section 314 refers to perjury; section 321 refers to conspiracy to commit an offence; and section 321A refers to agreements to commit offences outside Victoria.

Some people think this issue is going away. It is not going away, and nor should it. Beyond Commissioner Cole's duty to examine the breaches of commonwealth law as well as state law, it is worth remembering the restriction on the terms of reference that the federal government has provided — that is, to look at actions involved with the oil-for-food program in Iraq in the period 1996 to 2003. This needs to be considered because I fear the AWB over a number of years has refined its facilitation practices to an art form. Evidence does exist that the practice has been applied elsewhere, for example, in Pakistan.

The same *Weekend Australian* article of 31 January referred to how the inquiry has heard that wheat deals with Pakistan in the late 1990s, when the wheat board was still under federal government control, included US$12 million in payments to an agent. The Pakistani payments were made over three years until 2000. I understand the Pakistani government is taking action against the person or persons who were involved in the receipt of those payments at that time.

In recent weeks I have become increasingly concerned that other examples may exist of this practice. I would like to think I am wrong. The nation of Sudan might be another case in point. This is a wretchedly poor country that has been racked by civil war for generations. It is heavily reliant on food imports. It is a country with which the AWB has done extensive business.

The Department of Foreign Affairs and Trade web site reports that for 2004–05 Australian exports to Sudan involved $177 million of confidential items, estimated to be mainly wheat. There is no such reluctance to detail the exports on the part of the AWB, which in July

2004, under the name of Sarah Scales, the AWB international general manager, reported on how Australian wheat markets to Sudan were booming and how they had grown wheat sales to that country from nothing seven years ago to about 700 000 tonnes.

In normal circumstances we would all say that is a success story worthy of congratulations, but this is not a normal circumstance. In light of the commission's revelations; in light of the revelations of witnesses and the fact that AWB has been unable to own up to the fact that it was involved in this rort, it is necessary we get answers about its activities in other markets as well. Sudan in particular in recent years has been through a living hell. Victorians know this because of the refugees we are now gladly accepting from Sudan who have appalling stories of recent cruelty to tell.

Perhaps the best concise summary of that can be found in the United States Department of State report by Deputy Secretary of State Robert Zoellick, dated 22 June last year, which details how the Sudanese government unleashed its army in a brutal militia counterinsurgency in Darfur in 2003. This resulted in large loss of life, widespread rape and destruction of villages, and over 2 million people being forced from their homelands. It reported that the US had determined that genocide had occurred in Darfur in 2004 and that the UN ruled that crimes against humanity had occurred in January 2005.

Genocide and crimes against humanity cannot be ignored. They, like this AWB scandal, will not go away, nor should they go away. Normally I would not pose a question like this but the circumstances warrant it being asked: did AWB make facilitation payments to the Sudanese government or related parties, and if so, who did it make them to and what were they used for?

Is there any connection between the activity of AWB in Sudan in rapidly expanding its sales to that country and that government's latter crimes against humanity? Some weeks ago I inquired directly of AWB as to what facilitation payments it had made to a range of countries, including Sudan. But surprisingly, the brash gun-toting cockiness of the company in recent years is no longer evident and has been replaced by stupefied silence. In any event I am not sure that any reliance can be placed on anything the AWB offers by way of explanation.

Victorian-based companies do not trade only with Iraq and only within the parameters of United Nations programs. They operate in a diverse, multifaceted way with contracts and contacts across the globe. They deal with all sorts of governments, the vast majority of which are law abiding and uphold principles of transparency and accountability. The reckless behaviour of the AWB has exposed corrupt practices for all to see. The worms are well and truly out of the can and there is no putting them back in. If there is any lesson in all of this, it must surely be that a blind eye to corrupt commissions can no longer be tolerated.

In conclusion, Tim Costello is right. We must break this culture of acceptance that has mainstreamed corporate corruption and indifference to its consequences. It will not be easy; it will be very painful. But, as Tim Costello says, it is absolutely essential we do it because corporate greed cannot win out.

Rural Ambulance Victoria: administration

Mr RYAN (Leader of The Nationals) — I again — and with regret — grieve for country Victorians in relation to the operations and administration of Rural Ambulance Victoria (RAV). In doing so I pay tribute to the paramedics who form this essential service and do wonderful work on behalf of country Victorians. But the fact is that the operations and the administration of RAV are in disarray and need to be the subject of an extensive investigation in the nature of that which I called for on 8 February when I first spoke about these matters, and with regard to which the government has at least now constructively turned its attention to, although it has not done so to nearly a sufficient degree.

The allegations I made on 8 February in this house were denied by RAV. On that day I said there were problems because there was a culture of bullying. There were issues about the employment of ambulance community officers (ACO) and also an issue with the non-emergency patient transfer system. As I have said, those allegations were all denied by the management of RAV. There was utter silence from the government. Only yesterday the government announced that an inquiry is going to be conducted. We do not know yet what form the inquiry will take. We understand it is going to be undertaken by the State Services Authority. My great concern is that this inquiry is likely to be a sham, and it will not do justice to the wide range of issues which plague the administration of Rural Ambulance Victoria. We need a different approach to be adopted by the government to deal with this.

Into the bargain there also has been the announcement that the chief executive officer of the State Services Authority, Peter Harmsworth, has either resigned or is going to resign, as I understand the position. All of this is most untimely in the given circumstances. In any event, the State Services Authority is not the right body to be conducting the necessary inquiry into the

operations and administration of RAV. That is because the difficulties which plague the organisation are well beyond the charter of the State Services Authority. Let us have a review of where those different issues have now materialised over the course of the time since I spoke on 8 February.

There remains the issue of bullying. There is a culture of it. The Minister for Health, who is at the table as I speak, was interviewed on ABC radio yesterday, as was I. She spoke about the fact that in the last few months — as she termed it — there had been some concerning reports about bullying. By the time I asked her the question in question time yesterday, those few months had gone out to a period of years. There has been no acknowledgment of what period of time the government has known about these issues. But I can tell the house that at least one of the paramedics who have borne the brunt of this issue wrote to the minister on 14 December 2004, 10 January 2005, 18 February 2005, 28 February 2005 and again on 14 December 2005. In each case he pleaded his cause for the bullying treatment he was being subjected to within RAV.

A lady who was a former paramedic employed by the organisation cried on the phone in the course of a discussion with me about the treatment to which she was subjected a couple of years ago while she was working with the service. She pleaded for something constructive to be done to resolve it.

I wrote to the Auditor-General after speaking in this place on 8 February. The Auditor-General responded by saying to me that issues regarding the ACOs and the non-emergency patient transfer systems were the subject of an internal inquiry by RAV, but that WorkSafe was investigating some of the aspects of the bullying allegations. I have met with WorkSafe and have handed it some of the material given to me by some of these paramedics. I am now waiting for a preliminary report from WorkSafe as to those matters.

The issue of bullying has been outstanding for years. It has been ignored by the government and needs to be dealt with in an appropriate manner. Insofar as the ambulance community officers are concerned, they do a terrific job in assisting the fully trained paramedics. I say 'fully trained' because the ACOs have about seven weeks worth of training. In country Victoria we have about 400 of them — none of them are in the metropolitan area. The ACOs do what they can to assist where appropriate. My concern was that there was no operational mechanism involved in their use.

After I spoke on that day in February, RAV announced it was going to produce some guidelines for the way in which ACOs would actually participate in the work of the organisation. It is an extraordinary state of affairs that these people should be working in conjunction with paramedics and not apparently be the subject of any operational guidelines. I came to this point because at Foster and at Yarram all we wanted was one more paramedic, as opposed to ACOs being employed, to assist the organisation in those respective centres. At that time, going back to February and last year, RAV was intent on its course. I hope we have that extra paramedic granted to us now.

The other issue which I raised was the non-emergency patient transfer system and the waste of resources that goes with it. That has not been resolved, despite an initial move in the right direction. Just this morning I received an email from a member of Rural Ambulance Victoria, who said:

> The use of private contractors to transport routine patients has again suddenly ceased (once the media attention abated) and over the past month the same old issues of lack of emergency resources have arisen. Again RAV say they are conducting an 'internal review', but in the meantime they have referred to using emergency ambulances to transport non-urgent patients.
>
> Yesterday for example an ALS crew from Leongatha was sent to Melbourne unloaded to return a walking patient to Port Welshpool. A disgraceful waste of resources.

That is the closing observation from this paramedic. It certainly is the case; that issue is ongoing.

What have we seen develop since I spoke that day? Allegations regarding a senior manager forging signatures so as to get mates jobs, he having resigned before he could be prosecuted; a Wonthaggi woman who died while paramedics were searching for her address, this tragedy occurring in circumstances — —

Ms Pike interjected.

Mr RYAN — I readily acknowledge that the issues surrounding all that will ultimately be determined by the State Coroner. The point I make is that this is yet another issue to which attention needs to be turned. Then there are the repeated instances of the gagging of personnel that have been reported to me by paramedics; allegations of sexual harassment by a senior manager; and the issue of the computer-aided dispatch (CAD) system that continues to dog RAV. We had the unseemly situation a week or more ago when the Premier, in response to a question he was asked about the installation of the computer-aided dispatch system, assured the media that it would be installed by the time of the election in November this year, only for that to

be the brunt of the correction issued by the ubiquitous ministerial spokesman about 4 hours later, who said it was 'Slips, no go' and that it would not be installed by November. What a circus it is that we should have this discussion going on about that essential element of the operation of RAV! We have had questions of harassment in a variety of circumstances, of bullying and of people being pilloried because they have a concern about speaking up. I received another email from a different paramedic this morning. He said:

> … there are a number of issues that will come to light should a proper investigation take place. Staff need to be certain that is properly carried out, as most including myself are quite gun shy having been through a number of internal inquiries with no real result coming out of them against all evidence to the contrary.
>
> There is one particular member of staff —

in the particular location he refers to —

> who has kept a record of extreme bullying and harassment from the area manager but has time and again refused to come forward for fear of retribution. Nothing ever changes and the manager becomes more confident and more ruthless. This officer has now indicated his willingness to come forward should a tribunal hearing in which he has faith could be convened. Frankly, I don't blame him.

This is the point of it: the government has announced an inquiry. What inquiry? What are the terms of references for this inquiry? Who is going to do it? Is it a special inquiry under section 52 of the state services legislation? A special inquiry is one that is actually directed to be undertaken by the Premier. When the report is finished it has to go to the Premier and the responsible minister, and it must be tabled in the house. At least there is an element of transparency in the sense that Parliament gets to see the finished product. What are the terms of reference? What is this inquiry going to investigate, if indeed it is a special inquiry under the terms of the legislation? Or is it to be a systems review under section 50? Or is it to be a special review under section 56? The importance of those rhetorical questions is that in neither instance is there an obligation on the government to make public the reports arising from those investigations. They have to run around the system between the Premier and the responsible minister, but there is no requirement under the terms of the legislation for either of those investigations to be the subject of public disclosure.

I ask again: what is the government going to do by way of investigating this? What it should do is set up a judicial inquiry conducted by a retired judge or senior barrister. It should have terms of reference which are of sufficient breadth to pay heed to this vast array of problems which now plague RAV and which even this government now acknowledges are sufficient foundation to warrant a call for an inquiry in whatever form that inquiry is supposed to take.

We should have terms of reference which are broad and all-embracing and which enable all the important elements to be investigated in the manner they deserve. Those terms of reference should be made available to the public at large so that everybody has the chance to comment and, if necessary, have input. We do not need a royal commission here. This is not a witch-hunt for the late Marie Tehan. This is not a call by me for the sort of activity which was undertaken by the present government in pursuing Marie Tehan to the point where ultimately the purpose and intent of the ambulance inquiry it conducted became lost in its blind endeavour to try to square up with her. Along the way it cost Victorians $80 million — and it achieved nothing. That is not what I am calling for.

What I am saying is that, particularly over the issue of bullying but also with regard to the other numerous matters to which I have referred, this government owes it to these people to look after them and properly investigate the issues in a manner which stands scrutiny. It needs a judicial inquiry with enough teeth to call for evidence and documents and to get to the bottom of these allegations. Importantly, it needs that form of process because it is by that means that the people who have been the brunt of this for the years they have suffered it can have the confidence of knowing that they can come before an entity of that nature and be protected and that they are not going to be subjected to more of the treatment which has dogged them over the years.

The other point is that this government owes that to these people, because it is a government that comes in here daily preaching rhetoric about workers rights and telling us on this side of the house about how committed it is to looking after people in the workplace — all of it in circumstances where it is blatantly apparent that this government has known itself, or more particularly through the RAV, that there are people within that organisation who have been suffering from bullying over a period of literally years.

The government has to do better than set up some half-baked, wishy-washy and essentially internal inquiry which is not going to get to the essence of where these problems lie. The government needs to do this in a completely transparent and proper manner. If it does not do it in that way, we will not hear from the very people who need to be looked after and who are owed the dignity of having their issues investigated properly and being given answers to the matters about

which they have been pleading for literally years. We will not hear from them, because they will continue to be fearful of copping the same sort of treatment which has been vested upon them over the years.

I say to the government that, sad though the circumstances of this might be — and leaving aside how terrible it might be that RAV has been in flat-out denial over the last couple of months about there being any problems at all and that the government chose to ignore this until very recently, trying to stay out of it in the hope that it would blow over — the point is that the people who have been the brunt of this deserve the dignity of an approach which is going to do them justice. In addition, for the sake of the future operations of RAV and the great people who work within it and the wonderful things they do for country Victorians, this government also owes it to those people to make sure a proper inquiry is undertaken that will get to the bottom of this fiasco, deal with the issues which are outstanding and enable this great organisation to go forward as it should.

Bioethics: basic human goods

Ms CAMPBELL (Pascoe Vale) — I grieve today for MPs and other citizens who, rather than ask, presume to know the reasons behind an individual MP's decision on a conscience vote. The busy life of an MP sometimes limits their time for individual research on the full implications and consequences of a given bill. Today in the 15 minutes available to me I will give the rationale — and, I would submit, the extremely logical reasons — why I always intend to vote for human life.

After the vote on destructive embryonic stem cells research there were many ill-founded comments on why individuals voted for or against that particular bill. Invariably people presumed my vote was based on my blindly following the Catholic Church. What a totally superficial presumption and lazy analysis, given that Catholics voted for and against and abstained from voting on that bill.

We are going to vote again this year on destructive embryonic stem cell research and, given that members' contributions to debate on the bills are sometimes restricted to as little as 3 minutes, today I want to explain why life is inviolable at every point.

Why will I always argue for and defend human life? Life is every person's first good. Each and every other good stems from it. This is deduced from reason. Individually and collectively we need to ensure that human life at every stage is protected, nurtured, loved and defended and that no human life is knowingly desecrated or sacrificed, and this I suggest is deduced from the golden rule.

It is good that we are living longer and living healthier. Media reports this morning inform us that the average life expectancy rose by more than 25 years over the past century. The average life expectancy now hovers around 80 years, whereas 100 years ago 50-something was considered old age. This outstanding achievement was without destructive embryonic stem cell research.

I welcome yesterday's Healthy Futures announcement which will deliver better health research and jobs for Victorians. That announcement explained that life sciences are the disciplines that will drive this revolution and lead to new treatment for many life-threatening diseases, major improvements in the quality of life for people living with the disabling effects of illness or injury, advancements in industries such as agriculture and food production and new ways to manage and conserve the environment.

We proudly acknowledge the fact that Victoria has a long history of excellence in medical research underpinned by internationally recognised research institutes and hospitals and a skilled work force. We collectively want to keep our best students and researchers here to develop for all of us the very best in terms of life and living. Healthy Futures will build our life sciences capabilities for a healthier future by ensuring research is quickly translated into practical health benefits for all Victorians.

I also applaud and acknowledge the myriad occasions when we as MPs defend life and its imperfections at all its stages, from our support for abolishing the death penalty beyond our borders to increased funding for mental health and improved legislation for aged care, which we voted on yesterday. As Anzac Day approaches we hear the diggers utter something of the horrors of war and their universal outrage at instances of cannibalism, and on the other hand their acclaim for instances of ceasefire to allow each side to show respect to bury their dead. Prisoners of war have rights, as do the worst offenders in the prison system.

I believe the body is protected, and bodily integrity is defended by the actions we have taken. We vote for laws against violence, sexual abuse and rape in marriage. Little of the debate on destructive embryonic stem cell research considered that. It failed to consider adequately the dominion of one human life over another life, and it did not in my view adequately look at the systematic creation and destruction of life in the name of biotechnology.

Some of the debate on destructive embryonic stem cell research surrounded the nature and status of the embryo. Was it human? Whether or not it was human, was it worthy of respect? I put to this house that practical reason dictates that something cannot be and not be at the same time. How can an embryo not be considered human? When the male and female human gametes are fertilised, it is human life that is conceived. It is human life because human gametes are fertilised. Every human life begins at conception. What other possible life could two humans gametes produce?

In primary industry veterinary science recognises that from conception a sheep embryo is a sheep and a cow embryo is a cow. What else but human can a human embryo be considered? Given a zygote or an embryo or a child comes from human gametes, it cannot be anything but human life. Why do we now vote for and engage in medical research that at the hands of humans actively destroys human life?

We talk in debates such as this and on other occasions about how civilised societies have historically condemned such practices. Why do we now not only condone it but consciously vote to allow and promote it and financially support it with taxpayers funds? With destructive embryonic stem cell research, there is the hope that the life of a person might be saved in decades to come, but it conveniently ignores the particular human life or lives that are destroyed — that which never has the chance to come to fulfilment.

Destructive embryonic stem cell research for me places the species or collective above the individual, which in the first case has shades of Nazism, and the second has shades of Marxism. We do not accept other forms of biomedical research on human life where the death of the subject is required in order to assist another life to continue. A good example of this is our community's repugnance of the vital organ harvesting that is occurring in some countries death row prisoners. We as a community have expressed our outrage and various national leaders, not of a political nature but of a human rights nature, have conveyed that to the relevant authorities in those countries.

My approach to bioethics, defined as the study of reason for actions regarding life, is one based on practical reason entailing moral truths which are grounded and understood in terms of human goods that allow the human person to flourish. I contend that the application of the golden rule, do unto others as you would have them do unto you, is equally relevant. Every human being is meant to be able to have the basic good of life and live it to the full.

I want to talk a little about basic human goods (BHGs) because basic human goods are at once principles of practical reason and aspects of the full being of persons. The grounding of ethics in these goods is the first step towards providing both a defence of the absolute dignity of each person and the reason for each person to act morally.

I believe Parliament should support legislation based on the human person and the goods that person requires. Those goods I will refer to as basic human goods. They are intrinsic rather than instrumental to the human person and they require no further reason. I contend basic human goods include two broad categories — substantive goods, which are received as gifts, and reflexive goods that surround deliberate choice. These basic human goods correspond to inherent complexities of human nature as it is manifested both in individuals and in various forms of the community. Put simply, BHGs are a perfect fit for what humans need.

Through these goods the person attains human flourishing, and these goods relate to the nature of being in seven different ways. I would suggest these goods relate to the nature of us as animate, which requires life itself, health and safety; secondly, as being rational, which requires knowing reality and appreciating beauty through knowledge and aesthetic experience; thirdly, simultaneously rational and animate, which can transform the natural world by excellence in work and in play. Everyone shares in substantive goods even before deliberately pursuing them. They are first received as gifts of nature and part of our cultural heritage.

The four reflexive goods stem from the human person being an agent through deliberation and choice. These relate to the fourth, fifth, sixth and seventh goods. These relate to harmony between persons among individuals and groups living peacefully; harmony within individuals and their personal lives through inner peace; harmony amongst one's judgments, choices and performance, through peace of conscience and consistence between one's self and its expression; and finally, harmony with the inner reaches of reality and peace with God, the gods or some non-theistic but more than human source of meaning and reality. All the basic human goods, being intrinsic to the human person, are equal and exist in harmony when a person is in their ideal state of flourishing.

In chronological order it is obvious that life itself is the first good, an absolute good. For us all to be alive to any form of harmony, to be interested in it and to choose for it, one must have practical knowledge of it as a good to be realised. These goods are

incommensurable; they are of equal value. But without life, the initial absolute good, the human person fails to flourish.

Destructive embryonic stem cell research is wrong because it denies the first of these goods. We also, I suggest, are very wrong in trying to make these goods commensurable in terms of a mathematical analysis. In this case proportionality in assessing basic human goods and choosing between goods is nonsense. How can one measure or evaluate the life obliterated against possible improvements at a time unspecified and against what may assist others to another level and in a manner unknown?

It is really important to note that in two ways the first moral principle, which is acknowledging the golden rule and going beyond it, is realised. The first and master principle of morality prescribes that non-integrated feelings have to be transcended. We as MPs, I contend, need to look at the facts of human goods and make our decisions based upon them. Secondly, evil cannot be done so that good can come. On both counts destructive embryonic stem cell research fails. It is reasonable to understand integral human fulfilment in terms of the basic human goods required.

In relation to ethics and biotechnology, people can plan their lives reasonably only because in one way or another they share, as humans, the need for the same basic goods. It is these universal goods upon which we should make decisions. I can certainly see it in our focus on health, education, community safety, community building and racial and religious tolerance, to name only some vital initiatives. We cannot afford the cost of assisting the individual, community and society to flourish if it is at the expense of dispensing with the inviolability of human life.

People are naturally disposed to understanding basic human goods, integral human fulfilment and the first moral principles required in legislation. I believe basic human goods are written on each and every person's heart, and we know exactly when they arise — because we know a conscience vote will be requested in this house and it will be given. The light of reason in each and every one of us, be it MPs or scientists, exists. What is technically or scientifically possible in stem cell research should also conform to an ethic that respects life — a life that began uniquely for each of us when two human gametes fused.

Philosophy may not be as financially profitable as some life sciences, but stem cell research must only proceed with an in-depth understanding of ethical implications for all individuals — for humans, their community and society.

Government: performance

Mr DOYLE (Leader of the Opposition) — I wish to grieve this morning about the hypocrisy of this Labor government. I do not know what masochistic impulse led me to browse the ALP web site, but in doing so I found the rather anodyne but rather difficult-to-disagree-with statement:

> A good government must build a better society for its citizens and provide quality services.

That led me to think: how might that be done, and has this government actually delivered on that noble sentiment?

We on this side, of course, believe that providing a world-class education, health or transport service, environmental responsibility or safety in our streets and homes rests on the cornerstone of a prosperous economy. We believe that is the starting point for delivering all those frontline services to the people of Victoria. In thinking about this noble sentiment on the ALP web site, I put in context for myself the fact that both this government and the previous government have served the people of Victoria for nearly seven years, and I wanted to put into some context the record, particularly financial and economic, of both governments.

If we go back to 1992, with the election of the Kennett government, I would remind the house that the net debt of this state was $32 billion in 1992–93. Over the course of seven years, which the other side likes to call the seven years of darkness, that was reduced substantially to a net debt of around $6 billion. In terms of what in those days was called the current account deficit, the deficit of the state in 1992–93 was around $3.3 billion. On the operating account it was about $1.1 billion. Compare that to the surplus we left in 1999 of $1.8 billion.

I would remind the house that the workers compensation WorkCare unfunded liabilities were over $2 billion in 1992–93, and when we left in 1999 it was almost fully funded. I will not go into the collapse of the Victorian Economic Development Corporation, which lost about $112 million for the Victorian government, the collapse of Tricontinental Corporation — the subsidiary of the State Bank of Victoria which was declared insolvent in May 1989 — or the Transport Accident Commission and taxpayer liabilities for the collapse of the Farrow Corporation that were around about $800 million.

When you look at the record of the previous government it is one of great economic responsibility in very trying times — a remarkable achievement by a very disciplined economic management government. Compare that, however, to what has happened under Labor.

Under Labor what you have had is greed and windfalls. Look at land taxes, which have more than doubled from $378 million in 1998–99 to $848 million in 2004–05; stamp duties, which have more than doubled from $1 billion to about $2.3 billion in the same time period; police fines, which were $99 million in 1998–99 but which will reach $324 million this financial year; insurance taxes, which have doubled over the 1998–99 to 2005–06 years; and, most startlingly of all, the GST revenue, which has grown from around about $5099 million in 2000–01 to a massive $8480 million in 2006–07 — a huge 66 per cent increase.

In other words, in contrast to the previous government, the money has rolled in for this government, so that budget expenditure has risen from around $19 billion in 1998–99 to well over $30 billion in this year's budget.

The context that I would place today's contribution in is that what we were left with in 1992 was a legacy of debt, a rust-bucket state, from the previous Labor administration. In contrast, what this government has had is a high-revenue, high-taxing and high-spending six and a half years. What we should have after six and a half years of Labor is first-class infrastructure, the highest standards of frontline services and a clear vision for the future of Victoria, given the prosperous times that we have enjoyed, largely as a result of the economic management of the federal government and the greed of this government in terms of state taxes. We have none of that.

Let us look at a few specific examples in the areas that Labor likes to call, or pretends to call, its own. In education the ALP platform says it has a priority to ensure Victoria matches or exceeds national benchmarks for reading, writing and numeracy at the primary school level. What is the actual record? The record is that the program for international student assessment found that Victorian students ranked behind every other mainland state for mathematics, science, reading and problem solving. I do not accept that the standards in Victoria should be behind the Northern Territory, South Australia, Queensland, or certainly not New South Wales. I would argue that we should be at the forefront of those standards, not lagging behind all the other states.

I cannot understand why, when the previous government published a school maintenance backlog, this government will not do the same thing and why it refuses to update the physical resources management system database — because, I presume, it will look bad for the government. Instead we have classrooms that are rotting and students' education that is being sacrificed.

We have a government that is building up a shortfall of well over $205 million — at last count in 2004 — in funding and maintenance of schools. Thirteen schools carry a repair bill of more than $1 million, and yet we recently had the announcement, out of nowhere, about the proceeds from the sale of the Snowy Hydro. And didn't question time yesterday demonstrate that the other side is not quite sure whether it is for or against privatisation! We had the two ministers now at the table, the ministers for education services and health, arguing against privatisation, while their other colleagues like the Treasurer and the Premier were actually arguing for the privatisation of the Snowy Hydro so the money could go into education. But into what schools, and under what priorities? And what are the competing priorities in health or infrastructure or transport that have been discarded for this one-off windfall handout?

Mr Perton — Marginal seats!

Mr DOYLE — I would have to share the cynicism of the member for Doncaster, in that one would suspect it will go into the election campaign for marginal seats. Otherwise, why have we heard no more about it?

I could go on about health, which is an area of great concern to me. I enjoyed working in that portfolio very much, and I acknowledge the difficulties that were caused when the federal government withdrew from funding public dental care. One of the things the ALP platform says is that it will ensure better access to dental care for all Victorians. When you look at public dental health — —

Ms Pike interjected.

Mr DOYLE — The minister says it, but unfortunately every other state funds it, and it is a state responsibility. The reality is that the average waiting time for treatment for dentures is increasing. Edentulism is a problem which is dying out as better dental hygiene and better dental health permeate our society, and that is a good thing.

Ms Pike interjected.

Mr DOYLE — Yes, I do support fluoride, as a matter of fact.

Ms Pike interjected.

Mr DOYLE — I do, and I am prepared to have the argument with you.

Ms Pike interjected.

Mr DOYLE — Alongside you — I beg your pardon.

The ACTING SPEAKER (Mr Delahunty) — Order! Through the Chair!

Mr DOYLE — The average waiting time for treatment for dentures rose three years in a row under Labor, from 20 months in June 2001 to a blow-out of 34 months in June 2004. It is now back to about 28 months, but it is still unacceptable. Acting Speaker, you would know that in your electorate and particularly in country Victoria the waiting list for individual denture cases can be even longer than that.

What happened to the state government's pledge that it would ensure better access to dental care? At that time, when the government made that pledge, dental care in the public sector was entirely a state responsibility, yet we have seen this government going absolutely backwards. It seems to me that the other — —

Ms Pike interjected.

Mr DOYLE — The minister mentions a sum of money, and this is what government members do the whole time. They talk about inputs and about how much they spend, not about results and actually treating people. If the minister were to go out and tell a person in the Wimmera or the Mallee who has been waiting for more than three years for dentures that the government has spent $93 million, they would laugh at her. This sort of dental health is unacceptable in the modern age.

I also point out that another thing government members talk about is reducing waiting lists, but there is one thing they will not tell you. It is the same situation with ambulance bypass arrangements. When that got out of control the government introduced a type of system that was quasi-bypass but was really bypass after all — and that is what it has done in elective surgery. The government has created a secret waiting list. At first patients have to wait to see a specialist, and then they are added to the official waiting list — and the government does not publish that first list at all, because not doing so artificially depresses the waiting lists. What the government does is make 20 000 people wait to see a specialist at an outpatient clinic. Why? Because if you see a specialist at an outpatient clinic they will diagnose your problem and will know that you need surgery, and then they will place you on a waiting list.

Ms Pike interjected.

Mr DOYLE — In that case, why is there a secret waiting list of 20 000? That is a way of hiding the waiting list, because those people never get to see the specialist who put them on the waiting list. It is not real.

Ms Pike interjected.

Mr DOYLE — In fact you are conceding that that is what you are doing.

Take also, for example, the environment. The ALP platform says that it will pursue greater efficiencies in the use of limited and precious water resources and that it will increase wastewater recycling efforts. But what happened when Frank Costa and Dick Pratt provided an innovative solution for the western treatment plant and showed how we could treat that water and get the market gardeners in the area of Werribee South to use it? The environment minister absolutely turned his back on an ingenious proposal. Instead he provided lesser quality water with a shandy from the Werribee River and refused to implement an innovative program, for what reason we still do not know.

Why will the government not do anything about the Gunnamatta sewage outfall? Today the Minister for Environment was out there saying, 'We are not going to do anything about it'. Apparently the government's grand plan is to build a pipeline 2 kilometres further out to sea so it can pump the sewage further out. That is not a good environmental policy for our precious coastline.

I ask members to think about transport — I wish I had another 20 minutes to deal with it — because the government says that it is going to complete the four existing, committed fast rail projects and investigate future priorities for other fast rail projects. How is that one going? Given what the government has done with the four fast rail projects so far, what an albatross that is going to be around its neck come the election. People in those regional cities and areas know they are not getting the service they require and are not getting the frequency, reliability and convenience of timetable they want. They have been saddled with a project which was originally costed at $80 million and which has now blown out to be in excess of $1 billion — and rising — for minimal benefit. Why? It is because this

government simply cannot manage any project on time and on budget.

When I look at the hypocrisy of Labor, there are two things that strike me most. I know that members of the Labor Party love to believe that theirs is the party with the mortgage on compassion and that they are the ones who take care of the vulnerable. Could they have done anything more heartless than what they did to the multipurpose taxi program or what they did to pensioners over the concession on their motor vehicle registration? People who need their cars for mobility and independence are not going to give up driving just because they have been slugged an extra $80, so that is what this mob did — and they did that to motorcyclists as well, with the $53.90 they are making them pay. The government did that to the most vulnerable people in our community, who need the multipurpose taxi program to get around.

The government has increased the cap again, because opposition members have always told it that the cap was too low, but it is too little and too late. So much for the party of high principle with the mortgage on compassion! That is how the government treats the most vulnerable people in our community.

Putting roofs over people's heads might not be the most topical of issues, but when I was in Shepparton recently I was told a horror story about a family that was living in a tent just outside the city because there was no housing for them. The ALP platform says it is committed to protecting and supporting those who are disadvantaged or simply struggling to cope. The ALP says that the Labor tradition has always been to reach out, embrace, protect and support those in need.

What about that family living in a tent outside Shepparton, and what about the public housing waiting list? There are now nearly 40 000 Victorians on the waiting list. Last year the Bracks government housed 141 fewer families than it did in 2000. In Victoria people have to wait 40 days before they can move into a house. In New South Wales — and what a basket case that is — it is 28 days, and in Queensland it is 25. The number of people on the urgent housing waiting list has risen by 216 per cent to almost 4000 families. Some 4000 families in need are being betrayed by this government, which says that it supports those in need.

But the most telling thing is that if you look back to 1998–99, when we were in government, you can see that we increased the public housing stock by 1600 houses. The record of the Bracks government in 2004–05 is that it managed to increase it by a sum total of 59. When we came to government we did not even know what public housing stock we had, because the mob before us simply had not kept any account of how much we had and therefore whether we could provide that most basic of necessities — roofs over the heads of those most in need. That is how well members of the ALP ran the system, and that has been their record since.

We should look at some of the other things about democracy, such as refusing to release the public sector comparator for the Scoresby freeway. The government refuses to release it, because it knows that Scoresby is a bad deal. When a detailed freedom of information request is made to the minister's own department, we get things saying, 'Please clarify the word "contract"' — or the word 'invoice' — or we are asked questions such as, 'Is the hospital you refer to in the FOI request the hospital that you want the FOI about?'. Do me a favour! Talk about openness, honesty and transparency! It is an absolute joke, and that is what the Auditor-General has decided to investigate.

There are 1700 unanswered questions on notice, fewer sitting days and shorter sitting hours, less scrutiny and fewer questions asked every day in question time. I do not know why I come in here each day believing I am going to get an answer from the government, because we know that it might be question time, but it is certainly not answer time.

The public has a right to know what its government is doing, but in this Parliament I cannot think of an instance during any question time when a minister has got up and directly answered a question from one of The Nationals or a Liberal member of Parliament seeking information on behalf of the public. Government members have taken obscurity to new levels of genius.

Given those original noble words, what have we got overall? We have a confusion of the Hawker-Brittain hymn sheet mantras: not hard work and delivering results but talk about Victoria being a great place to live, work and raise a family; talk about getting on with the job; and talk about the seven years of darkness. What we have had with this government is a triumph of rhetoric over reality and of spin over substance.

Industrial relations: WorkChoices

Mr JENKINS (Morwell) — I grieve for my constituents and the people of Victoria under the Howard government's WorkChoices so-called industrial relations reforms. People in my electorate and right across Victoria — and more and more vocally, people right across Australia — recognise what the

Howard government has done, with the full support of the Victorian Nationals and the Victorian Liberal Party, in taking away the working conditions of ordinary Australians. This legislation is anti-family and the federal government is anti-family, and their supporters in the state branches of the Liberal Party and The Nationals are anti-family.

Through WorkChoices, Prime Minister Howard and Minister Andrews, the federal employment and workplace relations minister, have decided to make a raft of changes that abolish a whole range of protections that were not over the top, as some of my parliamentary colleagues like to call measures that have been imposed by unions. No longer will the standard conditions of ordinary workers include having a minimum award, and no longer will we have some sort of common understanding that workers will get a reasonable redundancy payment should the business they are working for fail. Workers may have worked for that business for 10 or 20 years, but now their conditions are not protected.

I would like to focus on that aspect. The federal government has abolished any protection against unfair dismissal. It is not about protection against dismissal — it has always been possible to dismiss workers — but the federal government has actually enabled companies with fewer than 100 employees to unfairly dismiss them for no good reason other than, in the language of the workplace relations minister, a 'personality difference'. A 'personality difference' could mean that somebody who had worked for a company for 10 or 20 years could see their job go down the tube and conditions and minimum standards which have already been whittled away come into play.

Workers who are made redundant for operational reasons will have no comeback whatsoever. How do we define 'operational reasons'? For the last two years we have heard millions of words from the Prime Minister and the federal workplace relations minister, yet we have had no explanation of what 'operational reasons' constitute. This is a minefield; it is a mess. Fortunately we have been able to make some changes so we have some protection in Victoria, but unfortunately the Victorian families who will be under the total play of this legislation will have absolutely no protection whatsoever. It will allow new employees to be put on conditions which reduce minimum standards.

We will have two classes in workplaces: we will have workplaces where new employees come on with severely and significantly reduced standards. The new base standards of the Howard government's industrial relations policy will be able to be applied. Weekend shift penalty rates, overtime, allowances, standard hours of work and redundancy pay will all be gotten rid of. All these are up for grabs, and many of them have already been implemented by some companies around the country.

Last year's minimum hourly rate of $12.75 will apply. How does any government or any Liberal supporter in this Parliament support a minimum hourly rate of $12.75 for somebody trying to raise a family? Last year it was $12.75; there will also be 10 days' sick leave and four weeks annual leave, two weeks of which can be paid out at the minimum rate. Two weeks annual leave is the base standard that Victorian workers will get if we are unable to change some of the worst provisions of the industrial relations legislation. Workers will be able to get unpaid parental leave, but a maximum number of working hours will be set. As yet we do not know what those maximum hours will be, but they will certainly be far and above the current protections.

Workers will lose out on their basic entitlements, and they will do so with the full support of those people who were sitting on the opposition benches only a few minutes ago. Those members have given full support to the legislation, which is purely an attack on those workers we just heard about in the contribution to the debate by the Leader of the Opposition. He talked about how caring and touchy-feely his party is and how caring he is about Victorian families and workers. We also heard the leader of the third party, The Nationals, speak about how much he cares — but only for certain workers in certain workplaces. He only seems to care for ambulance workers; he does not care for anybody anywhere else. Where was he when the federal legislation was introduced?

Mr McIntosh interjected.

The ACTING SPEAKER (Mr Delahunty) — Order! I remind the member for Kew that the member for Morwell has the call.

Mr JENKINS — Where were the complaints coming from the opposition then? Where were the complaints coming from the Leader of The Nationals when this legislation, which impacts so unfairly, was brought in up in Canberra? How dare he get up in this chamber and complain about two or three workers — who, let us understand, should be dealt with fairly — after he provided so much support and succour to those people in Canberra when they brought down this legislation, which will enable the sorts of instances he was suggesting now occur to take place in any workplace, but without any redress whatsoever!

Employers will lose, too. This is not just bad for employees; it is also bad for employers. They will spend many hours negotiating new contracts, which were for a standard rate earlier, that they will be able to adopt. They will spend large amounts in legal costs trying to understand and negotiate their way through this minefield. We have had examples of some of the most highly paid legal minds in industrial relations spheres saying the legislation is bad and is a dog's breakfast. Small employers will lose their best staff to big business, which can afford to offer the security that is now being taken away by the industrial relations legislation of the federal government.

Businesses will be forced to cut wages and conditions of good employees so as to compete with bad businesses, which have already started to take up the opportunities that have been offered to them. They have already jumped in; they have already sacked workers and in some cases have already cut $200 off weekly pays. They are bad employers; they were bad employers under the old system and they will be bad employers under the new system — but they have now been given the right to continue to be bad employers. If you have bad legislation, good employers will turn bad merely to compete with those wages and conditions cut by the federal government.

Mr McIntosh interjected.

The ACTING SPEAKER (Mr Delahunty) — Order! I again remind the member for Kew that the member for Morwell has the call.

Mr JENKINS — Thank you very much for your protection, Acting Speaker. The reasons given so far are 'operational requirements', 'personality differences' and 'some relationships just do not work'. What do they do when a relationship does not work? Do they say, 'Let's just sack somebody'? The legislation was supported by The Nationals and by the Liberal Party in Victoria.

The Nationals and the Liberal Party thought it could not get any worse and that the Victorian people could not react any worse to them than they did at the last election. They have another think coming! The first time the Victorian people get an opportunity to react against this legislation will be at the next state election — and things will get worse, because those on the opposition benches will wear the responsibility for this legislation.

Mr McIntosh interjected.

Mr JENKINS — At least Barnaby Joyce stood up!

Mr McIntosh interjected.

Mr JENKINS — Nobody else on the opposition benches in this house stood up, but at least Barnaby Joyce had a go at trying to save Christmas and Easter holidays. Now we find that not even that worked. At least he had a go; he got in and ruffled feathers. But what happened? Now we find that Christmas and Easter are back in the pan, are back up for grabs and that employees will have to put in a case, argue and prove that they should have Christmas and/or Easter off. All the guarantees given by the federal government have come to absolutely nothing.

Already a Melbourne cab company has sacked permanent employees and re-employed them as casuals on lower wages without paid annual leave and without sick leave. This reasoned response was going to occur, and it has already happened. Housekeepers on the Gold Coast have been re-rostered and taken on as casuals. And we are not just talking about the people at the bottom of the pile. Catering managers at sports clubs in Tasmania have already been sacked and had their wages reduced.

However, all we have from the opposition benches here is concern that they do not have any company. They will have even less company once the Victorian people get the opportunity to react, because $55 million of taxpayers money was spent trying to sell this — —

Mr McIntosh interjected.

The ACTING SPEAKER (Mr Delahunty) — Order! The member for Kew's interjections are wearing thin. The member for Morwell has the call.

Mr JENKINS — An amount of $55 million of taxpayers money was spent trying to sell this dog's breakfast to the Victorian and the Australian people. But that has failed: the Australian people are not buying it, and they have said so clearly. I remind the house that between 60 and 70 per cent of Australians are not just concerned but think this legislation and the rules are bad. They think the legislation is basically and blatantly unfair.

Fortunately the Bracks government has recognised what the possible effects could be and has moved to protect families insofar as it possibly can. The Office of the Workplace Rights Advocate will provide workers with help through telephone line assistance, legal advice and advice about how to negotiate. We know that the system that has been brought in is unfair to workers, that the balance has moved away from workers and that they need some support, advice and

assistance. They will get it from people in the Office of the Workplace Rights Advocate, who will also investigate. They will be inundated with reports of unfair practices. Already we are finding illegal practices, with people having overstepped the mark.

Fortunately we have also been able to provide some protection to state employees. This government has moved to ensure that their redundancy provisions, superannuation and rates of pay are protected against the federal government. There is absolutely no doubt that we will continue to come under pressure to cut the conditions of our employees and bring them into line with the federal government's legislation. We are not about to do that. My real grievance is about those on the opposition benches who fail to support us, even in trying to protect state government employees.

Mr McIntosh interjected.

Mr JENKINS — Even in trying to protect their own employees, the people on the opposition benches have failed to support us! They could and should have been there. The greatest grievance I have is that the state Nationals and Liberals will not even support Victorian families.

The system wasn't broke! It needed to be tweaked and some protections added for workers, but the system was not broken by a long shot. For the past 10 or a dozen years we have had unprecedented industrial cooperation and harmony in this state and this country. Since records were kept, we have had the lowest amount of time lost due to industrial action. We have had increased productivity and record business profits — and, as we all know, we have had record business leadership salaries. That increase in productivity has been delivered through work force cooperation on the shop floor. The confidence of families grew — that saw them spend, and they were able to buy houses — but that confidence has been taken away.

Mr McIntosh interjected.

The ACTING SPEAKER (Mr Delahunty) — Order! The member for Kew!

Mr JENKINS — On the back of all their good work, what thanks did the workers and families of Australia get?

Mr McIntosh interjected.

The ACTING SPEAKER (Mr Delahunty) — Order! The member for Kew!

Mr JENKINS — They had a whole swag of provisions unceremoniously taken away from them — after they delivered unprecedented growth and confidence in this economy.

Mr McIntosh interjected.

Mr JENKINS — It was not delivered by John Howard. The workers and families of Australia delivered it, and they did so through cooperation under the old system. What thanks did they get? They had their rights taken away from them. All ideas of a fair go has gone in a puff of smoke. Whatever happened to a fair go? We can name the date when it was taken away by John Howard and his workplace relations minister and unceremoniously consigned to the scrap heap, as was mutual respect between employers and employees.

Mr McIntosh interjected.

Mr JENKINS — You do not break unions by breaking families. The federal government is breaking families, attacking workers and — —

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

Lake Mokoan: decommissioning

Dr SYKES (Benalla) — Today I grieve for those people and communities impacted by the Bracks government's ill-conceived decision to decommission Lake Mokoan. Since that decision was announced in June 2004, many concerns have been raised by local stakeholders and technical experts. Regrettably, most of those concerns seem to have fallen on deaf ears. The key concerns include the security of supply of water to irrigators; the flood risks to people in Benalla and downstream; the establishment of world-class wetlands; the protection of Aboriginal heritage; appropriate economic offsets to the area; and significant cost blow-outs.

On security of supply, the then Minister for Environment and Conservation, in a letter of 4 November 2002 to Paul Weller, the president of the Victorian Farmers Federation (VFF), said:

> In commissioning the Lake Mokoan study the government has made a clear commitment that there will be no adverse impact on the security of irrigators' existing water entitlements. Your federation has sought assurance that there will be no reduction in the security of water supply, and I am happy to repeat that assurance.

The minister went on to say:

> You have asked about the matter of future supply costs to irrigators in connection with the government's water savings

> program. One important principle underlying the program is that each savings proposal must be fair and equitable, and this applies to supply charges. Therefore the government will not support any proposal that would impose a level of charges above that which would apply otherwise and which was unacceptable to the group of irrigation customers.

The minister also gave assurances about consultation. So the minister provided assurances on security of supply, acceptable costs and consultation. Those assurances were followed up on 18 May 2003 with an assurance from the new Minister for Water to Mr Weller, the president of the VFF, in another letter, which says in part:

> In commissioning the Lake Mokoan study the government made a clear commitment that, irrespective of the outcome of the study, there will be no reduction in the security of supply to water entitlements supplied from the Broken River system.

What has the government done? For a start, it has quibbled over the level of security of supply: it is arguing 91 per cent; the irrigators maintain that it is 97 per cent. Its argument is based on a wrong key assumption that Lake Mokoan is off stream due to blue-green algae in 95 out of 100 years. That is rubbish! A more appropriate assumption is that blue-green algae may put Lake Mokoan off stream in 50 out of 100 years. If that assumption is applied, then the security of supply is 97 per cent.

The government also argues that irrigators had accepted an 80 per cent security of supply. That is true, but that was for a different purpose. Irrigators agreed to that for a model which was to assess the relative impact of water being made available to the environment. It was not appropriate and was never agreed to use that percentage for assessing absolute impact on security. Most recently the government has perpetuated those mistruths in March 2006 in a letter to the Benalla Rural City Council.

In relation to costs, if the government proceeds with its preferred option of buying back water, there will be fewer irrigators to bear the overhead costs. That will result in a net increase in costs to irrigators and a failure to honour the government's commitment.

In relation to consultation, the minister appointed the Broken System Reliability Reference Committee to advise him on options for offsets and to oversee the implementation of those offsets. The expected term of appointment of committee members was four years. What happened? They were sacked after one year.

What do we want? We want the government to honour its original promises to maintain current security of supply, ensure that the water is available at an acceptable cost and have proper consultation with affected people. We welcome the recent agreement that the current debate on security of supply will be settled by an independent expert. But I implore the minister to explore all options for ensuring security of supply, including looking at establishing a midstream storage, as he requested the reference committee members to do.

I will refer to flood risks. Through the chief executive officer (CEO) of the Goulburn Broken Catchment Management Authority the government has said that with the decommissioning of Lake Mokoan there will be only a 1 to 2 centimetre increase in flood levels in Benalla. When questioned the CEO said that applies to the 1993 flood, which was the mother of all floods; it does not apply to the smaller, more frequent 1 in 10 or 20-year floods. He accepts that there will be more frequent moderate floods.

A comparison is being made of the relative impact based on how Lake Mokoan and Lake Nillahcootie were operated during the 1990s — not as Lake Nillahcootie was originally operated by Frank Rankin in the 1970s and 1980s, when he was the reservoir keeper. According to Frank Rankin, in a letter to the editor of 28 November 2001, the design rules for operation of Lake Nillahcootie were that:

> On June 30th, the reservoir was to be at 25 per cent capacity …

And:

> On November 30th, the reservoir was to be at 75 per cent capacity …

And that:

> This allows for an air space of 25 per cent to catch flood waters during the October, November, December thunderstorm period.
>
> …
>
> By having this 25 per cent air space, when flooding does occur the flood waters from Hollands Creek have a chance to subside before the flood from Nillahcootie reaches Benalla.

The government's response to this was that it did not happen.

Recently, in a letter of 14 March, Robyn McLeod, the executive director, major projects, water sector, in the Department of Sustainability and Environment, stated:

> … Lake Nillahcootie and Lake Mokoan were designed for irrigation and not flood control.

She then referred to a public works report. I have read that report, and the local Broken River conservation

league is reported as highlighting the importance of flood mitigation as a reason to build the dam. Whilst the public works report states that the prime reason for building the Nillahcootie and Mokoan lakes was irrigation, it also states:

> … the combined operation of the Nillahcootie storage and the Winton swamp storage will provide some measure of flood protection.

It is another example of half-truths and lies from the Bracks government.

What do we want? We want the estimated new flood risks to be compared with the flood risks when Lake Nillahcootie was operated by Frank Rankin. We want the information upon which the projections on new flood risks are based to be available for comment prior to finalisation of the report. We want the estimated flood risk to be presented in a form which the public can understand and relate to historical flood events. We also want full consideration of the economic impacts on private and public assets and the very important social and emotional impacts of increased flood levels.

I move now to the wetlands issue. The government promised a world-class wetlands and then allocated a miserly $1 million to do it. What a joke! We have grave concerns about the whole project. Just last week the mayor of Benalla, John Brownstein, summarised these concerns in a media release which says, in part:

> The Victorian state government's plan to develop 'world-class wetlands' to replace Lake Mokoan may fail if the Mokoan project is not given the management resources it desperately needs.
>
> … This is a large and complex project. Our community has been promised world-class wetlands that will attract tourists, but we run the risk of ending up with a weed infested nightmare if we don't get full time project officers dedicated to making sure this project doesn't happen.
>
> …
>
> While some useful work was done, there are no guarantees the community will get what it has been promised …

The mayor then outlined some unresolved issues, including the need for full-time project officers; soil testing, which was requested back in October last year but which has not yet been done; the impact of lake draw-down on several endangered and protected species recently found; a lack of response to the recommendations made by ecological experts; overall poor governance of the project; whether there will be off-stream storage in the bed of the former lake to provide water security to irrigators; and the provision of adequate economic offsets to compensate for delays. The mayor concluded:

> Without proper resources being provided now, the state government may be setting the scene for the future failure of the Mokoan project …

Then there is the government flora and fauna survey of March 2006, of which some of the key comments are:

> Areas currently supporting most of these wetlands … will be invaded by exotic species —

that is, weeds, predominantly phalaris.

> Weed management is and will remain a major issue.

The survey then says:

> There may be significant implications under Victoria's vegetation management framework if indigenous vegetation is lost outright as a result of changed land use or indirectly lost because of a changed hydrological regime. Net gain is likely to be difficult …

It then says the current wetland natural values are very high, and the net gain implications of changed land use are major. The report then says:

> A total of 17 wetland and dryland fauna species of state and/or national conservation significance was recorded; one fauna community of state significance was recorded.

It then lists a number of these species: Lathams snipe — and that is not Mark Latham; the freckled duck; the intermediate egret; the great egret; the Australian little bittern; and the white-bellied sea-eagle. These species are endangered and their future will be further endangered if the government proceeds with the decommissioning of Lake Mokoan.

Other issues of concern that I do not have time to touch on are the issues of Aboriginal heritage and the government's failure to adequately consult Aboriginals, until pressured by the local community and with the great support of local Aboriginal people such as Uncle Wally Cooper.

The other issue of major concern is the failure to deliver on economic offsets. There has been a lot of talk about it. Yes, a world-class wetlands may deliver an economic treasure, but that is at least 10 years and $10 million away. What are we going to have in the interim to provide offsets for the losses of income of a fabulous recreation facility that is used for fishing for yellow belly and cod, sailing, a caravan park and the general vista for adjoining land-holders? What is the compensation for that? It is not mentioned.

Even without mentioning those costs we are expecting, based on an informed assessment of the current figures, that the cost blow-out of delivering the security of supply will be of the order of $10 million. There will be another cost blow-out of at least $10 million to deliver a

world-class wetland, if it is technically achievable. There is another cost blow-out of $10 million to buy salt credits that have not been factored into the original equation. I challenge the government, which has said otherwise, to show us the sums and prove it is otherwise.

In summary, whoever is managing this project is being guided by either incompetents or liars. The time has come for project management and the minister to come clean. The decision to decommission Lake Mokoan was based on flawed and incomplete information. The costs were grossly underestimated and the benefits were grossly overestimated. An example of the benefits is the claimed water saving of 44 000 megalitres. Do the people understand that of that claimed water saving of 44 000 megalitres, 10 000 megalitres or more will actually have to be purchased from the Goulburn system to compensate for the non-delivery of environmental flows from the Mokoan system? That does not seem to be a saving; that is a transfer of a cost out of the Broken River system to the Goulburn system irrigators. The real saving is more likely to be 30 000 megalitres, not the 44 000 falsely claimed by the government.

Other issues are the delivery of an acceptable level of increased flood risk to the residents of Benalla and downstream; delivering world-class wetlands, not a weed and pest animal infested swamp; delivering protection of Aboriginal heritage items, recognising the number of tribes that are involved there and their concerns about the protection of their heritage; delivering appropriate economic offsets, not just robbing us of a recreation facility and income generator but delivering something that is going to offset those losses in the event that the decision is proceeded with; and coming up with some realistic sums about what the true costs are.

I call on the Minister for Water to have an independent review of the whole project to determine whether it is possible to deliver on the government's commitment to achieve its claimed water savings at reasonable costs — that is, economic, social and environmental costs. If the answer is no, I call on the government to go back to the drawing board. At the end of the day all the people in Benalla and the Broken River system want is a competent project management and a fair deal. What about it, Minister?

Industrial relations: WorkChoices

Mr MAXFIELD (Narracan) — I rise to grieve for the workers in this state and for small businesses, who have been hit with 400 pages of regulation. I suppose that sums up the appalling state that our workers and small businesses now find themselves in. The federal Liberal and National coalition government has found itself in a situation where it controls the Senate, which it is utilising to launch the most vindictive and vicious attack on the rights of workers this country has seen in 100 years. Coupled with that has been its desire to support their mates in big business. The problem is that there are a lot of small businesses out there that are competing with them.

What we have is a government that is changing the ground rules. As we saw with the introduction of the goods and services tax, big businesses, with their large systems, could just change their computer programs, but small businesses found that it was a huge problem, given the administrative burden placed on their shoulders by the taxman. Once again the coalition was about swinging the balance from small business to big business.

We can see that happening again with the new industrial relations legislation, which is so complex. Imagine having to deal with 400 pages of regulations. How on earth can small business operators deal with and understand that? Big businesses can go to one of their wealthy mates and buy some legal advice and off they go, but how can small business operators cope with 400 pages of regulations? They have to do this and they have to do that, and when they need advice they will have to rush off to wealthy solicitors, who are no doubt donating to the Liberal Party. The Liberal Party is using this process to milk campaign funds to fill up their coffers at the expense of the workers of this country and of small businesses.

I heard a debate on ABC radio yesterday morning where an employer solicitor and a union solicitor were giving their views of the new industrial relations laws. The union solicitor was pointing out how bad it was for workers, while the employer solicitor was twisting and squirming as he ummed and aahed his way around the difficulties. At the end of the debate they conceded that it would probably take them 12 months to get fully across the new legislation and that they would have to wait for court cases to define some of the issues.

Employers are also admitting it will take them 12 months to get on top of it, even with their brightest legal brains. How do you expect the poor old small businessman to get on top of it when the brightest and best legal brains in the country will take 12 months to get on top of it! This highlights what has happened. It is not just about the ideological hatred of workers and ordinary people demonstrated by the Liberal and National parties in Canberra, supported by their state

mates, it is about trying to shift income from low wage earners to the wealthy.

This morning I heard Peter Costello, the federal Treasurer, say that average wages had gone up. Of course average wages have gone up: if you are the head of a large company and you have increased your salary from $10 million a year to $18 million a year, you will push up the average wage. What about the ordinary bloke, the cleaner or the shop assistant? What has happened to his wages? We know what will happen to his wages — they will have a whack.

Mr McIntosh interjected.

Mr MAXFIELD — I heard the federal Treasurer say on the radio this morning that average wages have gone up 16 per cent, yet the interjection from the member for Kew, who is also the shadow Attorney-General, was that the average wages of low-income earners have gone up by 14 per cent. I dispute that. But even if he is right, it still shows that, even according to his figures, the average wages of the wealthy have gone up by more than the average wages of low-income earners. He is supporting my case that the wealthy are getting wealthier. What he is also failing to mention in looking at average weekly wages is what they are being forced to give up as well. To get their little wage rise they have to work ridiculous hours.

When the Liberals were last in power in this state they passed laws that meant that if you worked for 50 hours a week you only had to be paid for 38 hours. That was legal in this state. This is the philosophy that the Liberal Party has. The Liberals are quite happy to ensure that low-income earners will have to massively increase the hours they work if they want a little wage rise. There were employers in this state who could not even honour the minimum conditions of the Kennett government.

Mr McIntosh interjected.

Mr MAXFIELD — It had something to do with whisky, I seem to recall.

Mr McIntosh interjected.

The ACTING SPEAKER (Mr Delahunty) — Order! The member for Narracan and the member for Kew will direct their comments through the Chair.

Mr MAXFIELD — I do not know if Hansard got that interjection, but I take absolute offence at that comment. The people in Moe are some of the most decent, hardworking people you will ever see in your entire life. That attitude to Moe is typical of the Liberal Party, which slashed workers entitlements and conditions, privatised public utilities and treated the people of the Latrobe Valley with absolute contempt.

Mr McIntosh — You, you!

Mr MAXFIELD — The comments made in this chamber today highlight how out of touch they are with decent people in this state.

Mr McIntosh — You, you!

Mr MAXFIELD — It is a sad day when the Liberal Party takes action against the workers in the way it has. We have also seen workers being sacked. A worker in my electorate was sacked last week because, he was told, his arms were too short. That is typical of what the Liberal Party in this country has come to. The Liberals are allowing open slather in their endeavours to look after the wealthy and big business, without having any regard for the needs of working people in our community. What is wrong with a fair day's pay for a fair day's work? I have always believed in that.

The member for South-West Coast said in this chamber not only that he is happy with the new laws but that he wants the government to get rid of the public holiday on Easter Sunday. He wants to force workers to work at Easter, and if they do not work they will get the sack. That is the attitude of the Liberal Party. The Liberals passed a law in Canberra removing unfair dismissal rights, and now they are demanding that we get rid of the public holiday on Easter Sunday. How many Liberal Party members of Parliament will be working on Easter Sunday? But they are certainly desperate to have low-income workers work on Easter Sunday, and they do not want them to get penalty rates or better conditions. They want them to work on Easter Sunday knowing that if they do not front up they will be sacked, without compensation.

Rural and regional Victoria: opposition policies

Mr MAXFIELD — The other issue I want to grieve about is the Liberal Party's proposal to slash funding in country Victoria to pay for its half-baked half-toll proposal. Why should the health sector, the education sector and the community safety sector in country Victoria have their funding slashed in order to pay for the buy-out of tolls in Melbourne?

Why should country people, especially in Narracan, Gippsland and Morwell, be forced to have their government services cut to buy out a toll in Melbourne? This shows members that in six and a half years in government, the Liberal Party learnt absolutely nothing. One of the reasons it got thrown out of power was that country people were sick of the Liberal Party being a

giant vacuum cleaner of country Victoria — sucking up all the money there in order to spend it in Melbourne.

Again the opposition wants to be elected. It is coming to the next election with a policy of taking money out of country Victoria and spending it on buying out tolls of a city freeway. It has not learnt anything. It is interesting to note that even The Nationals, who often work closely with the Liberals, who after a bit of pressure and being dragged kicking and screaming — I will give The Nationals credit on this — have also opposed this proposal. They know the proposal to siphon money out of country Victoria to Melbourne is a bad move. It is a shame they did not recognise that seven or eight years ago when they supported the Kennett government. But belatedly, The Nationals have come to the party now and have realised that it is a ridiculous proposal to siphon all that money out of country Victoria.

I have noted with interest that the federal Liberal Party has proposed that we revisit the issue of the privatisation of our hospitals. No wonder they want the states' hospitals. I publicly called on the Liberal Party at the local and state levels to reject the notion that we move to the privatisation of our health service. Do members know what I have heard? I have heard complete and utter silence. I thought they would have said, 'No, we have no plans to privatise our health services and hospitals', but there has been complete silence. Why are they silent? It is because they are complicit in the federal government's proposals. They want to flog off our hospitals again. They wanted to flog off our nursing hostels and nursing homes. It did not work last time.

The member for Morwell is in the chamber and he knows the problems we had when we had our hospitals closed and when the hospital in the Latrobe Valley was privatised. It was a mess. Every two weeks I would get a phone call at my office. I received complaint after complaint about what was happening in that privatised hospital. Since that hospital has come back into public hands I rarely get a complaint. That it because in public hands that hospital is providing a better service to the community of the Latrobe Valley.

We reject the desperate dash for cash to fund promises in Melbourne. They want to flog off our hospitals, they want to sack our teachers, they want to sack our nurses and reduce the number of police. We have seen the crime rate drop dramatically in country Victoria because we have increased police numbers right across the board. In my electorate alone, more than 30 equivalent full-time police officers have been employed as a result of putting new police officers on the beat. In the neighbourhood renewal areas of Moe the crime rate is down by 40 per cent. The Liberals want to throw that all away by slashing our police numbers so they can spend more money in Melbourne — this is just not good enough.

We have moved away from the city-centric government. The Bracks government is governing for the whole of the state. We are not interested in fancy projects or big fancy ideas. We are interested in delivering on the core issues of health and education; growing the whole state; and supporting rural and regional Victoria. Provincial Victoria is now growing faster than Melbourne. This is a fine example of the Bracks government delivering on the services that really matter.

The Liberals will be at a crossroad for the next few months: are they going to continue down this path in policy of cutting funding in country Victoria to pay for the buy-out of tolls or are they going to reverse that policy, wake up to themselves and realise that cutting funding to country areas is not a good move? Why should the people of Narracan have their services cut for a partial buy-out of tolls? This is completely and utterly unacceptable.

Mr Jenkins — It is a disgrace!

Mr MAXFIELD — The member for Morwell interjected and said it is a disgrace — I can only agree with him wholeheartedly. Why would we go back to the Kennett era when the government of the day was siphoning money out of country Victoria to spend in Melbourne? We have seen a dramatic increase in spending in country Victoria under the Bracks government.

I am proud to see what is happening to our schools. We are rebuilding our schools. We are also building the largest cancer unit outside of Melbourne at the Latrobe Regional Hospital — which has come back into public ownership — so that the people of the Latrobe Valley will not have to travel to Melbourne for their cancer treatment. They will be able to get that treatment in the Latrobe Valley. All of those sorts of ongoing initiatives are at risk when we move back to the city-centric policies of the Liberal party. Why has it done this?

From a philosophical view it could be because you have to look after the heart and leave the toenails to worry about themselves. But it is also all about its desperate desire to win back seats in the eastern suburbs. That means totally ignoring regional Victoria. The desperate desire to win seats reigns above the issue of governing for the whole state. It is an absolute

tragedy that the Liberal Party has this policy of cutting spending in a country Victoria to pay this partial buy-out of tolls. It is only for five years and is only a pretend buy-out of tolls. I hope that Liberal Party members will wake up to themselves prior to the election and come up with some sensible policies rather than stabbing each other in the back which is the only thing they have a gold medal in.

Mr Jenkins — They are very good at that.

Mr MAXFIELD — They are very good at that, but they neglect the issues which are important to this state: health, education and community safety. The Bracks government is governing for all of the state.

Question agreed to.

STATEMENTS ON REPORTS

Public Accounts and Estimates Committee: budget estimates 2005–06

Mr CLARK (Box Hill) — I rise to comment on this report, and I refer in particular to its exhibit 2.2 which continues the committee's work of pressing the government on every possible occasion to improve the standard of its accountability and disclosure to the public about the level of services which are provided or not provided by the government.

This is something that the committee has to persist with because the government unfortunately and repeatedly fails to take up the committee's sensible recommendations to improve the standard of accountability. In exhibit 2.2 of the report the committee deals with a range of previous recommendations which the government has failed to act upon. I refer to the recommendation that states:

> That the Department of Education and Training provide a consolidated statement in its annual report of expenditure on school capital projects and maintenance programs that separately identifies budgeted and actual expenditure directed to the construction of new schools, upgrades, modernisation and maintenance programs.

That was a recommendation the government rejected. The committee reiterates its view that this sort of disclosure should be included in public accountability.

I refer also to a recommendation:

> That the Department of Treasury and Finance direct all departments to explain the discontinuation of outputs and performance measures as detailed in budget paper no. 3 service delivery.

This dropping of performance measures has been a notable feature of the Bracks government. Whenever anything inconvenient turns up, the performance measures get dropped. The committee commented that the Department of Human Services continues to be the only department that has commented on all discontinued performance measures. The committee was disappointed to find that the Department of Education and Training and the Department of Premier and Cabinet provided no explanation for discontinuing measures while the remaining seven departments commented only on certain discontinued measures and targets.

Another rejected recommendation was:

> That the Department of Treasury and Finance require each department to indicate in the departmental output statements, the minister responsible for each of the department's outputs.

The committee reiterated its view that the government should make those disclosures. The committee also had previously recommended that:

> To enable an informed assessment to be made of the quality of health services delivered by Victoria's public hospital system, that can also be further utilised for budget deliberations, the range of performance measures contained in the budget papers be expanded …

Although the government purported to accept that in principle, the committee has again pointed to the inadequacy of the performance measures published in relation to acute health services.

Last, but certainly not least, in relation to the Department of Primary Industries the committee encouraged the department to complement its activity-based performance indicators with those which are outcome oriented and focused on achievements.

You would expect that any Treasurer with commonsense and an interest in good government would be only too pleased to pick up on recommendations of the Public Accounts and Estimates Committee, because on a very diligent and bipartisan basis and in a relatively low-profile manner that committee makes sensible recommendations that can only serve to enhance accountability and make good government easier. You would think any Treasurer would be keen to take advantage of the lead given to him by that committee. However, the current Treasurer fails to do so.

I can assure the house that this side of politics would be very keen to pick up on the sorts of sensible recommendations the Public Accounts and Estimates Committee makes in order to improve the standard of

disclosure and the level of public services provided in Victoria. We on this side believe waste can be reduced and standards raised by thoroughly and openly measuring and making public the government's performance in providing services and then using that information to deliver real improvements. We also believe the user should be put at the heart of service delivery and that Victorians should be given a greater say about the services they receive from government.

Thus, for example, under a Liberal government we would require that in each year's budget papers and the state's annual report there be published a thorough and meaningful set of key measures of all aspects of service delivery in each department including past, current and expected future service delivery levels. We would give a key role to the Public Accounts and Estimates Committee and require that if any such measure were to be deleted, that deletion must be approved by the Public Accounts and Estimates Committee. We also believe these measures should be fully auditable by the Auditor-General — that is, they should be delivered to a standard and documented in a way that the Auditor-General can audit.

Rural and Regional Services and Development Committee: cause of fatality and injury on farms

Mr HARDMAN (Seymour) — I rise to speak on the Rural and Regional Services Development Committee's inquiry into the cause of fatality and injury on Victorian farms, and I welcome last week's government response to the report. The Rural and Regional Services Development Committee travelled extensively around rural and regional Victoria. We received many submissions at our public hearings and many written submissions from interested individuals and groups around the state who are very keen to ensure that our farms are safe places to live and work.

As members know, farms are a different type of workplace. They are a workplace where people live and they are also a work site. I thank all those people who contributed and took the time to do that. Our committee came up with 32 recommendations. During the time the committee was travelling around the state and writing its report, there was a significant reduction in deaths on Victorian farms. I am not exactly sure what occurred there, but I hope the raising of awareness around the state via the government's taking the issue seriously in giving this reference to our committee helped change practices and made people look more carefully at the way they operate on farms.

There was a joint report, with minor disagreement on the local government role. I obviously suspect political point scoring here, because I, along with the rest of rural and regional Victoria, remember the disdain with which the Liberals and The Nationals treated local government when last in government.

Farm deaths have dramatically decreased in the last 16 months, but we still need to keep a really close eye on the ball and not forget the importance of farm safety. There are great programs occurring. I know of one that Steve Kolotylo from WorkSafe is doing in conjunction with people in my own area and taking it further afield to the north of the state. Leaders in the community are bringing together other farmers who want to know about safe practice. That is a really great thing, and people are doing that because they want to and not because of any kind of fear of government punishment if they do not do it.

The death or serious injury of a rural community member is devastating whether it is a father, mother, child, grandparent or young person just going out to start a new life. A rural community takes a long time to get over a death like that. It often leads to people leaving an area or an important member of the Country Fire Authority or school council not being there any more to get involved in those communities. We need to prevent that as much as possible.

I am very pleased with some of the government's response to the report. I am pleased it has accepted recommendation 3 which is to provide funding for local groups to conduct farm safety programs in the communities and also for the WorkCover Authority to provide funding for research and evaluation of farm safety programs. We heard a lot about different programs going on, but there was not really good research into how effective they were. The committee as a whole thought that was important.

I am also pleased that the government is requesting Standards Australia to develop a new standard for safe tractor access platforms (STAPs). We know this is a tricky area, because the STAPS can be utilised for unsafe practices, so we need to ensure that a good standard is developed. The government has also deferred consideration, understandably, of whether a subsidy will apply for a safe tractor access platform, the same as applied for the rollover protection system, which has been very successful in preventing deaths on tractors. The safe tractor access platform would make a significant difference to people being run over by tractors.

Another important issue that was considered by the committee, and accepted by the government, was the committee requesting the Australian standards committee to consider it a priority to develop a standard helmet for all-terrain vehicles. That is really important. Obviously motorbikes are just as important, but it was a very controversial issue throughout, and the government's accepting that recommendation will help farm safety.

Drugs and Crime Prevention Committee: strategies to reduce harmful alcohol consumption

Mr WELLS (Scoresby) — I rise to join the debate on committee reports and would like to speak on the Drugs and Crime Prevention Committee inquiry into strategies to reduce harmful alcohol consumption. I start first by thanking the chair, John Scheffer, a member for Monash Province in the other place, and acknowledge the incredible work of Sandy Cook, the executive officer for the committee, Pete Johnston, the researcher, and the backup staff of Chantel Churchus and Michelle Summerhill. This was an excellent committee report. Although we had some difficulties along the way, I think the end result is a good one.

The first recommendation I would like to speak to is recommendation 97 on page 911 about an amendment:

> … to prohibit anyone other than a parent, guardian or spouse (being a person of or over the age of 18) of a minor to supply alcohol to that minor in any circumstances including a place of residence or a private home without the written authorisation of a person's parent, guardian or spouse …

The issue is clear. If a young person goes to a birthday party, or whatever, and they are 16 or 17 years of age, can the parent of the person having the birthday party legally provide alcohol to the person who is 16 or 17 and arrives as a guest? At the moment parents are unsure of where they stand.

This recommendation makes it very clear, and we are hopeful that the government will pick it up, that written authorisation of persons under 18 attending the party has to be sought and given to the parent or guardian who is providing the party and the alcohol in those particular situations. It is unclear at the moment, and this just makes it very clear. I have to admit I thought it would be very popular with parents but not so popular with younger people, but having spoken to some people just recently, I believe there is an understanding that something has to be clear, making it more definitive as to how alcohol should be served. I think this will be a popular recommendation, and I hope it is accepted.

The member for Mornington and I put in a minority report because we opposed the decriminalisation of public drunkenness. We on the Liberal side of politics cannot go along with decriminalising public drunkenness, because it is not just about decriminalising public drunkenness. It also means decriminalising a person being drunk in a public place and a person being drunk and disorderly in a public place and goes to the next step — that is, being drunk and acting in a riotous manner. This committee made a recommendation that it should decriminalise that, but we cannot go along with it.

In early 2001, I think it was, the Drugs and Crime Prevention Committee of the 53rd Parliament put up a recommendation to decriminalise public drunkenness with the proviso that the government provided sobering-up centres, so it was going to be treated as a health issue — that is, if a homeless person was drunk, the community would understand that you do not just lock the person up because that person is drunk. The committee said, 'If you put in sobering-up centres so there is a health care aspect about it, then we will go along and support decriminalised public drunkenness'. The Bracks government had five years, almost six years, to deal with that and it has not even looked at the issue of sobering-up centres. As a result, the member for Mornington and I have put in a minority report opposed to the decriminalisation of public drunkenness.

The police need a decent threshold where if they have a drunk who has just been thrown out of a footy match at the Melbourne Cricket Ground, for example, they need the power to be able to take that drunken person and lock them up and charge them. We are talking not just about the health issue but also about the criminal aspect. If a person is drunk, it can lead to pushing and shoving, it can lead to assaults, it can lead to fights, so you are dealing with the problem in the first instance, and that is important.

The other part of our minority report deals with vending machines. The committee made a recommendation to put vending machines in licensed premises. How can you possibly supervise a vending machine? Sixteen-year-olds and 17-year-olds go in and have a meal with their parents. What is stopping them from going in and getting alcohol out of a vending machine? What the committee says about supervision will not be there. In all, though, it is a good report.

Economic Development Committee: thoroughbred breeding industry

Mr ROBINSON (Mitcham) — I am pleased to have the opportunity to comment briefly on the recent

report of the Economic Development Committee into the viability of the thoroughbred breeding industry in Victoria. Firstly, I wish to thank fellow members of the committee. We formed a subcommittee for the purpose of this inquiry, and between us we were able to deliver some 30 unanimous recommendations. I also want to thank the staff of the committee. We backed a winner, and I think if the recommendations of the report are endorsed, we will all be winners. Over the past year the staff included Dr Russell Solomon, Kirsten Newitt, Jonathan Gurry and Andrea Agosta, our long-serving office manager.

I also need to acknowledge the very active participation in the inquiry of many industry participants both in and beyond Victoria. Of all the inquiries I have had the opportunity to be involved in, there has not been one in which the willingness of industry participants to contribute and participate has been as strong as it has in this case.

The report has been well received. A letter from Andrew Harding, the chief executive of the Australian Racing Board, says:

> A note of congratulations to you and your parliamentary colleagues on the report into the Victorian breeding industry. It is an extremely well-researched report and makes recommendations that will be of great benefit to the breeding sector, not just in Victoria, but throughout Australia.

The committee looked at the role of the breeding industry. Essentially the industry exists to provide some 15 000 horses across Australia per year into the ongoing race industry programming of races. It is important to keep this number up because the actual number of horses in training and on the racing scene has a great influence on optimising turnover. There is a big difference between races which can only attract 8 starters as opposed to races which attract 12 starters, and wagering turnover is influenced significantly by the numbers that are produced by the breeding industry.

However, breeding horses is easier said than done. Horse reproduction is a very fickle business, and indeed a number of participants put it to us that if the aim was this year to serve 30 mares for the purposes of producing racehorses, then in three years hence, the averages historically suggested that only 100 of those offspring would in fact be viable racehorses.

In looking at the investment environment which helps determine the investment patterns of breeders, the committee identified a number. These include prize money levels, which in Victoria are quite good; incentives — and again Victoria does very well through its Super VOBIS (Victorian Owners and Breeders Incentive Scheme) program — and the sale process, which is very problematic and which at the lower end of the market does not work actively to support small breeders. Passion is a well-understood element, but it alone is not enough to determine and sustain long-term investment decisions.

As to the tax system, Australia does not have tax rules on the breeding of horses that are comparable to those applied in New Zealand. The committee was aware through the course of its inquiry that the New Zealand government was considering introducing the range of further tax concessions for horse breeding that have come to pass in recent weeks. In the committee's view this will open up a disparity with the breeding scene in Australia and lead to a flow of investment to New Zealand.

One key investment factor is the way in which the national corporate regulator, the Australian Securities and Investments Commission, determines whether public offers in horses, regardless of their value, are financial products that need regulation. We have the situation where, while a newsagent can put a sign in the window inviting people to come in and participate in a Tattslotto systems entry on Saturday at a cost of up to $1000 per share, the same newsagent would be breaking the law if he or she put a sign next to it advertising shares in a racehorse for public sale, even if the value of that were insignificant.

There are 30 recommendations in this report, the mainstay of which is the establishment of an entity called VicStud Ltd. I hope to speak about that in greater detail next week.

Rural and Regional Services and Development Committee: cause of fatality and injury on farms

Mr WALSH (Swan Hill) — I wish to spend my time talking about the Rural and Regional Services and Development Committee's inquiry into fatality and injury on Victorian farms. I note that the chairman of that committee has already made a contribution on the government's response to that report, which is also what I want to talk about.

The terms of reference the committee was given were interesting and challenging to deal with. We received a lot of submissions from various people around Victoria, and we held quite a few hearings in country Victoria to make sure we got out to where the people who were affected were so they could come and give submissions to us personally. We held those hearings jointly with our inquiry into country football. That enabled us to get

to more places and allow more people to come to see us, because we could have a couple of hours on country football and then a couple of hours on farm deaths and fatalities.

I would like to thank the Hansard reporters who travelled with us all over Victoria during those hearings. I know in my electorate we had hearings at Kerang, Robinvale and Sea Lake, and we did those in a two-day time frame. The travel was quite challenging, particularly for Hansard, as the reporters had to set up, record the hearings, pack up and then move on to the next place. So I particularly thank the Hansard reporters for the work they did on those country hearings, including the travelling they did.

It also opened up an interesting scenario for those MPs who do not travel around country Victoria. Quite a few of us have only Shell cards. In my electorate I have only two Shell outlets, so it is quite a challenge: if you do not start the day with a full tank of fuel, you quite often cannot buy any fuel. So the members of the committee who live closer to Melbourne realised the gaps between the Shell service stations in country Victoria and the need for us to have cards other than Shell cards if we do not want to run out of fuel.

There are 32 recommendations in all that the government has responded to, and I would like to talk briefly about some that I think are very pertinent. The first one is recommendation 3, which I notice the chairman talked about and which the government has accepted. That recommends the provision of funding for farm safety workshops and farm safety days. I think they are excellent initiatives. I know of several in my electorate, or close to it, that have been run by various communities. The Wallup community runs one, and the Ouyen community runs one. They are both excellent, in that they get schoolchildren out onto a farm, where they learn about safety issues. I think we all know now that the best way to train Dad is to train the children and Mum as to what should be done so far as farm safety goes, so that when Dad does something wrong the kids can say, 'Hang on, I learnt at a workshop that you should not be doing that'. Mum and the children are a great way of training Dad.

Another one is recommendation 6, which has been accepted in principle by the government. Again it is a recommendation around training for the safe operation of tractors and machinery. If you look at the farm death statistics, you note that they are slanted towards older men. If you dig a bit deeper, you note they are also slanted towards people who are on what some of us would term hobby farms or smaller farms. You find that the people who are going onto these properties often have older machinery and older tractors which are not as safe as they should be. And often those people do not know how to use them correctly, so there is another way to actually reduce death and injury by training people better.

Recommendation 7 is about getting an Australian standard for a helmet that could be used on all-terrain vehicles (ATVs). Motorbike helmets are not necessarily the best thing to wear around a farm, because they are hot. We need something that is more like a hat, so there is some sun protection. A motorbike helmet also limits the hearing capacity of a person riding an ATV around the property. They need to be able to hear what is going on, and they need to be able to yell at the dog, or whatever, and that is not necessarily the easiest thing to do in a motorbike helmet. But an ATV helmet that had a brim for sun shade and good hearing capability would be a lot easier for people to wear.

Recommendation 11 talks about portraying the safe use of motorbikes and ATVs in the media. Once you actually start talking about this in the community you realise a lot of newspaper articles have pictures of people riding these vehicles without helmets. There was a particular government publication that had a photo of someone riding an ATV without a helmet on. Those of us who read the rural papers, particularly the *Land* newspaper — although that is mainly a New South Wales paper which comes into northern Victoria — know that they nearly always have a picture of someone with their kids, their wife or their dogs sitting on an ATV, without a helmet on. Carrying passengers on an ATV is illegal, and riders should be wearing helmets. We need a safe media portrayal of how we should ride motorbikes and ATVs. I think the majority of the recommendations are very good.

Education and Training Committee: promotion of mathematics and science education

Mr HERBERT (Eltham) — I wish to resume my comments on the Education and Training Committee's report on mathematics and science education. In doing so I would like to take this opportunity to praise the excellent work of the committee staff, particularly the executive officer, Karen Ellingford, the researcher, Andrew Butler, and the office manager, Eva Tench. Without their expertise, hard work and dedication a report of this substance certainly would not have been possible. I want to acknowledge also the cooperation we had from the Victorian education department.

I notice that the Minister for Education and Training and the member for Yuroke, the parliamentary secretary, are in the chamber. I know they are very

supportive of maths/science education. You can see in the committee's finding that the quality of mathematics and science education in Victorian schools is certainly high by national and international standards. But of course, having said that, you never rest on your laurels, and the committee found significant grounds for improvement. We came up with 23 recommendations that I think will go a long way towards improving the quality of maths and science education, lifting it above the bar it is currently at and positioning Victorian education to lead the country through the skills of its work force into the future.

One of the recommendations was surprising to many members of the committee, and it came down to the need for better subject and career advice for young people. As most in this chamber would know, recently there has been a push for an increase in vocational studies and for young people to enter trades, and indeed the skill shortage is demanding that. We found that there is a bit of a problem with young people who decide to go into a vocational stream dropping out of maths and science a bit early, while employers were telling us they need tradespeople that have very high standards of mathematics, and of arithmetic in particular.

One thing we found was that schools need to provide better career and subject advice to young people who are thinking about vocational pathways earlier — in years 9 and 10 — so they can maximise their opportunities later in life. The committee also found there was a disparity in student outcomes in maths and science, not only in those going on to university but also at the school level, based on socioeconomic backgrounds. We found that poorer communities and people from lower socioeconomic backgrounds simply were not getting the opportunities in many cases, but certainly they were not achieving to the same level as those from higher socioeconomic backgrounds.

We thought one way of improving this situation would be to increasingly target mentoring programs, whereby university students and those involved in industry would go out and work with young people to try to develop their expertise and interest in maths and science. These programs need to be targeted to areas of low socioeconomic levels so that they are not simply located around universities or where people live but go out to where they are needed the most. That would be of great benefit to many young people in poorer areas.

In terms of the federal-state nexus in education, while schools are the responsibility of the state, the basic funding of universities is the responsibility of the federal government. The committee found that, given the shortage of people in maths/science and engineering at a university level, student contribution charges imposed upon secondary science teachers compared to their colleagues who teach humanities subjects disadvantaged those opting to teach maths and science at those levels. To put it simply, if you become an English teacher, your higher education contribution scheme (HECS) debt is much lower than if you become a science teacher because undergraduate science and maths courses incur higher HECS debts. We thought that was unfair and needed to be changed fairly quickly.

The report has been disseminated widely, but there are very few copies left of our fairly substantial print run. The feedback we have had so far has been extremely positive, and the report has been very well received.

Ms Munt interjected.

Mr HERBERT — The member for Mordialloc was a member of the committee and made fantastic contributions. She is highlighting how well the report has been received in her community. This is a good report and will do a fantastic job of positioning maths and science in Victorian education in the future.

The ACTING SPEAKER (Mr Smith) — Order! The member's time has expired, and the time for consideration of parliamentary committee reports has expired.

DRUGS, POISONS AND CONTROLLED SUBSTANCES (PROHIBITION OF DISPLAY AND SALE OF COCAINE KITS) BILL

Second reading

Debate resumed from 4 April; motion of Ms PIKE (Minister for Health).

Ms MUNT (Mordialloc) — I rise to speak in support of the Drugs, Poisons and Controlled Substances (Prohibition of Display and Sale of Cocaine Kits) Bill. My office is located across the road from Southland Shopping Centre, and I have a teenage daughter who spends quite a bit of her time with her friends in the centre — shopping, browsing, going to the movies, having coffee, eating out and generally socialising. My daughter is representative of a lot of our local youth who similarly spend their leisure hours at Southland, having a bit of fun during their leisure time and checking up on their friends.

A shop at Southland sells bongs and other paraphernalia, including some great T-shirts, some of

which I have purchased for myself and for my daughter. Of course bongs can be used for legitimate purposes. On a recent trip to Egypt I saw a lot of restaurants where people sat around and used them for smoking flavoured tobacco, and I am sure that they are used similarly here for smoking flavoured tobacco and other tobacco products.

I did not notice if the shop in Southland also sold kits of the cocaine type. I would hope that it did not, but after this legislation comes into effect the display or sale of these kits will be prohibited, with penalties of $6300 for individuals or $31 500 for businesses if they display or sell them. It is very good that cocaine kits will not be available in any shops. These measures will be policed by Victoria Police, and the legislation was put together after extensive consultation between the Department of Premier and Cabinet, the Department of Justice and Victoria Police.

This bill is part of the Bracks government's strategy against drugs. We have taken continuing action against drugs with a tough anti-drugs stance and combined it with increased support and funding for our drug and alcohol services. There are many examples of those measures being taken, including a 50 per cent increase in state funding for drug and alcohol services since we came to office in 1999.

As a mother, and member of Parliament responsible for many young people in my electorate, I applaud this approach. We must protect our youth. I support this legislation and commend the bill to the house.

Mr HUDSON (Bentleigh) — It is a great pleasure to speak in support of this amendment to the Drugs, Poisons and Controlled Substances Act to ban the sale and display of cocaine kits. This legislation continues the government's great record of harm minimisation in relation to drugs.

This government has introduced an enormous array of initiatives to deal with illicit drug use in our community. We have doubled the number of treatment beds to nearly 800 in the last seven years. Counselling waiting times have been reduced to just one day, which means that people can get prompt and timely treatment. Waiting times for community withdrawal services have been reduced by over 72 per cent, with waiting times being down to less than 10 days, and we have also developed youth treatment services right across the state. On top of that, anyone — anywhere in the state, 24 hours a day — can ring a drug counselling and referral line, where they can get some direct help if they have a problem with illicit drugs. We have also introduced drug testing for drivers of motor vehicles.

This bill goes further inasmuch as it bans the sale of cocaine kits. Cocaine use is often seen as being part of a sophisticated lifestyle, often being associated with dance and party cultures. I well remember that rather amusing scene in a Woody Allen film in which he was trying to snort cocaine, but of course he sneezed and it went all over the cocaine dealer. However, I think we should also focus on the fact that cocaine is a stimulant. In the form of crack cocaine it is an alkaloid that can be smoked, and it is also addictive and incredibly dangerous. In fact long-term cocaine users not only have significant heart problems but also suffer permanent damage to their noses and palates. Cocaine can create major problems for people who become addicted to it.

The use of cocaine in the community is restricted to about 1 per cent or 1.5 per cent of the total community, so it is not a widely used drug; however, we do need to note that in the last decade cocaine usage has increased. The Bracks government is keen to make sure that we do everything we can to prevent the promotion of drugs of dependence.

Cocaine kits are designed to make the snorting of cocaine appear both easy and sophisticated. They are a bit like a small package make-up kit for women. They equip potential users with everything they need, from a small metal tube to a razor blade, a scoop, a glass bottle and a mirror. These kits are to be discouraged. We do not want people using cocaine in the community, and we certainly do not want kits made available that make its use easier and seem more acceptable. I commend the bill to the house.

Ms NEVILLE (Bellarine) — I am pleased to speak very briefly in support of the Drugs, Poisons and Controlled Substances (Prohibition of Display and Sale of Cocaine Kits) Bill. The bill has two key features. Firstly, it creates offences relating to the sale and display of cocaine kits; and secondly, it provides Victoria Police with additional powers to seize and destroy these kits.

The bill is another step forward in the government's commitment to tackling what is a key community problem — that is, the abuse of drugs in our community.

Legislative controls are an important component of our strategy, backed up by significant investment in services and support in local communities to tackle this serious community issue. These investments include a 50 per cent increase in funding to drug and alcohol services, the increase in the number of drug and alcohol treatment beds, and the increase in community

withdrawal services. These contributions have had an enormous and positive impact, with a reduction in waiting times for counselling and improved access to withdrawal services.

Drug abuse and use should be and is of concern to all policy-makers. It is an issue we must continue to take seriously. It has enormous implications for the community as a whole, not just for those people who are part of the drug culture but also particularly for children who are in families where drug abuse is a problem. It is one of the key contributors to children being in out-of-home care. As a government we must continue to take it seriously, to look at the legislative framework and provide the necessary powers and support to Victoria Police. Also, we must continue to invest as we have done in services that target prevention and treatment of drug abuse. I commend the bill to the house.

Motion agreed to.

Read second time.

Consideration in detail

Clause 1

The DEPUTY SPEAKER — Order! I call the member for Lowan to move amendment 1 in his name. I advise the house that if the member's amendment 1 is defeated, he cannot move his remaining amendments as in my opinion, they are all consequential.

Mr DELAHUNTY (Lowan) — I move:

1. Clause 1, line 6, after "kits" insert "and the possession for sale of cocaine kits".

As we said last night, we think this is a very good bill, and we believe this amendment strengthens it. Through clause 80C the government will make it an offence to display the kits for sale. The Nationals' amendment would make it an offence to possess cocaine kits for sale. It has been brought to our attention that 'sell' means 'keep or have in possession for sale'. That is all right, but we think the issue of possession needs to be unambiguous and that the offence should have its own clause.

It is exactly the same as the Labor Party has done. Even under the definition of 'sell', exposure for sale is included. Yet the government has put in a separate clause to have 'displaying' an offence, which means the same thing. We are saying it should be made unambiguous. 'Possession' should have its own clause. No-one in the chamber picked up on this definition last night, and that is why we need to make this very unambiguous change — that no-one will either display, hold in their possession for sale or sell these cocaine kits. If we are going to be fair dinkum on drug control, we need to make sure this provision is unambiguous and very strong.

We do not want people to be scanning acts to make sure everything is covered. We think the offence needs to be unambiguous, very strong, and upfront with its own clause. That is why I have moved this amendment.

Mr ANDREWS (Mulgrave) — I begin by acknowledging the spirit in which the member for Lowan circulated the amendments last night. I understand that he and The Nationals are of the view that there is a deficiency in the bill and are seeking to try and fix that. Last evening I gave an undertaking to seek advice and come back in relation to the government's position. I can advise the member for Lowan and all members that the government will not be supporting the amendment moved by the member for Lowan.

That is not an indication that we do not support the spirit of or purposes for which the member has moved the amendment; rather, it is argued that the changes proposed by the member are not needed.

Briefly, I will go to why that is the case. Section 4.1 of the principal act — the Drugs, Poisons and Controlled Substances Act 1981 — deals with a definition of 'sell'. We are all clear that the selling of these kits would be prohibited under the government's amendments to the principal act. Section 4 says:

> "sell" means sell, whether by —
>
> (a) wholesale or retail or otherwise, barter, exchange, deal in, agree to sell, offer or expose for sale, —

or — and these are the key points —

> keep or have in possession for sale, send forward, deliver or receive for or for the purpose of sale or in the course of sale —

and so on. It is the government's position that the possession for the purpose of sale or the keeping of these cocaine kits for the purpose of sale is covered by the definition of 'sell' in the principal act, and therefore there is no need to add to that definition. This is not a criticism of the motives behind the amendment moved by the member for Lowan. We simply do not believe it is needed and on that basis we will not be supporting it.

There are other issues in terms of the workability of the actual proposals the member for Lowan has put

forward, but time is against me. Principally, for the reasons I have outlined — these matters are covered ostensibly and ably by the definition of 'sell' in the principal act, which is the Drugs, Poisons and Controlled Substances Act 1981 — we are not of a mind to support the amendment. We do not think it is needed. We acknowledge the spirit in which the member for Lowan has offered it, but is an unnecessary change, in the view of the government.

Mrs SHARDEY (Caulfield) — I know The Nationals have put forward this amendment with the very best intent in mind. I appreciate that we are arguing about detail and interpretation, and I must admit that I have heard many a long argument about very few words. I note that the definition of the word 'sell' refers to 'expose for sale'. I suppose this is where we are diverging a little bit. The bill itself talks about an 'offence to display' — —

Mr Andrews interjected.

Mrs SHARDEY — Yes, I understand, which is different to 'expose for sale'. I suppose the concern is that these kits are not exposed for sale but are kept somewhere else on the premises, but still obviously for sale.

Mr Andrews interjected.

Mrs SHARDEY — Yes, I understand, and it has the words 'keep or have in possession', and I recognise that. But we are really trying to reach a point of agreement to find the best thing possible, and that should be kept in mind.

The Nationals' amendment adds, in a sense, to the spirit of what we are all trying to do, and takes it just that little step further, making it very clear to any retailer or wholesaler that you cannot even keep the kits in the back to sell, as distinct from having them up at the front of the shop. In that sense we support The Nationals amendment. We appreciate that the government has given an interpretation of the definition, but we believe the clarification proposed by The Nationals is not tortuous but is sending a strong message.

Mr Hulls interjected.

Mrs SHARDEY — The Attorney-General has not been a participant in this debate and it is a pity that he just makes comments, but he should appreciate and understand that this is done with the best intention and is trying to get the best possible result.

Mr CAMERON (Minister for Agriculture) — The government thanks the Liberals and The Nationals for their comments, but for the reasons outlined by the honourable member for Mulgrave, the government does not support the amendments as they are not believed to be necessary.

Mr DELAHUNTY (Lowan) — The member for Mulgrave said it is not needed. I think everyone in this house last night supported the intent of the bill. We want to strengthen it and make it unambiguous, and it is important that we show that we are not going to be soft on drugs. We want to give possession its own clause, in exactly the same way that the Labor government has with the issue of display. We ask for its support on this amendment.

House divided on amendment:

Ayes, 25

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

Noes, 56

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

Amendment defeated.

Clause agreed to; clauses 2 to 4 agreed to.

Bill agreed to without amendment.

Remaining stages

Passed remaining stages.

Sitting suspended 1.03 p.m. until 2.02 p.m.

Business interrupted pursuant to standing orders.

QUESTIONS WITHOUT NOTICE

Rural Ambulance Victoria: inquiry

Mrs SHARDEY (Caulfield) — My question is to the Minister for Health. When the minister selected the State Services Authority to investigate the Rural Ambulance Victoria crisis, was she aware that the authority's hand-picked chief executive officer, Peter Harmsworth, had resigned, and if so, who did she imagine would head up such a critical investigation?

Ms PIKE (Minister for Health) — I thank the member for Caulfield for her question. The State Services Authority is established under an act of Parliament. It has not only the authority but the personnel to conduct this kind of review. The organisation will of course continue its work, and a new chief executive officer will be found. The whole organisation is not contingent on the CEO.

Governor John Landy

Ms ECKSTEIN (Ferntree Gully) — My question is to the Premier. I ask the Premier to detail for the house what the legacy of the departing Governor, John Landy, will be for Victoria.

Mr BRACKS (Premier) — I thank the member for Ferntree Gully for her question. It is a good opportunity this week to pay tribute to the Governor of Victoria, John Landy, over the last five and a quarter years, supported, of course, by Mrs Lynne Landy and the work of the Lieutenant-Governor, Lady Marigold Southey. Yesterday was the last day on which the Governor had official duties, presiding over the last of his executive council meetings. I was privileged and pleased to be there for the executive council meeting. Last night many members of this house — ministers, the Leader of the Opposition, the Leader of The Nationals and other MPs — were at dinner to pay tribute to the Governor and the work he has undertaken over the past five and a quarter years and to hear in the presentation he made his engagement with all Victorians over that period.

I am happy to place on record in this place that we value enormously the work the Governor has undertaken over the past five and a quarter years. He has been able to visit every one of the councils in Victoria, he has visited communities large and small, he has opened Government House to as wide a range of people as possible, and he has undertaken appropriately his constitutional duties in protecting and preserving the democracy which we enjoy in this state. I know that all members of this house would want to join in passing on our regards to the Governor and our thanks for his work over the past five and a quarter years.

I know that the Governor will leave a significant legacy of involvement and engagement with the Victoria people. He highlighted in particular voluntarism as the area to which he wanted to pay special attention — to the many volunteers in the Country Fire Authority and the Red Cross and at our major sporting events who give their time for no money or reward. He felt that was one of the areas which deserved recognition and it was one that he obviously had enormous pleasure in oversighting as part of his governorship.

We wish the Governor every success in the future. We look forward, of course, to the inauguration of the new Governor, which will be later this week.

Finally, on behalf of the government and I know of this house, could I say congratulations to Governor Landy, Mrs Lynne Landy and Lady Marigold Southey. They have served the state with distinction over the past five and a quarter years and we wish them well in the future as well.

Honourable members — Hear, hear!

Rural Ambulance Victoria: inquiry

Mr RYAN (Leader of The Nationals) — My question is to the Premier. I refer to the government's announcement that Rural Ambulance Victoria will be the subject of an inquiry by the State Services Authority and I ask: given that many of the issues that plague Rural Ambulance Victoria are outside the legislative responsibility of the State Services Authority, will the government establish a judicial inquiry to fully, independently and transparently investigate the RAV management fiasco?

Mr BRACKS (Premier) — I thank the Leader of The Nationals for his question. The last part of his question was actually indicative of why the State Services Authority is the appropriate body to undertake

this investigation. The Leader of The Nationals indicated that it was about the management activities of Rural Ambulance Victoria. That is exactly front and centre of what the State Services Authority is all about: it is an independent body charged with the responsibility of examining public sector bodies to ensure that we have timely advice on what the best organisational structures are that are required in the future. That is exactly what is required here. It is fit for purpose and I am very pleased that the legislation which this government brought in to establish the State Services Authority can be utilised in order to deal with this matter.

We look forward to the recommendations from the State Services Authority so that we can act on those to ensure that we can continue to have the provision of paramedics around this state, particularly in rural Victoria.

Industrial relations: WorkChoices

Mr HUDSON (Bentleigh) — My question is to the Minister for Industrial Relations. I refer the minister to the government's commitment to making Victoria a great place to live, work and raise a family and ask the minister: what threats does the government see to Victoria's working families from the federal government's extreme industrial relations changes?

Mr HULLS (Minister for Industrial Relations) — I thank the honourable member for his question. He asked this question because he knows there are a number of upcoming public holidays where, for the very first time, Victorian workers will bear the full brunt of the federal government's WorkChoices legislation.

Let me remind the house that this is the last sitting week before Anzac Day, for instance. We know that Anzac Day is a very important time to remember and pay tribute to those Australians who fought for an Australian way of life that encompasses things like freedom of speech and freedom of choice. For many new Victorian workers this Anzac Day will indeed be a WorkChoices Anzac Day, because workers who are under a WorkChoices agreement will not be entitled to penalty rates as compensation for being away from home, family and friends on the public holiday. If they do not work because they want to attend the Anzac Day march, they can be sacked without any unfair dismissal protection.

Of course this legislation does not apply just to new employees. Even longstanding, existing employees are not immune from this WorkChoices blight. Their right to penalties for working on Anzac Day — in fact, their right not to work on Anzac Day — and their right to commemorate with family and friends are effectively gone. All an employer needs to do is get a worker onto an insidious Australian workplace agreement (AWA), which could be for three or six months. At the end of that period, the worker will revert to Howard's bog-standard five minimum conditions. A worker loses any entitlements under an AWA. The worker loses their award protection, including the right to compensation for working on Anzac Day.

Mr Thompson — On a point of order, Speaker, question time is a time for dealing with state government administration. The Attorney-General has been speaking for some time, and he has not been dealing with state administration matters.

The SPEAKER — Order! Workers in Victoria are in fact a state government matter.

Mr HULLS — The question really is: what can an employee do when faced with this situation? In a final cruel twist, the WorkChoices legislation actually cuts away at Victorian workers' freedom of speech, because — —

Honourable members interjecting.

Mr HULLS — Opposition members may laugh, but I am about to tell them some legal facts.

The SPEAKER — Order! The level of interjection is far too high. I ask members to be quiet to allow the minister to answer the question.

Mr HULLS — The fact is that if an employee gets together with his or her co-workers to discuss an AWA which they are being offered and which actually reduces their conditions, the law says they have to have their pay docked for a minimum of 4 hours. For industrial action which may take only 20 minutes, workers have to be docked 4 hours wages. It gets worse, because if a Victorian employer agrees that this is an outrage and refuses to dock their wages, that employer can be fined $33 000.

Mr Thompson — On a point of order, Speaker, what matter of state administration is the Attorney-General dealing with at the moment?

The SPEAKER — Order! That is an incorrect point of order. It is in fact a question to the house. In relation to the matter before the house, it has been the tradition of this house for many years that ministers are entitled to discuss how federal legislation or the federal government's actions can affect Victorian workers and

the Victorian government. I understand that that is what the Attorney-General is saying; however, he has been speaking for some time now, so I ask him to draw to a conclusion.

Mr HULLS — I will conclude. The Victorian government has already taken steps to protect Victorian workers. We have filed our High Court challenge; we have introduced the workplace rights advocate; and we have also introduced legislation to protect public sector workers in this state. All these moves have been opposed by the Liberal Party. I conclude on this note: imagine the destruction that would be wrought upon Victorian workers if we had a Liberal federal government and a Liberal state government!

Wind energy: Bald Hills

Mr BAILLIEU (Hawthorn) — My question is to the Minister for Planning. I refer to the rejection of an application to establish a 52-turbine wind farm at Bald Hills on the basis that it failed to protect migratory species under the Environment Protection and Biodiversity Conservation Act, and I ask: given that the previous minister approved this wind farm despite more than 1500 objections, will the minister now finally accept that the government's wind farm guidelines are flawed?

Mr HULLS (Minister for Planning) — I thank the honourable member for his question. Can I say at the outset that he and Senator Campbell have one thing in common: they take more than 400 days to do anything. It has been 406 days since the member opposite has asked me a question. It took Senator Ian Campbell 450 days to make a decision!

Honourable members interjecting.

The SPEAKER — Order! I ask the house to come to order. I ask the Minister for Planning to address the question.

Mr HULLS — Where have you been? The decision made after 450 days by Senator Ian Campbell is a blatant political decision by the federal minister. It reveals that the federal government has absolutely no commitment whatsoever to reducing global warming or reducing the harm to the environment from climate change.

It is a real blow for Australia's renewable energy industry, because Senator Campbell's decision on the Bald Hills wind farm made by media release today shows that the federal government is solely focused on protecting its mates in the fossil fuel and uranium industries. That is what this decision is about. At this stage the federal government has not given the Victorian government the courtesy of providing it with a copy of the report. I will be seeking a copy from the federal minister. However, I am concerned that the Howard government's actions are based on crude politics with little thought to the future and little thought for the environment — two goes in 406 days!

Honourable members interjecting.

The SPEAKER — Order! I ask the house to come to order. Has the minister concluded his answer?

Mr HULLS — No.

Mr Baillieu — On a point of order, Speaker, my question was to do with the government's guidelines which the government-appointed — —

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

Mr HULLS — I conclude by saying that this blatantly political decision by Senator Campbell, which as I said took more than 450 days to make, will not deter the Bracks government from pursuing renewable forms of energy, in particular wind farms.

Industrial relations: WorkChoices

Ms D'AMBROSIO (Mill Park) — My question is to the Minister for Employment and Youth Affairs. I refer the minister to the federal government's extreme changes to industrial relations and ask the minister to detail to the house what the Victorian government is doing to assist Victorian workers and job seekers in the face of these federal changes.

Ms ALLAN (Minister for Employment and Youth Affairs) — I thank the member for Mill Park for her commitment, as with all members on this side of the house, to support all Victorians, but particularly Victorian families and job seekers. At least 2000 disadvantaged Victorian job seekers will be supported to step into real jobs through the Bracks government's new $24 million Workforce Participation Partnerships program. This is a new program that is a great example of how a government can work in partnership, together with business and the community, to help job seekers find employment.

This partnership comes at a time when there is a big dark cloud, as we have heard in the house already today, hanging over the future of all Australian workers because of the federal Liberal and National parties' industrial relations overhaul.

Honourable members interjecting.

Ms ALLAN — Well may you groan!

The SPEAKER — Order! The minister will address the Chair.

Ms ALLAN — Well may the opposition groan! They are the ones who will have to explain these changes to workers in their communities.

These industrial relation changes come at an important point in Australia's history. They come against the backdrop of Australia's ageing population while at the same time we are experiencing emerging skill and labour shortages. We also know there are many thousands of Victorians who are ready to start work tomorrow but they just need assistance to get into jobs. These Victorians may face barriers because of their age or background, because they have a disability or because of where they live. The Workforce Participation Partnerships program is a flexible program that helps jobseekers get that training and reskilling or some other form of support.

Honourable members interjecting.

The SPEAKER — Order! I ask the members for Kew and South-West Coast to cooperate with the Chair to allow question time to continue in an appropriate manner for the Parliament. I ask them both to be quiet.

Ms ALLAN — We are committed to helping disadvantaged job seekers. We want to provide them with this flexible program that helps job seekers, whom we on this side of the house care about getting into employment, to break down the barriers to employment. We have deliberately made this program flexible. It may assist job seekers with their training or reskilling needs, with some associated support such as helping them with the right transport to get a job or with short-term rental assistance. This program is good news for the Victorian economy and good news for Victorian job seekers.

We have been listening to Victorian employers. I am pleased to say that employer groups such as the Victorian Employers Chamber of Commerce and Industry and the Australian Industry Group have been very supportive of this partnerships approach. We are helping those Victorian job seekers that the federal government has failed and is continuing to fail, whether it is through the inadequate Job Network system that the Howard government is failing to support.

Mr Smith interjected.

The SPEAKER — Order! The member for Bass!

Ms ALLAN — It is a shame that the member for Bass is not so vocal when it comes to standing up for the rights of workers in his electorate. We have been forced to expand our support because of those terrible welfare-to-work changes that have been introduced that will see many people, particularly people with a disability — —

Mr Doyle interjected.

Ms ALLAN — The Leader of the Opposition may scoff at that, but some people with a disability may lose federal support. We on this side of the house fear for the future of Victorian job seekers and for Victorian workers after the full effect of this anti-cooperative, anti-worker and anti-family WorkChoices legislation is felt. We on this side of the house choose to support Victorian workers. We choose to work and support industry to help the job seekers the federal government has failed. We choose to do this in a partnerships approach. We choose to help and work with employers and industry to help boost the economy and support the people in need. Of course, we are doing this to support all Victorian workers so that Victoria remains the best place to live, work and raise a family.

Hazardous waste: Nowingi

Mr SAVAGE (Mildura) — My question is directed to the Premier. The Hattah-Nowingi toxic waste containment facility hearing will cost Mildura Rural City Council ratepayers up to $2 million in costs. Given that Major Projects Victoria is represented by two barristers and a solicitor, will the government give some consideration to withdrawing the panel's legal representation if the Mildura Rural City Council and the Save the Food Bowl Alliance does the same?

Mr BRACKS (Premier) — I thank the member for Mildura for his question. Representation at panel hearings is a matter for the parties involved. In relation to Major Projects Victoria, legal representation is on a needs basis and it may be required at the early part of the panel hearings but not in any significant way as the hearing proceeds.

In relation to the representation for the Mildura Rural City Council, it is a matter for it to determine the level of representation, but there is no disadvantage at the panel hearing in not having representation. That is purely a choice for the parties involved. As I mentioned, in relation to Major Projects Victoria, it will be on an as-needs basis.

Small business: government initiatives

Mr ROBINSON (Mitcham) — My question is to the Minister for Small Business. Will the minister detail to the house how the government's $6 million business master key program is easing the burden on Victorian small business by making it easier to deal with federal, state and local agencies?

Mr HAERMEYER (Minister for Small Business) — I thank the honourable member for Mitcham for his continuing and ongoing support for small businesses both in his electorate and across the state. The aim of this government is to make Victoria the best place to do business. That is particularly the case for small business, which is why this government has cut land tax, why it has cut payroll tax and why it has cut WorkCover premiums by 20 per cent. Our record stands in stark contrast to our predecessors.

This government is also committed to cutting red tape, which is why it has put in place the Victorian Competition and Efficiency Commission, a body which the Liberal Party wants to abolish, and is why this government requires business impact statements with respect to any legislation or regulations which have an impact on business. However, this government wants to further reduce the burdens associated with regulatory compliance. No matter how much effort is made to reduce regulation and regulatory compliance, there will still be some required, whether it be at a federal, state or local level. We estimate it costs Victorian small businesses around $3.85 billion annually to comply with regulations at all those levels of government. Most of that is a result of the business activity statements (BAS) put in place by the federal government.

The Victorian government has put in place a project called the Victorian Business Master Key, which aims to provide a one-stop shop for small businesses. They will be able to do business at a federal, state or local government level online, on the phone or through the Victorian business office. Most businesses do not necessarily know or really care whether it is the federal, state or local government which deals with the particular issue they have to deal with.

What we are trying to do is provide a single point of entry so that Victorian businesses can go through a step-by-step process and receive answers to specific queries, regardless of the agency or level of government, find information on who they can contact about a particular topic and to follow a customised step-by-step guide on a range of issues. They can also search virtually any government web site, whether it be federal, state or local, in one go. This will enable them to open a Business Victoria account and manage all their regulatory transactions and information. Over time the Victorian Business Master Key will grow into an online banking style interface for all business transactions with government.

Major agencies such as the tax office, Consumer Affairs Victoria, the State Revenue Office, the small business commissioner and four local councils are already part of the Victorian Business Master Key. Ultimately it will integrate over 200 federal, state and local agencies. This stands in stark contrast to the 400 pages of regulatory compliance which is now required by small business in relation to the federal government's Workplace Relations Act, which is an incredible burden that the federal government is placing on small business. So much for business being able to make decisions for itself. Every agreement between a business and an employer has to be approved by the federal Minister for Employment and Workplace Relations — and that is on top of the highly complex BAS.

This government is about reducing regulatory compliance, giving small businesses more time to themselves, more time to attend to their business and saving them money.

Gunnamatta: sewage outfall

Mr DIXON (Nepean) — My question is to the Minister for Environment. I refer the minister to his statement on radio this morning that the government has no intention of taking action to stop the outflow of sewage at Gunnamatta Beach. I ask: why is the minister showing such disregard for Victoria's coastline and exposing surfers and swimmers to infections and illness?

Mr THWAITES (Minister for Environment) — Once again we have the opposition deliberately misleading the house.

The SPEAKER — Order! The minister cannot accuse a member of the house of deliberately misleading the house in that manner.

Mr THWAITES — The opposition is once again misleading the house — if it is not deliberate, it is negligent. It is this government that, for the first time, has been a government that is prepared to start recycling the water — —

Ms Asher interjected.

The SPEAKER — Order! The Deputy Leader of the Opposition!

Mr THWAITES — This government is the first government we have seen in Victoria that is recycling water from the eastern treatment plant in substantial amounts. What we get from the opposition is a bald statement that it is going to close the Gunnamatta outfall, but it has never said how it is going to do it. The opposition has never been able to say how it is going to do it. Once again this demonstrates — —

Honourable members interjecting.

The SPEAKER — Order! The member for Nepean has asked the question, and I ask him and his colleagues to allow the minister to answer it without that level of interjection.

Mr Perton — On a point of order, Speaker, in accordance with your previous rulings, the minister is restricted to discussing matters of government administration and is not to debate the question. At the moment he is clearly debating the question.

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

Mr THWAITES — This government has not only already commenced major recycling programs, like the eastern irrigation scheme which is now working and utilising recycled water in the east of Melbourne, but we are also undertaking a major feasibility study into a proposal to recycle water from the eastern treatment plant to a power generator. It is all very well for people to scoff at a study. We all remember the last big promise about water by a political opposition which did not have a study — it was the Western Australian opposition which was going to send water from the north of Australia down to Perth. That is exactly what we are seeing from the other side.

Honourable members interjecting.

The SPEAKER — Order! I ask members on both sides to cease interjecting in that manner and allow the minister to answer the question.

Mr Perton — On a point of order, Speaker, the minister was clearly flouting your earlier ruling by referring to the Western Australian opposition and then attempting to say it had the same or similar policies to that of the opposition. I ask you to keep the minister to your earlier ruling and have him answer the question only in respect of government administration.

The SPEAKER — Order! In relation to the point of order raised by the member for the Doncaster, the minister is entitled to refer to actions by governments or oppositions in other states, but he is not entitled to debate the matter in relation to the opposition. The minister, to continue.

Mr THWAITES — Not only are we undertaking recycling, we are also seeking more recycling projects to reduce the outfall from Gunnamatta. In that regard we have made application to the National Water Commission for funding for a project to see major recycling on the Mornington Peninsula. I am, I have to say, extremely disappointed to have to advise the house that the national government has rejected this recycling proposal, despite the fact that the local federal member — —

Mr Doyle interjected.

The SPEAKER — Order! The Leader of the Opposition!

Mr THWAITES — The local federal member has been calling for more recycling. Our government is doing the right thing by increasing recycling, and we will continue to do that. We are undertaking this major study now which offers the promise and opportunity for major increases in recycling — but it cannot be done without work, and it cannot be done by simple, lazy, bald statements.

Mr Doyle interjected.

The SPEAKER — Order! I have asked the Leader of the Opposition to cease that continual interjection a number of times. I ask him again to cooperate with the Chair.

Housing: first home owner scheme

Mr DONNELLAN (Narre Warren North) — My question is for the Treasurer. I ask him to detail for the house any recently released figures which demonstrate the ongoing success of the Victorian housing market.

Mr BRUMBY (Treasurer) — I thank the member for Narre Warren North, and I am able to advise the house that I have more information today which confirms the success of the Victorian housing market. I am delighted to inform the house that for the first quarter of this year — January, February and March — based on figures up to last Friday night, the number of successful applicants for the first home bonus in Victoria totalled 9093, with grants worth more than $40 million. I am delighted to inform the house that that is 1144 first home buyers more than for the same three-month period last year.

To put these numbers in perspective, we are looking at average monthly figures of around 3100. Using Housing Industry Association (HIA) data, if you go back a decade to those dim, dark, depressing years under the Kennett government, you find that the number of monthly first home owners was at half that level. We are seeing twice the success — —

Honourable members interjecting.

The SPEAKER — Order! The member for Hawthorn and the member for Polwarth!

Mr BRUMBY — You would not want to apply WorkChoices on your side of the house, would you?

Mr Baillieu interjected.

Mr BRUMBY — You would be gone. One question in 407 days!

The SPEAKER — Order! I ask the member for Hawthorn to cease interjecting, and I ask the minister not to respond to interjections but to address his comments through the Chair.

Mr Stensholt interjected.

The SPEAKER — Order! I remind the member for Burwood that he is required to be quiet while the Speaker is on her feet.

Mr BRUMBY — Last year as well we had more first home buyers in Victoria than there were in New South Wales. Despite the fact that it has 1.75 million people more than us, we had more first home buyers.

Of the top 10 metropolitan areas, I am delighted to inform the honourable member that the most successful council was the city of Casey, with 4188 successful first home buyer applicants. Brimbank had 3411, Wyndham had 2928 and the city of Hume, 2867. In the regions, the city of Greater Geelong had 2488 successful applications, the city of Ballarat, 1270 and the city of Greater Bendigo, 1157. That is no surprise.

I might just quote from the recent report by the HIA, the national housing organisation, on the outlook for Australia, which says:

> The first home buyer recovery still looks better in Victoria than anywhere else in the country …

Why would it not be? Real Estate Institute of Australia data shows that Melbourne is the most affordable capital city on the eastern seaboard. The recent *Age* Commsec prosperity index shows that Melbourne has outstripped Sydney in living standards.

Mr Baillieu interjected.

Mr BRUMBY — If you saw this article recently, Ted, and it is a nice article — 'Why Melburnians are better off' — —

Ms Asher interjected.

Mr BRUMBY — You hate bad news. Seriously, look at you. You are a complete rabble.

The SPEAKER — Order! The Treasurer will address his comments through the Chair.

Mr BRUMBY — They hate good news and bad news! The good news is that the Melbourne and Sydney prosperity indices show:

> … that the average Melburnian is 6.5 per cent better off since the beginning of 2000, compared to a rise of just 1.6 per cent for Sydneysiders.

These are great results for our state. They show that we have a great first home buyers market. Finally, the Australian Bureau of Statistics revises its data from time to time, and we are now able to say in Victoria that for 49 consecutive months, on seasonally adjusted data, we have clocked up than $1 billion of building approvals each month. That is an unsurpassed record in Victoria and an unsurpassed record in Australia. It shows that if you have a strong economy, competitive taxes and a strong government with a vision going forward, Victoria is the place to be for first home buyers.

SUSTAINABLE FORESTS (TIMBER) (AMENDMENT) BILL

Second reading

Debate resumed from 1 March; motion of Mr THWAITES (Minister for Environment).

Dr NAPTHINE (South-West Coast) — I rise to speak on the Sustainable Forests (Timber) (Amendment) Bill. As the bill itself says:

> The main purpose of this Act is to amend the Sustainable Forests (Timber) Act 2004 to provide that transfer of certain licences to management of VicForests does not occur.

The history of the legislation before the house today is that in 2004 this Parliament, at the behest of the government, passed the Sustainable Forests (Timber) Act. That act fundamentally said that all forestry licences would transfer from the Department of Sustainability and Environment (DSE) to the newly created VicForests on 1 July 2006 if they were not

already transferred to VicForests. That act, which was passed by this Parliament, albeit with the opposition of both the Liberal Party and The Nationals, was about creating a new authority called VicForests to manage timber harvesting licences in Victoria. In 2004 it was the view of the government of the day, the same government that we now have, that VicForests was the best agency to manage these timber harvesting licences, which as I said would all transfer at an appropriate time to it from the management of DSE.

Less than two years later we have legislation before the house from this same government that says that 11 of those licences are not to transfer. It has had to bring in amending legislation to change legislation it passed less than two years ago, which has not actually been implemented, so that 11 of those timber harvesting licences do not transfer from the Department of Sustainability and Environment to VicForests. That in itself highlights a problem of management, of policy and of direction under this government, which is symbolic of the mismanagement of the timber industry and timber harvesting by the Bracks Labor government in Victoria.

The 11 licences that are the subject of this bill and which will not transfer from DSE to VicForests include five for harvesting in the Otways. These licences will expire in 2008 and will not be renewed due to the creation of the Great Otway National Park. The legislation that created the Great Otway National Park provided that those licences not transfer.

There are four licences for harvesting in the red gum forests which are currently the subject of a Victorian Environmental Assessment Council (VEAC) investigation, and that is the issue that we will pursue in our contribution here. There are two licences, which we will further discuss, which are for harvesting in the Wombat State Forest. They are the 11 licences which are subject to this legislation.

The bill also repeals the Forests (Dunstan Agreement) Act 1987. With respect to that I wish to make one brief comment and then say that we have no opposition to that particular proposal. I refer to an email from Laurie Medlock, acting facility manager at Myrtleford for Carter Holt Harvey. With the government, Carter Holt Harvey at Myrtleford is the organisation that is the subject of the Forests (Dunstan Agreement) Act. Mr Medlock's email says:

> We've had a look at the Dunstan agreement … We have no concerns with any of this, but very much appreciate the fact that you, Tony —

that is, Tony Plowman, the member for Benambra — took the trouble to consult with us.

They have no objection to that change, but it is interesting that the government did not consult Carter Holt Harvey on that issue. It was up to the member for Benambra to consult Carter Holt Harvey and alert it to the change. We do not oppose that change, but in terms of the bill itself, let me make it clear the Liberal opposition opposes the legislation as a whole.

We oppose this legislation because we do not support the proposed transfer of the red gum licences to VicForests. We believe it pre-empts the outcome of the VEAC inquiry, and I will go into that further. We understand and accept the position with regard to the five Otways licences, but that was already subject to the legislation to do with the creation of the national park. We have some concerns about some issues with regard to the Wombat forest licences.

But let me go to the nub of the Liberals opposition to this legislation. In 2004 the Parliament passed the Sustainable Forests (Timber) Bill. The government argued at the time, and made it very clear in its argument to the house, that ongoing timber harvesting licences should be managed by VicForests. That was its position. The government made it very clear that if you are going to have an ongoing timber harvesting licence, the best way for them to be managed is by VicForests. In the second-reading speech given on 13 May 2004 the Minister for Agriculture is reported as saying:

> As DSE will no longer be involved in commercial timber harvesting it is necessary to transfer existing sawlog licences to VicForests.

Further he said:

> … the bill provides that a transferred licence may be managed, administered and enforced by VicForests.

In his second-reading speech, which sets out the parameters of government policy, the minister made it very clear that if you are going to have an ongoing timber harvesting licence in Victoria, then the place for that licence to be managed is with VicForests. The only conclusion that anybody could draw, if by this legislation it is now not going to transfer some licences to VicForests, is that the government is fundamentally saying it does not see an ongoing role for those licences in the timber harvesting industry. I believe that is fundamentally wrong. It pre-empts the VEAC inquiry, it should not be allowed and the Liberal Party opposes it.

What the government put in place in 2004 should be allowed to continue. That is the status quo that it established in 2004 before the VEAC inquiry started. If

it is consistent with allowing VEAC to independently assess the red gum forests and to make an independent decision on the future of timber harvesting in the red gum forests, it is incumbent upon the government to maintain the status quo it established in 2004 rather than trying to influence the decision and pre-empt VEAC. Clearly what the government is saying in this legislation is that the red gum licences should not transfer to VicForests but should remain with DSE. In saying that, the government is saying it does not see a future for red gum harvesting in the area that is the subject of the VEAC inquiry. It said clearly in the second-reading speech back in 2004 that all ongoing licences should go across to VicForests. When it says now that these licences should not go across to VicForests, the only conclusion any logical person can draw is that it does not see a future for red gum harvesting in that area.

Fundamentally this legislation and this government are sounding the death knell for red gum harvesting in Victoria. I believe it is a sad day. It also undermines the independence of VEAC, because VEAC should be allowed do its work without fear or favour, without implicit or explicit direction by the government of the day. This legislation is sending a very clear message to VEAC that the government wants VEAC to come to its conclusions.

The logic should be that this legislation should not proceed. The licences with respect to the red gum areas should transfer — as intended by the 2004 act and as intended by the government in 2004 — as ongoing working licences. If the government then feels after VEAC has independently reported that there needs to be some change to the arrangements, then the government ought to bring that back to the Parliament and it can be debated at that time in light of the VEAC findings. It is not appropriate for the government and certainly not appropriate for this Parliament to pre-empt the decision of VEAC.

There are two licences with regard to the Wombat State Forest. Again the failure to transfer these licences brings into question the government's commitment to ongoing sustainable timber harvesting in the Wombat forest. It certainly raises questions about the clear failure of the community management model for the Wombat State Forest.

Let me refer to the history of the bill itself and go back to the debate on the 2004 bill. In 2004 the government set out the direction for the future management of timber harvesting in Victoria, and that process was that the licences would transfer from DSE management to VicForests. Even before that has actually been implemented, less than two years later the government is back in the house trying to amend that. Let me also refer to some of the debate at the time. It is interesting to note that the opposition opposed that legislation. I quote briefly from a speech by the member for Warrandyte. On behalf of the opposition he is reporting as saying the legislation should be opposed because it was:

> … so poorly drafted and so rushed with a lack of consultation.
>
> It is such poor legislation that the opposition has called on the government to withdraw it forthwith, to go back to the drawing board, to consult with some of the key players and to bring it back in redrafted form. The government has been totally silent on these requests.

The opposition at that time said the legislation had some problems. It suggested the government needed to go back to the drawing board, rethink it and consult with the industry before it implemented it. The government said it needed to get this legislation through and that it was important to make sure these licences could transfer.

What do we find? Less than two years later, even before some of the licences have transferred, the government now puts up its hand and says the member for Warrandyte was right, the Liberal Party was right, The Nationals were right and the industry was right — it got the legislation wrong. It did not consult enough or listen enough, and now it has to amend the legislation. It is interesting to note that at the time of the debate in Parliament in 2004 the Minister for Environment said:

> I say to the opposition, 'Do your homework first. Do not keep delaying, and come here properly prepared'.

That is what the minister said at the time. And guess what? That same minister is back here saying, 'Guess what? I did not do my homework. I was not properly prepared. I got the legislation wrong, and now we need a whole set of legislation to correct what I did not do right in the first place'. I wonder who has egg on their face over this! It is certainly not the Liberal opposition, it is certainly not The Nationals, but it certainly is the Minister for Environment, who does not even have the decency to be here and listen to this debate — and it is certainly the Labor government.

Let me refer to some of the comments I have had from the industry and the field on this legislation. I refer to a letter dated 22 March 2006 from Tricia Caswell, the chief executive officer of the Victorian Association of Forest Industries (VAFI). She said in a letter to Minister Thwaites:

> I write in response to your recent decisions related to native forest production in western Victoria.

> VAFI is concerned that these decisions leave the industry increasingly vulnerable to further reductions in resource and activity. In light of this, VAFI is seeking assurances for resource security for the future of the industry especially in terms of the following issues …
>
> …
>
> VAFI believes that separating this part of the industry —

as in these 11 licences —

> from the main players administered by VicForests is not useful for a robust sustainable forest industry in the longer term.
>
> Consequently, we seek your government's commitment to the renewal of licences in order to guarantee the sustainable timber resource for native forest industries in western Victoria as a matter of urgency and would welcome the inclusion of such a commitment in the amendment 3 to the bill.
>
> We also seek your commitment to the maintenance of current volume of resource available for supply to the industry in the western region, beyond the expiration of current licences.

With respect to the Wombat State Forest Ms Caswell wrote:

> VAFI regrets the exit of the Dwyer sawmill from the Wombat State Forest. The resilience, morale and patience of the Dwyer family were so tested they could do little else but exit the industry.

The letter refers to the fact that a promise of 4700 cubic metres of timber to the Dwyers was not honoured. Further, Ms Caswell said:

> Dwyer's, a family business going back four generations, never had a chance of survival. Lack of leadership and proper structures were absent from the community forestry experiment with the needs of any commercially viable forestry based business opposed or ignored.
>
> …
>
> We seek your assurance that such flawed policies and procedures established as the basis for forest industries will not be used again.

VAFI says the community forestry management model was a disaster in the Wombat forest. It has cost the industry, it has cost jobs and it has not provided any better protection of the forest. With regard to the red gums, Ms Caswell wrote:

> The VEAC investigation has given rise to ongoing concerns about the future of the red gum industry in Victoria.
>
> VAFI is seeking your assurance that the industry has a long-term future.

They are the comments from VAFI. Further comments from Nick Murray of VAFI are as follows:

> While we were aware of the need for government to deal with the licences in the west of the state by 30 June this year, we were not aware that the bill had been put before the house and were not consulted on the matter.
>
> My view is that this does not look good for the future of any of the remaining licences …

VAFI's concerns that Nick Murray raises are:

1. There is no commitment for future supply beyond the expiration of current licences.

2. Awaiting the outcomes of the VEAC studies etc. provides government with an easy escape route — i.e., blame it on VEAC.

2. There is a further loss of resource out of the global statewide total as a consequence of the exit of Dwyer's.

4. In addition, there is no recognition or acknowledgment of the emphatic failure of the community forest management experiment.

Another email I received was from Steve Roffey, resources manager of Midway Pty Ltd. Midway is a holder of one of the licences affected by this legislation. He said:

> I am in receipt of your letter re the above and respond to your questions.

One of the responses is:

> No, we have not had any notice or consultation.

There is a history here. Many of the people involved in the licences were not consulted. Many of the people and VAFI were not consulted. So the government is rushing this legislation through to overturn legislation that it put through less than two years ago; and it did not adequately consult with the industry.

I now refer to an email I received from Mr Paul Madden, a managing director of Arbuthnot Sawmills Pty Ltd, which holds a red gum licence. It says:

> At a meeting with VicForests on 16 July 2004 we were unequivocally told that our licences would transfer to VicForests before June 2006.
>
> My concern is the continued uncertainty that the government creates by telling us one thing and then changing arrangements when it suits.
>
> Our company put in considerable capital investment based on the government's promise of 15-year 'evergreen licences' only to be told that the licences were not worth the paper they were written on. Now we are told that our licences will not be taken over by VicForests.
>
> We are comfortable working with the DSE but unfortunately for us or fortuitously for the government, there is a lack of forestry on-ground staff, and my concern is that it is almost a pre-emption of the demise of licences in the west.

> Also the message that this sends to the Victorian Environmental Assessment Council is not a positive one for industry.
>
> The red gum industry has created full-time employment in rural Victoria for the past 140 years, this is proof of the sustainability of our industry. Any decline of the red gum industry will have major economic and social effects on our rural communities, and will have severe effects on Victorian infrastructure timber requirements.

He made those comments on behalf of Arbuthnot Sawmills. I think he has highlighted clearly the confusion, uncertainty and disruption that this legislation and the government's continual change of position has on long-established industries which have a very sound track record of positive economic contribution to our community, to employment and to the sustainability of our red gum forests. They are fundamentally at a loss as to why this government continues to change its position and not provide long-term certainty for these industries.

I want to refer to a couple of comments with regard to the Wombat State Forest. I refer to correspondence I received from Alan Eddy, dated 10 March 2006, which says:

> Thank you for your email to people interested in the Victorian forestry industry …

It goes on to say:

> … community forest management for the Wombat State Forest, which has been very costly in terms of taxpayers —

money —

> and detriment to forest industry and general community interests.

Further, he said there needs to be a provision to:

> ensure that this state forest will continue to provide timber and other forest products.

He said the community management model does not provide that certainty and indeed, is not satisfactory to the various groups that are sitting around the table for that community management model.

I received a copy of correspondence sent to the Premier from David Endacott, representing the Multiple Use Stakeholder Group, Daylesford, with regard to the timber in the Wombat State Forest. His letter says:

> The harvestable area of the Wombat forest has an identified annual sustainable yield and we are adamant that this should be made available under an equitable licensing system. We believe there is strong community support for this.

So that group believes there are good supplies of timber, on a sustainable basis, in the Wombat State Forest. It is concerned about these licences not being transferred and about the exit of the Dwyers from the industry, that timber resources may be lost to the community and that there will be losses in terms of the economic benefits and the jobs it creates for that community. David Endacott further said:

> We call on the government and DSE to maintain/develop and implement policy and procedures that ensure the availability, in perpetuity, of timber products from the remaining areas of the Wombat forest currently still available at an economically and socially responsible level.

Indeed, the stakeholder group passed some motions at a meeting. One of them reads:

> That the minister be advised that this meeting is of the opinion that CFM —

the community forestry management model —

> is an undemocratic failure and has not, in an equitable manner, represented broad community aspirations.

The letter further says:

> It is evident that CFM has exacerbated community division rather than aided the forest debate.

Towards its end the letter says:

> The future of CFM, resource availability and effective forest management must be urgently resolved. CFM is unworkable and, because of the inevitable intransigence on one side of the table, cannot be anything but dysfunctional and an enormous unproductive cost.

They were a number of comments from the industry, and I will make a final comment with regard to the Wombat State Forest. I place on the record my appreciation to the minister and the minister's office for organising that briefing, and to the officers who provided it professionally and comprehensively.

One of the issues raised by me with the department's officers was that if the Dwyers have exited the Wombat State Forest and there is concern about the future of timber harvesting in that forest because of the failure to transfer these licences, as proposed in this legislation, to VicForests — indeed these licences will remain with the Department of Sustainability and Environment — what assurance can the community be given that the timber resource available through those licences will continue to be made available to the timber-harvesting industry and the processing sector?

At the briefing the officers gave an assurance that that timber would be available on an ongoing basis because they felt it was a government decision or position that

that timber was available for harvesting in the Wombat forest as part of an ongoing commitment to the timber industry; therefore, in response to that I seek a commitment from the minister on behalf of the government in his summing up, that the timber resources available in the Wombat State Forest will continue to be made available, and that other timber-harvesting organisations will be given the opportunity to take up the timber allocation that has been handed back by the Dwyers.

The minister would be doing the right thing if he were to come into the house and say that the government is committed to ongoing timber harvesting in the Wombat area. The member for Ballarat East, who is the Parliamentary Secretary for Agriculture, knows the area and the economic benefit that comes from its timber industry. He also knows that sustainable harvesting is possible in that area and that the local community supports sustainable harvesting in that area. I would have thought that on behalf of the government, it would be incumbent upon him when he gets to his feet to give a commitment on behalf of the government that those timber allocations will be made available so that other people can continue to use them.

In the remaining minutes I have I need to reiterate the Liberal Party's position on the bill itself, and then perhaps outline some of the Liberal Party's position on the timber industry as a whole. Members of the opposition oppose this bill and will oppose it vigorously, because we believe that the proposed transfer, particularly of the four red gum licences, pre-empts the Victorian Environmental Assessment Council, and we think that is inappropriate. The government set out an agenda in 2004 that said clearly to the Parliament and to the people of Victoria that all future licences to harvest timber that had a significant or ongoing future would be managed by VicForests.

Therefore if any licences are not transferred to VicForests as set out in the government's 2004 agenda, one would have to have serious doubts about the government's commitment to timber harvesting in those areas. Consequently that brings into question the government's commitment to the timber harvesting of red gum and in the Wombat State Forest. We in the Liberal opposition feel that with respect to the red gum area we need to wait for the VEAC study.

We believe there is — and we hope that VEAC comes to the same conclusion — a role for ongoing red gum harvesting in that area because we think the sustainable timber industry there has worked effectively and provided jobs and timber of great quality to the people of Victoria and Australia for over 100 years. It is similarly the case in the Wombat State Forest; we think that by not transferring these licences, the government is saying to the people of Victoria that it is not interested in continuing in that area.

Finally, in the couple of minutes I have left, my position is very clear on these issues. I believe that native forest timbers can and do provide a long-term sustainable yield of forest products in a cost-effective and environmentally sustainable manner. Indeed, if you take the world view, I think it would be environmentally irresponsible for Victoria not to continue to have a properly managed, sustainable harvesting of our native forest timbers. The Victorian figures show that there are 8 million hectares of native forests and 400 000 hectares of plantations. Of the native-forests area, only about 10 per cent is available for harvesting on a managed basis. As of 2003–04, which was a typical year, only 0.014 per cent of total public forest was harvested — that is, about 570 cubic metres.

In recent years we have had an increase in the amount of land that has become protected areas and parks and a significant decline in the number of sawmills — from 167 in 1986 to 75 in 2004. There is a real and ongoing role for the timber industry. To put that in context, I quote from a report of J. N. Cameron of November 2005 about the importance of the timber industry. It states:

> Victorian wood production and processing generates direct employment for 19 500 people and directly accounts for net value of production of —
>
> about $3 billion per annum.

Direct payments to governments are about $800 million in various taxes. The industry:

> … delivers employment for 39 200 people and output of —

over $6 billion —

> including indirect effects.

It is a very significant industry, particularly in regional and rural Victoria.

The other thing that needs to be taken in context when we are talking about a sustainable timber industry in Victoria is that we need to take the world view. Currently Victoria imports wood and forest products worth nearly $4 billion a year — that is, $4 billion in imports! Unfortunately and tragically a significant component of that comes from countries with track records of high levels of illegal and environmentally appalling standards of timber harvesting.

We should not exempt ourselves from taking that world view. If we can provide sustainable and responsible timber harvesting, we have a responsibility to do so. Certainly there is plenty of evidence that providing forestry products in terms of industry development and building is probably environmentally much more acceptable than many of the other alternatives.

Finally, the establishment of VicForests is a step in the right direction, but it does not go far enough. Unfortunately VicForests is going to be treated as the poor relation of the Department of Sustainability and Environment. While VicForests will be able to manage the harvesting licences — and there are some concerns about the auction system for harvesting contractors; I understand and share those concerns — I am mainly concerned that while VicForests manages the harvesting, the DSE still tells VicForests where it can and cannot harvest.

There are real questions, and I ask the minister to address them. Originally VicForests was told that there were 570 000 cubic metres of timber, and now we are down to about 474 080. Every time VicForests asks, less timber is being made available by DSE. I think this government has some real questions to answer about whether it is committed to a sustainable timber industry. The Liberal Party is; we are absolutely committed to it. We believe it is important for Victoria — particularly rural and regional Victoria — and important for the world. We absolutely believe that timber harvesting is an important industry and that sustainable and environmentally sound timber management is good for Victoria, good for Australia and good for the world. We support it, but we just do not know where the government stands on it.

Mr WALSH (Swan Hill) — The Nationals oppose the Sustainable Forests (Timber) (Amendment Bill), and we oppose it in the strongest possible way. Every one of the holders of the 11 licences in the west of the state would be bitterly disappointed and feel betrayed by the Bracks government with this amendment bill. As has been said, in June 2004 this house passed the Sustainable Forests (Timber) Act. At that time there was concern about the future structure of contracts and how access to timber for timber harvesting would be managed.

VicForests was set up under the Department of Primary Industries as the responsible authority to do the tenders and to administer the contract system for selling licences to timber harvesters. It is to come into effect on 1 July 2006, but — lo and behold! — it has changed again before that can happen.

As I see it, the key issue is that it has been repealed. At the time the people in the industry and the people in this house went through the agony of the debate about setting up VicForests. A lot of people were in the house for the debate, and there was a lot of angst around the place about how the future contract system was going to work and how the 15-year licences were going to be taken away and rolled into a new tender process into the future. The industry put a lot of emotional work into that whole new process, and — lo and behold! — for the 11 licence-holders in the west of the state that has all gone before it has happened. All of that effort and work has gone.

For the record, my understanding is that the west of the state is defined as anywhere west of the Hume Highway, so it is a very large part of the state. My recollection of the debate at the time is that we were effectively setting up two organisations. We had DSE — the Department of Sustainability and Environment — as the overall resource manager, and VicForests as the licensing body to handle the tenders and the actual harvesting of timber. That was supposedly about putting in place checks and balances where VicForests did certain things and reported to DSE, and DSE made the overall decisions.

But now we find that for the western part of the state DSE is going to do the whole lot again. The argument put to me was that with this division we would not end up with a gamekeeper-poacher issue, where the manager of the resource also issued the licences as well. Now we are reverting back to the gamekeeper-poacher issue. The DSE will now do the whole lot again, which flies in the face of the logic of why we needed VicForests in the first place. The industry went through a lot of agony at the time over how it was going to happen.

People feel quite betrayed about this. It is interesting in the debate on this to recap some of the history of timber harvesting in Australia and some of the issues that have been faced over licensing in the last few years. There is concern among people in the industry that the government does not have a good track record of keeping its word. If you look back in time, it is not that long ago that the industry did a lot of work with the government in creating the regional forest agreements. They were supposed to put in place the framework for the future describing how timber was to be harvested and how we would have a sustainable resource into the future. What happened? The Premier tore up the regional forest agreements that were supposed to create certainty for the industry.

Anyone who has ever been in business would know that to make decisions you need certainty. You need to know what the rules are so you can get on with life. But the rules are constantly changing in this situation. We have a Premier who tore up his own regional forest agreements, so that certainty was taken away. A certain amount of faith and trust were taken away, because people then had doubts.

Then we had a VEAC — Victorian Environmental Assessment Council — inquiry into harvesting in the Otways. VEAC was given terms of reference to have a look at that, so people put energy and faith into that process. What happened with the VEAC process? Before the 2002 election the Premier came out with a policy that said the government was not going to wait for VEAC. It said, 'We are not going to wait for VEAC. People have put emotional effort and work into this, but we will pre-empt VEAC by making a policy decision to stop harvesting in the Otways'. It did not matter that we had a VEAC inquiry and that a lot of work went into it. The Premier again effectively tore up his own agreement.

People feel very disenchanted and do not trust what the government says about the future. A VicForests process has been set up in the in the red gum forest industry in the north, along the Murray River, quite a bit of which is in my electorate. It is a great and very sustainable industry that has been there for 150 years and done it very well. The industry is currently going through a VEAC process, and it is concerned. If you look back in history at how things have evolved with forestry management under the Bracks government, you can see why the industry is asking the serious question, 'Is the VEAC process serious? Is the government serious about this, or before the 2006 election will there be a magical leap of faith that will pre-empt the VEAC inquiry by saying there will be no more timber harvesting in the red gum forests along the Murray River?'. In the summing up by the minister, or preferably by the Premier, I would like to hear a commitment that there will be no policy change until the VEAC inquiry is finalised and that we will not have a leap of faith before the 2006 election that says, 'We are just going to shut it up and pre-empt the VEAC inquiry'.

The previous Speaker spoke about Dwyer's sawmill in the Wombat forest. We have had similar comments from the loggers who were in the Otways.

An honourable member interjected.

Mr WALSH — They took a package from the government, but they were blackmailed into taking it. It was a matter of 'Take this and go, or stay there and get nothing'. It was not balanced negotiation; it was basically blackmail so they would take the money and get out. Otherwise they would not have got anything in the future.

I would like to spend a bit of time on the red gum industry, given that 4 of those 11 licences we are talking about are in the red gum industry in the north of the state, a part that I represent. As I said, it is an industry that has sustainably harvested timber in the north of the state for about 150 years. We are putting a lot of effort into that area through the Living Murray process. There is a lot of work going on in the water industry to make sure we get water back to those forests. Hundreds of millions of dollars of federal and state money is going into that process. Red gums, given water, are effectively a noxious weed. They will grow anywhere, and they will grow quickly.

Honourable members interjecting.

Mr WALSH — If you do not want red gums to grow, they are noxious weeds! If you get a flood over the ground, the red gums come up as thick as anything. It is not as though we are not going to have any red gums in the future. If we put water back into those places, will have a red gum forest in perpetuity.

We are putting in place a regime to make sure that we have red gum forests into the future. It would be a waste of public money and a crying shame if we did not sustainably harvest that timber in the future. By selectively logging, which has been done for the past 150 years, we take away the big, mature trees and make sure the younger trees have an opportunity to grow. If we are serious in talking about greenhouse gases and locking up carbons, the best thing we can have is an actively growing forest that is sustainably harvested.

The previous speaker talked about Arbuthnot Sawmills in Koondrook. Just before Christmas Arbuthnot Sawmills got an urgent request from the Department of Infrastructure in Victoria for above-specification red gum sleepers for the Spencer Street station. We all know the story about the Spencer Street station redevelopment and how it is behind and over budget. Just before Christmas it dawned on someone at the project down there that they needed the extra-long sleepers to put in where the train tracks come together. Concrete sleepers would not do that job; red gum sleepers were specifically requested. At the time Arbuthnot Sawmills was extremely busy with its orders coming up to Christmas, but it made a very special effort so that at least someone was going to try to keep the Spencer Street station project on time.

If you look at the things around Victoria that need red gum — and there was this particular request from the Spencer Street project — you find that something like 10 million railway sleepers around Victoria are made out of red gum. It is my understanding from those who know the train track system that you cannot mix concrete sleepers with red gum sleepers; a train line has to have either all red gum sleepers or all concrete sleepers. Hundreds and hundreds of kilometres of tracks around Victoria have red gum sleepers under them; there are something like 10 million sleepers out there.

Given the government's record on how it is spending its money to upgrade the train tracks — or not upgrade the train tracks and not keep its promise — red gum sleepers will be needed to maintain the train tracks around Victoria for a long time into the future. If the government pre-empts the Victorian Environmental Assessment Council inquiry and decides that red gum will not be harvested into the future in Victoria, we will have no red gum sleepers and an even more chronic situation with our rail system here in Victoria.

Dr Napthine — We will never get the train back to Mildura.

Mr WALSH — That is very true; we will certainly never get the train back to Mildura.

Paul Madden is the managing director of Arbuthnot Sawmills in Koondrook. Like the member for South-West Coast, I contacted him regarding this bill. I would like to put on the record his response back to me. He said that he was notified about the proposed changes by the Department of Sustainability and Environment but went on to say:

> … At a meeting with VicForests on 16 July 2004, we were unequivocally —

I emphasise that —

> told that our licences would transfer to VicForests, before June 2006.
>
> My concern is the continued uncertainty that the government creates by telling us one thing and then changing arrangements when it suits.
>
> Our company put in considerable capital investment based on the government's promise of 15-year 'evergreen licences' only to be told that the licences were not worth the paper they were written on. Now we are told that our licences will not be taken over by VicForests.
>
> We are comfortable working with the DSE but unfortunately for us or fortuitously for the government there is a lack of forestry on-ground staff, and my concern is that it is almost a pre-emption of the demise of licences in the west.
>
> Also the message that this sends to the Victorian Environmental Assessment Council is not a positive one for the industry.

The sawmill at Koondrook, which has been operating since 1889, creates a lot of employment and value adding in that town, which I will come back to a little later. It has that lack of certainty I spoke about when I began my speech. Any business needs certainty and to be able to trust the rules that have been put in place so it can make investment decisions and know that in the future it can continue to do things and not find that the ground has moved from under it.

When we debated the Sustainable Forests (Timber) Bill in 2004 the member for Ripon, in his response to the comments I made, is reported as saying:

> … so that the industry has … certainty going into the future that the member for Swan Hill mentioned and so we can make the investment to value add and to produce products which are import replacing and all those other concepts that —

I think there would be no disagreement with that around this chamber.

Mr Helper — I could not have said it better myself!

Mr WALSH — We all aspire to having value adding in our local communities and to replacing imports. As has been said, we have something like a $3 billion deficit in our trade in wood and paper products in this country, so we need to make sure that we have not only a sustainable harvesting industry but, more importantly, a value-added industry that makes real use of the product and creates jobs in country communities.

In that debate in 2004 the member for Ripon said that he supported value adding and effectively supported the creation of jobs in our country communities. He also spoke about the issue of certainty. In 2004 we passed a bill that was supposed to give timber harvesters — particularly, in this case, Arbuthnot Sawmills — certainty into the future. As I said earlier, they invested a lot of emotional capital and hard work into the discussions around that bill in 2004 and about how the contract system would work with VicForests going forward. But before any of that has happened, it has now all been cancelled. All bets are off. They have lost all their certainty about what may happen, because there is a very real fear by those people that the VEAC inquiry is now a sham, that there is not the certainty there, and that there is not the faith there. How are they going to invest and create wealth into the future?

At a similar time to when that bill was passed we were fortunate to have access to Queen's Hall and to a display from the red gum industry, particularly from those in the industry up there. People from Arbuthnot Sawmills and some of the furniture manufacturers that value add to the timber that they make were down here. At the time the Premier took a particular liking to one of the cabinets that were in that hall.

I hope the Premier took the opportunity to buy that cabinet. Given the way we are heading with this government's managing and access to timber resources, in the future he may not have the opportunity to buy one of those cabinets, because there will not be any harvesting of red gum timber in the north and there will not be a furniture value-adding industry in the north. I dearly hope that the Premier took the opportunity to purchase that cabinet at the time. Wayne Hall, who was the furniture manufacturer, gave him his card, and the Premier promised to get back to him. I have never followed up whether he has done that or not. I hope the Premier has taken the opportunity to buy one of those before it is too late.

This is not only about furniture manufacturing and railway sleepers but also about our having a lot of heritage-listed buildings. Take the city of Echuca, which has its historic wharf. It needs maintaining. They need new pieces of timber at times, and that has to be red gum to maintain the wharf at Echuca and maintain that heritage-listed site and very important tourism attraction at Echuca. If we do not have a red gum industry and the capacity to harvest red gum and saw the timber to make the planks to replace any that may need replacing at that wharf, over time the wharf of Echuca will be no more. We have the option of having concrete sleepers for railway lines if we want to refurbish the whole railway line, but I do not believe that a concrete wharf at Echuca would have the same appeal — —

Dr Napthine — Wood-grain concrete.

Mr WALSH — Or would have the same attraction for tourists. The chardonnay-sipping member for Ripon may think that wood-grain concrete is — —

Honourable members interjecting.

The ACTING SPEAKER (Mr Ingram) — Order! The member for Swan Hill, without assistance from members.

Mr WALSH — The chardonnay-sipping member for Ripon may think that wood-grain concrete is a good replacement for red gum for the Echuca wharf, but I think the tourist operators of Echuca would not feel that way at all.

To quickly sum up — —

Mr Howard interjected.

The ACTING SPEAKER (Mr Ingram) — Order! The member for Ballarat East.

Mr WALSH — To quickly sum up, The Nationals are opposed to this bill. We are opposed principally because we believe it takes away the certainty. The government is changing something that it has not even had time to enact yet. That shows that there is no sense of how to manage natural resources on the other side of the house. There is also no sense of how to manage business certainty. One of the key issues here is making sure that you have business certainty going forward and that business has faith in the legislation and rules that the government puts in place so that its members can invest and create wealth in our country communities.

The Nationals are opposed to the legislation because, as I have said constantly, it takes away certainty for business and any faith that industry would have in the government. I implore the government to ensure that this is not a pre-emption of the VEAC inquiry into the red gum industry in northern Victoria and that it is not closed down in the future.

Mr HOWARD (Ballarat East) — I am very pleased to speak on this bill about sustainable forests. I note that the title, which includes sustainable forests, is what this government has been all about. It is very important that in talking about the bill we look back a few years. We must look at what the government inherited seven years ago from the government of which the member for South-West Coast was part. At that time the former government had signed off on regional forest agreements around the state.

A long time before I was elected as the member for Ballarat East, people in my community who lived around the Wombat forest in particular were saying, 'Our forest is being devastated. It is being harvested unsustainably by a slash-and-burn program of timber harvesting' — that the then government was enacting. People asked, 'Can you do something to assess what is really sustainable in harvesting from our Wombat forest and stop the slash-and-burn approach?' — an approach that was perpetrated by the former government. The government still had to sign off on the last two regional forest agreements that were due to be signed off within three months of us coming into government, on the information that we were given at that time. The federal

government did not give us an opportunity not to sign off on them.

As soon as we came to government we took steps to establish what is sustainable in terms of harvesting in our native forests across the state. In 2001 we released the *Our Forests Our Future* document. Using the work done by some eminent people in the area of sustainable harvesting in forests around this state we considered whether we were over-harvested. What were the findings? It is very important that we look at the background to this bill so that we understand why it is before us today and why the original bill was brought forward in 2004.

What did the independent report on timber harvesting in the Wombat forest and other parts of the state show? On the regional forest agreements that were signed off it showed some reduction, especially in the one on the Midlands forest, which was reduced to below what was originally proposed by the former government. We were still over-harvesting our forests around the state by 31 per cent, so we needed to reduce that. The Wombat forest, in the Midlands forest area, was being 80 per cent over-harvested. In the years before we came to government, under the former government they were pulling out something like 60 000 cubic metres annually out of the Wombat forest.

Dr Napthine — On a point of order, Acting Speaker, this is a very narrow bill. While there is room for passing comments — irrespective of a lack of accuracy — the member has not only displayed a lack of accuracy in his comments, he is now well away from the actual bill. This is a narrow bill about the transfer of 11 licences that were going to be transferred and now will not be transferred. I ask you to bring him back to the bill.

Mr HOWARD — On the point of order, Acting Speaker, the bill is about sustainable forests. Previous speakers have spoken about the background to the bill. They have spoken very broadly and members on this side did not seek to have them pulled up on that. I am speaking very clearly about the specific details of what led to the development of this bill and its predecessor, the 2004 bill, which is referred to in the bill and which the two previous speakers have spoken about. I consider it very important that we look at the background of a bill before we look at just the specific details of the bill.

The ACTING SPEAKER (Mr Ingram) — Order! On the point of order, lead speakers are given latitude when speaking on bills. They can cover a wider range of subjects within the context of the legislation. Other speakers are required to restrict their comments to the particular nature of the legislation and can make only passing references to matters outside the bill. I uphold the point of order raised by the member for South-West Coast and will ensure that the member keeps his comments to the bill.

Mr HOWARD — I would have thought I was the lead speaker for the government on this bill, but — —

Dr Napthine interjected.

Mr HOWARD — Those on the other side of the house seem to be spoilsports — and they do not want the truth revealed to them.

Before this bill was prepared the government produced the regional forest agreement and brought down the harvesting levels in the Wombat forest from 60 000 cubic metres to 45 000 cubic metres. In preparing the *Our Forests Our Future* document it was found that the level of sustainable harvesting was 8000 cubic metres. We were able to find a way of supporting other mills in the region such as the Black Forest timber mill to get their timber from the eastern part of Victoria and so continue their operations.

The government has established a community forest management model in the Wombat forest. People in the Department of Sustainability and Environment have put a great deal of effort into allowing members of the community to have their input into how the ongoing forest management would operate in the Wombat forest. The bill recognises that there is still work to be done on that and that is why the licences in the Midland forest area will not go to VicForests on 1 July, as was proposed.

We have heard about the red gum forests in the north, which I am sure others will speak about more. We know they are subject to a VEAC inquiry, the report on which is not due to be handed down until February 2008. It would be totally inappropriate to hand over those licences to VicForests when an inquiry about them is under way. Unlike the opposition, which simply wants to pass over those licences, the government considers it appropriate that we do not prejudge the outcome of that inquiry and that we await the outcome of that VEAC inquiry — —

Mr Walsh — So why didn't you do that in 2004?

Mr HOWARD — Decisions were made that were unclear, and it is appropriate to recognise the reality of what we have before us, including that it is inappropriate to hand over those licences at this stage, while an inquiry is still going. It is entirely appropriate

to support the legislation and not pre-empt the VEAC inquiry.

Going back to the Wombat forest, it is important to comment that the government has worked very closely with the community. It has been a challenge, and our officers have put in enormous amounts of time. I know that some members of the community have put in enormous amounts of time in trying to develop new models of harvesting. For example, members of the Glenlyon community and others in the region put in a lot of time to look at the harvesting of Mudlark coop. We established a lighter form of harvesting rather than clear-felling or shelterwood harvesting. It still meant that unfortunately the amount of timber that was able to come out of that forest when we tried to work with the community was putting great stress on Dwyer's sawmill and the community in their ability to be able to agree on signing off on timber harvesting.

It is important to recognise that it was under those circumstances that the government offered Dwyer's an opportunity to exit the industry. It was not because we wanted them to depart the industry but we wanted to give them that offer because we knew that it was difficult to supply the timber at the rate they wanted and still keep good faith in the community and that there were great stresses across the community about the way forward. The government offered Dwyer's an opportunity to exit the industry and they chose to accept it. It does not give me any delight to see people who have worked in the industry losing their jobs in that way, but it is something that the Dwyers have accepted. We are prepared to support those workers with good packages to see them find opportunities for alternative work and to support them going into alternative work.

I believe the community forest management model needs to be supported still and that there are opportunities for the timber stewardship council, or a model relating to the timber stewardship council, to be able to move forward now that they do not have the issue of timber licences as the first issue on their agenda each time. There are a number of issues of timber management that we want to pursue with the goodwill of the community in Wombat State Forest, and this bill helps us ensure that that can continue to take place.

Mr COOPER (Mornington) — I want to compliment the member for Ballarat East on his contribution. He was given a pretty tough gig today, to try to defend the Sustainable Forests (Timber) (Amendment) Bill. He did a valiant job, and I would like to compliment him on that, despite the fact that he did not convince us. When he asked the rhetorical question of why the bill was before the house today, we on this side of the house all knew the answer.

We know why the bill is before the house — the government has done another one of its famous backflips. It has done a backflip from only two years ago, when it introduced and had passed the Sustainable Forests (Timber) Act. During debate on the legislation the government attempted to persuade us that it had the answers to all of the problems — —

Ms Delahunty — On a point of order, Acting Speaker, I was listening carefully to your adjudication on the previous point of order, when the member on this side requested that members speaking on this bill adhere to the detail of the bill. I am concerned that the member might be straying into a bit of history, which of course you ruled the member for Ballarat East could not do. I ask you to apply a consistent ruling on this matter.

The ACTING SPEAKER (Mr Ingram) — Order! On the point of order, I also uphold the current point of order and remind members of my previous ruling. I ask members to assist the Chair by confining their comments to what is a reasonably narrow bill.

Mr COOPER — I was referring, when the minister got to her feet, to the Sustainable Forests (Timber) Act. The bill before the house amends that act. I cannot see how I could possibly be irrelevant to the debate before the house. Acting Speaker, you have upheld the point of order. That puts me in an awkward position as your ruling means that I, and other speakers, cannot debate the bill. I was in fact referring to an amendment to the Sustainable Forest (Timber) Act. You may like to consider your position on this matter in ruling on any subsequent — and I assume there will be a lot of them as payback — points of order that are going to be taken.

However, I will move on and perhaps commonsense will prevail. As I said, the reality is the bill is before the house today because the government is doing a backflip on an action it took two years ago. It transferred all of the licences that were held by Department of Sustainability and Environment (DSE) over to the newly created VicForests. It then said that this was the right thing to do. Now it is saying that this was not the right thing to do.

Now the government is saying that in the case of 11 licences, there is another course of action that it wants to take. In doing so, as the member for South-West Coast and the Deputy Leader of The Nationals have said previously, the government is creating uncertainty in the industry. It is an industry that I am proud to say I was a member of for quite a number

of years before I came into this place. The government is not only creating uncertainty in that industry; it is also pre-empting an investigation in regard to the red gum forest areas and the four licences that are involved there.

The situation in the case of the Otways is that a decision was made by the government that harvesting would expire in 2008. Perhaps there is no argument there, but there certainly is an argument on this side of the house with regard to the four licences affecting the red gum forest areas and the two licences in the Wombat forest. However, I again emphasise that, as I understand it, one of those licences has been handed in by a logger. The logging company has basically thrown its hands up in the air and given it away because they just cannot hack the uncertainty that has been put in place.

I want to talk about the uncertainty because it is a creation of this legislation. What will the outcomes be of this bill to the industry, and what are going to be the outcomes of this bill to Victoria, to Australia and to the world? This is a point that was made by the member for South-West Coast. The ramifications are significant, and we cannot avoid them. We cannot walk away from them and pretend that they are not going to exist.

Once you create a situation of diminishing the returns from a sustainable resource like the timber industry in Victoria through the resource allocation, you then start applying pressure elsewhere. You start applying pressure to jobs in a part of Victoria that should be important to us all — that is, regional and country Victoria. That is going to be a ramification of this legislation. Clearly it will flow on. Anyone who says that closing down or reducing logging resources is not going to impact upon jobs is clearly in fantasy land.

I have been in this place for 20 years, and I have participated in a lot of debates on the forestry industry over that time. I have heard repeated time and again the idea that there can be a reallocation of jobs into other industries within the area. At one stage during the days of the Kirner government I remember when the government said the displaced timber workers could be replaced or put back into the tourism industry.

They have not been out there to have a look at the people who log forests or work in sawmills. Most of them are not going to be all that flash in tourism. I have worked with these people, and I know only too well not only that they will not be flash working in the industry but that they will not have the slightest interest in joining the industry.

If we are to understand the ramifications of this legislation, we have to realise that it will mean job losses. I do not believe this government can sustain these job losses. If you want to know what I am talking about, you should cast your mind back to the last federal election and look at what happened in Tasmania when the timber industry was attacked. We are talking about an industry that employs directly and indirectly 10 000 people in Victoria and creates $1.8 billion in turnover. This industry is again under threat from a government that continually changes its mind — this bill is an example of the government changing its mind.

One must also look at the ramifications for the rest of Australia and the rest of the world. The demand for timber is not declining but increasing. What are the ramifications for us, given that we have a market that is demanding more and a government that is saying we will produce less? That means imports will increase and timber will come in from other countries. As the member for South-West Coast said, it will come from countries that do not have the kind of decent forest practices that we have in Victoria. I refer to countries like Indonesia, Thailand, Philippines and Brazil, which do not mind slashing and burning — or as the member for Ballarat East said before, have a slash-and-burn approach. They denude forests and are happy to receive the proceeds now and think about the consequences later.

The Victorian forest industry has been well managed for many decades under a variety of governments. It is the best managed forest industry in Australia without a shadow of a doubt. Yet here we have a government that is continuing to take action that causes uncertainty and drama in the industry. In doing so the government threatens its very viability. It is a shame that this bill is before us, and it is a shame that the government has again changed its mind. The government will have to accept responsibility for that, probably next November, when the election is held.

The tragedy in all this is that a great Victorian industry is under threat. It employs a lot of people and creates a lot of economic activity for the state, yet it is again under threat. The government is committing a terrible crime against a great industry.

Mr HELPER (Ripon) — It gives me great pleasure to speak on the Sustainable Forests (Timber) (Amendment) Bill. I want to start off by trying to put the bill in context. The members for South-West Coast, Swan Hill and Mornington said the bill is designed to decimate the timber industry. Nothing could be further from the truth. In the scale of things we are talking about a process by which 11 of the hundreds of licences

across the state that were originally to be transferred directly to VicForests will not be directly transferred to it. The implication by those opposite that that order of magnitude is somehow a decimation of the timber industry is disingenuous and drawing a long bow.

Like the member for Swan Hill, I also admire the red gum forest industry that is based around Arbuthnot Sawmills along the river. It is a magnificent industry and one that I personally see a great future for. But I do not see how the member for Swan Hill could take the great leap and say that this legislation somehow either pre-empts the Victorian Environmental Assessment Council inquiry or is designed to decimate the red gum industry.

The member for Swan Hill took up my tongue-in-cheek interjection about perhaps using wood-grain concrete when he was talking about the replacement of red gum sleepers and posts at the port of Echuca. I have since done a tour of Parliament House and found some very well-disguised concrete formwork at the back of the Legislative Council chamber which has wood grain on it. I encourage the member for Swan Hill to look at it, because it looks like wood. I reconfirm that I was talking tongue in cheek when I made that interjection — and it was disorderly of the member for Swan Hill to take up that interjection. Be that as it may, we are talking here about a bill that is necessitated by both the independent VEAC inquiry into red gum forests and of course the changes that have occurred in timber harvesting, as well as the subsequent impact of those changes on the timber licences held in the west of the state. This bill seeks to do nothing more and nothing less than maintain the status quo until a number of issues — —

Honourable members interjecting.

Mr HELPER — The member for South-West Coast and the member for Mornington — —

The ACTING SPEAKER (Mr Ingram) — Order! The member for Ripon, on the bill. The member should not take up interjections.

Mr HELPER — The inference by the member for South-West Coast and the member for Mornington was that this was some enormous backflip. The 11 licences we are talking about — 11 of the hundreds of licences that exist across the state — currently rest with the Secretary of the Department of Sustainability and Environment. What the bill seeks to do is continue that process while some issues are resolved in parallel, such as the independent VEAC inquiry into red gum forests. I personally hope there is the opportunity to have both a sustainable industry and the great natural environment based on the red gum forests. Be that as it may, the gloom and doom projected by the members for South-West Coast, Swan Hill and Mornington is far from likely to come about.

Under this government the industry has benefited tremendously from a level of certainty, because it was this government that, for the first time in the history of Victoria, was finally honest enough and upfront enough to recognise that we were unsustainably harvesting timber in Victoria, to the degree of 30 per cent averaged out across the state, and based the Our Forests Our Future policy on that regrettable reality. None of us wanted that reality, but denying it would not have made it go away. Through an $80 million package we have adjusted the timber industry to take account of the reduced availability of that resource.

This is a mechanical process that will contribute to the overall strategy of Our Forests Our Future. It will also contribute to certainty in the industry so that it does not go through multiple licensing changes in the west of the state but stays with the status quo — that is, having licences managed by the Department of Sustainability and Environment while some other uncertainties are played out and become more certain.

I suspect that the industry recognises deep down that this is a practical way to go forward. Let the status quo prevail in terms of licences. While other uncertainties unfold themselves and then settle, then those licences can transfer to VicForests and not impact the processes which are unfolding as we speak, such the Victorian Environmental Assessment Council inquiry. I commend the bill to the house. I commend the member for Swan Hill to inspect the back of the Legislative Council chamber for some very creative things done in concrete which are disguised. I wish the bill a speedy passage.

Mr PLOWMAN (Benambra) — This bill amends the Sustainable Forests (Timber) Act 2004 which provided for all licences to harvest timber in Victoria to be transferred to VicForests. The Liberal Party opposed the introduction of that act on the basis that it reduced the security of the licence-holders in regard to their allocation of timber. That has clearly happened and has been a disastrous result of that legislation.

This bill proposes to halt the process for 11 specific licences. This poses the question: why is the government backtracking on its own legislation? The answer is simple: firstly, five licences in the Otways will expire in July 2006 and not be renewed; secondly, two licence-holders in the Wombat State Forest have

been progressively squeezed out of business by the actions of Greens protesters and a vacillating government which wants to see them go; and thirdly, four licences for harvesting red gum forests are now subject to a Victorian Environmental Assessment Council (VEAC) inquiry and by not allowing the process to continue, it is directly impacting on the VEAC inquiry as to its outcome.

The Otways was the most sustainable regional forest area in the state and certainly had the most sustainable regional forest agreement. However, a pre-election promise by the Bracks government to stop all logging in the Otways has changed all that forever.

The Wombat State Forest was a well-managed forest with a sustainable logging program until the Bracks government introduced community forest management strategies in the Midlands specifically for the Wombat State Forest. What happened after that could be described as a farce if it were not so serious for the timer industry. A tragic example of this is Jim Dwyer's mill. A viable family business was brought to its knees by the Greens protest movement and an accommodating government. The community forest experiment has cost Jim Dwyer his business. It has cost his family their future and it has cost his work force their jobs.

Honourable members interjecting.

The ACTING SPEAKER (Mr Ingram) — Order! The members for Narracan, Ripon and Swan Hill should not discuss things across the chamber.

Mr PLOWMAN — I conducted a freedom of information inquiry on the amount of timber that had been made available to this business since the financial year of 2000–01. The systematic demise of this industry is illustrated by these figures. Of the 4900 square metres of timber that were available in 2002–03, Jim Dwyer's mill received 4270 square metres. In the following year the allocation was the same but Jim Dwyer's mill got about half of it — 2216 square metres. In 2005–06, the mill received 2300 square metres. In the following year the mill only received 900 square metres of the timber available to it. Clearly the reduction in the available timber to this mill led to one conclusion — Jim Dwyer could not continue with his business. This was a direct result of the government trying to squeeze those mills out of the Wombat State Forest. Mrs Dwyer, Jim's mother, said to me, 'They were completely starved out. The supply of logs just dried up and every approach we made to the minister was met with a negative response'. The worst comment of all was when she then said, 'Nobody cares'.

Equally tragic, however, is the position that the red gum industry finds itself in. VEAC is effectively being nobbled by this legislation. The Bracks government by its very action with the introduction of this bill is saying that the VEAC inquiry is all but a waste of time. There will be another pre-election statement or promise by this government indicating the end of red gum harvesting in Victoria — nothing is clearer.

The National Parks Association of New South Wales is pushing for a single national park in both states that would not allow the continuation of red gum logging. A document from the National Parks Association of New South Wales states:

> Whilst Barmah-Millewa is the largest remaining river red gum forest, new national parks should protect all other significant river red gum remnants to achieve protection of a bare 15 per cent of the original extent of red gum forests …
>
> These new reserves should include the forests of the lower Goulburn River, the Ovens, Campaspe, Lachlan, Murrumbidgee and Edward rivers, as well as Gunbower Forest and all remaining forests on the Murray River.

If that were to occur, the red gum industry would be finished forever. If ever there was a case for a community park which allows for a multiple use to include the logging of red gums, I am sure this is it. The community is reliant on this industry. The red gum forest is reliant on a thinning process to allow the remaining trees to grow to their potential. This would include a logging program for high-quality timber use, and a thinning program which could accommodate firewood requirements. The forest would return to a condition closer to what it was when the forest was periodically burnt by the Aboriginal community. The end result would mean that the risk of fire would be reduced and the forest's ability to host the enormous wildlife population, a diverse range of flora and fauna, would be optimised.

I will give a short potted history of the red gum forest area. In the 1850s the area was initially logged to provide timber for the gold rush. By the 1870s the harvesting continued, but more timber was used for railways, ports, river boats, the building of river boats, the paving blocks of the streets of Melbourne and many other uses. Now it is being used more for the better quality timber that is used for the restoration of those same river boats, the manufacture of furniture of the highest quality and flooring and veneers, where they are chosen for their magnificent colour and grain.

Red gum is still the preferred timber for wharves, bridges, heavy structures and fencing largely because of its durability and its resistance to white ants. It is popular for uses like garden sleepers; sawmilling

residues are used for garden mulching and even some of the sawdust is used. In other words the whole of the commodity is utilised at the moment; there is nothing spared. The whole of what the red gum forest produces is used. What is left makes excellent firewood.

I believe we have a situation where other issues arise. I quote from a letter I received from Neil Eagle from Barham:

> The mistaken belief is that the environment will somehow be enhanced by the removal of the active management of these forest areas by the respective forestry departments …
>
> …
>
> … only 23 per cent of these forest areas are available for harvesting … the time span from harvesting to re-harvesting is in excess of 23 years. Thus, at any given time, less than 1 per cent of the total forest area is ever being harvested.
>
> … playing down the economic importance of the industry and questioning of the future viability of the industry is not supported by the facts:
>
> > the recent installation of the value-adding veneering plant at Bohum sawmills, Barham;
> >
> > the ever-expanding and high-class red gum furniture industry developments;
> >
> > and the continuing demand for red gum for building wharves, pylons, sleepers, firewood et cetera.
>
> To suggest that the forest is dying and will be saved by turning it into a national park is utter nonsense. Of course there are stressed trees in this 1-in-100-year drought. However, the forests are surprisingly healthy considering the current circumstances and will respond immediately to the next flood.

There are many other issues I would like to raise in this debate, but I shall just give a few figures. The mid-Murray and Mildura forest management areas and reserves and parks total 214 267 hectares; of that, only 1120 hectares are harvested every year which is half of 1 per cent. Only 30 per cent of the trees in each hectare are harvested. That means only 0.2 of 1 per cent of total hectares available are harvested annually. This should be allowed to continue. This bill is indicative that this government does not wish it to do so.

Ms LINDELL (Carrum) — I would like to make some brief comments on the Sustainable Forests (Timber) (Amendment) Bill. As the house knows, *Our Forests Our Future* sets out the Bracks government's commitment to the sustainable future of Victoria's native forests and the timber industry communities they support. It is starkly different to the unsustainable practices that passed for forest management during those seven long, dark years of the Kennett government.

VicForests, a state business corporation, was established with the enactment of the Sustainable Forests (Timber) Act 2004. Under this act the management of sawlog and pulpwood licences in the west of Victoria would transfer from the Secretary of the Department of Sustainability and Environment to VicForests by 1 July this year. The objective of the bill we are debating today is to amend the Sustainable Forests (Timber) Act 2004 so that the management of the licences in western Victoria does not transfer to VicForests but instead stays with DSE. It really is a very simple bill that actually enshrines the status quo, which is usually something the conservative parties in this house actually support, but not today.

This will allow sufficient time to clarify the implications of two projects currently assessing the management of forest resources in the west of the state before they transfer to VicForests. The two projects — and they have been discussed at length this afternoon — are the reference to the Victorian Environmental Assessment Council to undertake an investigation into river red gum forests along the Murray River valley, which is to be completed by 2008; and consideration of the management of the Wombat State Forest in consultation with the community.

The bill will impact on 11 licences that were intended to be transferred by 1 July this year to VicForests for its management. Only three of those licences are directly affected by the amendments contained in the bill, and they are held by two licence-holders. All three harvest in the riverine red gum forests in the mid-Murray forest management area. Two of the licences are held by Arbuthnot Sawmills Pty Ltd. As the granddaughter of Charlotte Arbuthnot, I should reassure the house that I have no financial interest in this company, and I can tell you she would be very proud of her granddaughter today.

Dr Napthine interjected.

Ms LINDELL — She was a progressive woman.

The ACTING SPEAKER (Mr Ingram) — Order! Honourable members should address the Chair.

Ms LINDELL — The other eight licences are listed for repeal by the bill. However, some of them have now expired; one has been bought back by the government and others are impacted by the establishment of the Great Otway National Park and the Otway Forest Park. The government has already determined that these licences will transfer to VicForests for its management, and the decision to implement that was made in 2005. The decision not to transfer red gum licences to

VicForests for management has been made to allow sufficient time to clarify the implications of the VEAC investigation prior to any transfer proceeding.

The decision does not pre-empt the outcome of the VEAC investigation, much to the amazement, I should imagine, of The Nationals and the Liberal Party, but rather it defers a decision regarding the transfer to a time when the implications of the investigation can be taken into account. The government remains committed to the management of the timber industry by VicForests on a sustainable and commercial footing across all of Victoria.

In closing, I would say that a lot has been said about certainty and about assistance for industry to enable it to go about its business. I would argue that this decision provides the least disruption to licence-holders while VicForests' and the industry's current policy initiatives in the west of the state are being finalised.

I commend the bill to the house in memory of my grandmother.

Mr JASPER (Murray Valley) — I rise to speak on the legislation before the house and strongly support the comments made by the Deputy Leader of The Nationals in indicating our opposition to it. He put in strong terms the reasons for our opposition to the legislation. His comments were very pertinent, particularly as they related to the red gum forests along the Murray River, and I will refer to them again in my contribution. I also congratulate the member for Benambra for his contribution and for putting on the record some facts and figures as they relate to the timber industry and to its gradual demise within this state.

I want to say from the outset that earlier this year I was out of Australia visiting some friends of ours in Switzerland. While we were there we had discussions with a number of people, and they indicated to us that they are seeking to expand the timber industry in Switzerland. They are seeking to encourage people to use timber in the building of houses.

What we are seeing in Australia is a totally different situation, where people are being discouraged from using timber. We are in a situation where, as the Deputy Leader of The Nationals indicated, we have massive imports of timber into Australia and into Victoria, and we need to address that issue in the future. I want to place on the record again the comment that was made to me by fairly influential people in the building industry in Switzerland that they were encouraging the expansion and development of a renewable timber industry in Switzerland. I believe that is the sort of policy we need to be looking at in Victoria for the future.

I also want to say that over the years I have been in this Parliament I have seen huge increases in the number of national parks within this state. When I saw the maps that were presented to us in the early 1980s I said that the development of national parks across Victoria as indicated could never be sustained. But what successive governments of all political persuasions have done over the years is increase the number and size of national parks to such a level where we have parks which the government is not able to manage. Despite the indication of funding being provided to support the management of national parks, that is not happening.

An honourable member interjected.

Mr JASPER — It is a fact of life, I am sorry. I heard a member opposite indicate some disgust with that. If he comes up to my electorate, I could take him to see a number of people who have expressed their concerns, particularly about the box-ironbark national park. I am going out on Monday to have a look at an area of the park. A farmer's wife rang me recently to say that her husband is nearly at the stage of committing suicide. They live alongside the national park and had some of their property burnt out in the fires. He has not been able to get a satisfactory resolution from the department, and particularly from Parks Victoria, to enable him to establish fencing along the perimeter of his property. It is a dreadful situation, and from what they have described, as many others have said, the people managing the national parks are the neighbours from hell. That really sums up the situation as far as this family is concerned.

Recently I visited another family in the Boosey Creek area on the western end of my electorate. Part of that is also in the national park. They are also fencing along there, and the department needs to give closer consideration to making sure a satisfactory outcome is achieved despite the number of other agencies, including the water authorities, involved in the discussions. That is the reason why, from our point of view, we Nationals have expressed concern about the legislation that is being brought before the Parliament.

I heard the previous government member speaking on this legislation. I want to remind her of a paragraph in the minister's second-reading speech:

> This decision was made as part of the government's commitment to cease logging and wood chipping in native forests in the Otways by 2008 and to establish a greatly

> expanded national park in the Otway Ranges — the Great Otway National Park.

We opposed that legislation, but it became law, of course, backed by the government. But that does not support the comment made by the previous speaker that work is being done on developing a sustainable timber industry within the state of Victoria. The bill talks about the licences in the Otways and the other licences which are going to be retained under the Secretary of the Department of Sustainability and Environment. We have seen an indication of what is happening to those licences: indeed, we will see them peter out. What we need to be looking at is selective logging. As indicated by the Deputy Leader of The Nationals, we need those red gum forests and they need to be harvested, through selective logging, and recognised as a renewable resource. They are the sorts of issues that are of great concern to us.

We also note that the reason for some of the actions proposed in this legislation is that the government is apparently waiting for the results of the Victorian Environmental Assessment Council (VEAC) inquiry, which in some respects has become a sham. It will certainly take away some certainty as far as the industry is concerned. I am interested also in the information provided by Patricia Caswell on behalf of the Victorian Association of Forest Industries (VAFI). I want to read out one or two paragraphs from the letter she sent to the minister in the last week or so:

> Whilst VAFI and our western Victorian members understand some of the advantages and the continuity of the DSE management as opposed to VicForests, we are concerned that there has been no government commitment to the future of these licences once they have expired, leaving the industry, communities, jobs, economic value at risk.

She expressed:

> Disappointment in regard to the exit of Dwyer's sawmills from the Wombat State Forest.
>
> …
>
> Dwyer's, a family business going back four generations, never had a chance of survival.

I will just quote one or two other paragraphs from the letter:

> We seek your assurance —

that is, from the minister —

> that such flawed policies and procedures established as the basis for forest industries will not be used again.

She said this about the VEAC investigation into red gum forests in the Murray River Valley:

> The VEAC investigation has given rise to ongoing concerns about the future of the red gum industry in Victoria.
>
> VAFI is seeking your assurance that the industry has a long-term future.

The government indicates that there should be a long-term future for the timber industry, but we do not view this legislation before Parliament as being supportive of a sustainable timber industry within the state of Victoria. What we want to be able to do is support the development of forests and support the industry into the future. As far as The Nationals are concerned, we have serious concerns with the legislation as it relates to the Otways and, importantly, to the red gum forests along the Murray River.

I talk to people on the northern boundary of my electorate of Murray Valley, which of course is the Murray River, and they express concern about the inquiry and about the need to maintain the red gum forests in that area in a sustainable fashion. What we are going to see, I believe, from the VEAC inquiry are changes which will make it almost impossible for the red gum industry to continue operating within northern Victoria. We will probably see the demise of that industry — but perhaps that is what the government is seeking to do. The Nationals support continued timber harvesting at sustainable levels in all Victorian state forests. We do not believe this legislation will assist that or assist those people who are continuing in the industry to make it viable into the future.

The Nationals are clear in their opposition to the legislation and in seeking greater assurances from the government to the industry that it will support a sustainable industry into the future; that it will be able to ensure also that in areas under the government's control — for example, where national parks are in close proximity to other properties — those landowners and indeed those who are continuing in the forest areas will get greater support from the government; and that those in government positions will support — indeed they should be supporting — the timber industries within this state.

Mr CRUTCHFIELD (South Barwon) — It gives me great pleasure to rise and speak on the Sustainable Forests (Timber) (Amendment) Bill. This bill repeals the provisions of the 2004 act, to which nearly every speaker has referred, which provide for certain timber licences to be transferred to VicForests by 30 June 2006. It is pertinent to 11 licences: 5 in the Otways, 2 in the Wombat State Forest and 4 in the river red gum forests. There have been some insinuations that there are some Machiavellian reasons for this. I want to appease or allay the fears of members opposite,

although it suits their political view and purpose to raise that fear in some of these particular communities.

With respect to the five Otways licences that are referred to, they were not ever going to be transferred across to VicForests because of the announcement of the national park down there, and I will come back that. I acknowledge the support of the majority of the members of the Liberal Party for the Great Otway National Park, although there are some interesting anomalies in their views in that respect.

Mr Maxfield — Name them!

Mr CRUTCHFIELD — I will name them. The member for Polwarth and the member for South-West Coast have differing views, and I will return to that a bit later. In terms of the government's consideration of the impact of the two licences in the Wombat State Forest and the investigation by the Victorian Environmental Assessment Council of the river red gum forests, which does not conclude until 2008, the processes have not been finished and no pre-emptive findings have been made in respect of them. The member for South-West Coast alluded to the fact that he has respect for VEAC in terms of its independence, and I think all members of this house should let that process go forward. I do not know what those processes will bring.

The member for Swan Hill referred to Queen's Hall and the exhibition that was held there. I went to that particular exhibition. I have also camped in the river red gum forests on a couple of occasions, so I have some familiarity with that area. I am certainly not advocating a complete and utter diminution of all those licences. Let the processes continue, and hopefully we will have a more accurate understanding of the impact of ongoing timber harvesting in those areas.

The previous regional forest agreements (RFAs) for the west were not accurate in my view and the government's view. They were certainly predicated on some unsubstantiated and dodgy numbers, and it was all about — particularly in the Otways — woodchip-driven timber management.

I must have been at the same briefing that Tricia Caswell gave to government members, because I concur with the sustainability aspect that most members talk about in respect of timber licences. We all seem to concur on sustainability; the differences are on the interpretation of what is sustainable. My view of what is sustainable would be different from that of the botanist from Benambra, or even the member for Murray Valley. I suspect my view and other people's views about what is sustainable are shaped by a view about timber harvesting in 2006 rather than back in other eras.

I also note that the Victorian Association of Forest Industries is one of the organisations that acknowledges that timber practices have to change. That is not to suggest that VAFI agrees with the current government policy with respect to national parks or indeed in terms of reviews that VEAC is undertaking at all.

What I agree with VAFI and the member for South-West Coast on is that we import too much timber. A fair majority of the timber we import is from vulnerable communities and countries that do not have the occupational health and safety practices or environmental practices that we have, so that is at odds with a more global approach and response to biodiversity. Australia needs to take its place. Therefore we need to have sustainability, and we need to have a continuing forestry policy that reflects that and enables us to reduce the amount of imports, particularly from Asia. Of course that does not mean that plantation forestry, both hardwood and softwood, is the answer. It is a significant part of that answer, but it certainly is not the answer in its entirety.

I know there have been comments from members opposite regarding plantation forestry and some of the implications for arable land and some of the flows that emanate from those plantations. However, this is certainly looking at a longer term solution for forestry products.

Finally, I want to conclude on the Great Otway National Park. There are more members in the house now — I did not realise a few more had snuck in — so I will be brief. I want to place on record the member for Polwarth's comments regarding the national park in an article in the *Colac Herald* of 18 August 2003, which says:

> Member for Polwarth Terry Mulder has pledged the Liberal Party's support for the Otways timber industry at the next state election.

He has said a number of times that he does not support the current national park and does not support the removal of the current licences that are there until at least 2008 in the Great Otway National Park. I do note that is not a majority view held by the Liberal Party. I hope that view continues to prevail in the Liberal Party. It is certainly one that the Labor Party and I, coming from South Barwon, support.

Mr MAXFIELD (Narracan) — I rise with pleasure to speak on the Sustainable Forests (Timber) (Amendment) Bill. This bill stems from the

restructuring that has been undertaken by the Bracks government in the timber industry and this is just another phase in that process.

When we came to power, as members of this house would know, logging was occurring at an unsustainable rate. We were logging at a rate which would have meant we would have run out of timber and the entire industry would have collapsed. During the seven dark years of the previous government it was told that we were over logging the available resource. Even members of the Liberal Party who were in the timber industry told the then government that over logging was occurring and if it kept going at that rate we would run out of timber to log. What did the previous government do about that? Absolutely nothing! It was going to take the timber industry right over a cliff.

Part of the reason we are here today with this bill is in fact part of that process to fix up the mess that was left to us by the previous government, when it knowingly over logged areas right across the state. As a result of that this government has had to put a number of initiatives into place to rectify the gross incompetence over seven years.

Mr Walsh interjected.

Mr MAXFIELD — I notice the member for Swan Hill interjecting on this issue. Of course he was not here at the time, but he is a member of The Nationals and its members put their heads in the sand and put at risk the livelihoods of communities right across regional Victoria by putting at threat the entire timber industry. When we had run out of timber we would have seen towns closing down, mills closing down and people thrown out of work right across the state. What the government has done is bring back logging to sustainable levels across the state.

The ACTING SPEAKER (Mr Jasper) — Order! The honourable member, on the legislation.

Mr MAXFIELD — I will speak on the bill, but I was saying to the house that this bill is part of the government's fixing up logging in this state, of fixing up the mess that we inherited from the previous government.

Mr Walsh — On a point of order, Acting Speaker, a point of order was raised earlier in the debate, which has become more wide ranging since. This bill amends a piece of government legislation, not something that the previous government did. I ask you to bring the member for Narracan back to the bill.

Mr MAXFIELD — On the point of order, Acting Speaker, this bill is about the issue of licences and the transferring of those licences. The whole licence process is about getting back to a sustainable level of logging, which we inherited from the previous government, so what I am saying is directly related to the bill.

The ACTING SPEAKER (Mr Jasper) — Order! Whilst I am prepared to make a decision on the point of order, I remind the member that whilst some latitude is given during the second-reading debate, I think we have heard enough in general comments, and I uphold the point of order that has been raised. I ask the member to restrict his comments to the bill, which is reasonably narrow in context.

Mr MAXFIELD — Certainly, Acting Speaker. I take your views on board. We are really discussing issues in two areas of the state — that is, the Wombat State Forest and the areas of red gum forest. I have listened to comments you made in the house, so I know that the logging of redwood forests — —

An honourable member — Red gum!

Mr MAXFIELD — I will correct myself; I meant to say 'the red gum forests'! A review is taking place, which will be completed on 1 February 2008. We have to ensure that review occurs. I urge those in the chamber not to be alarmist about the outcome of that review and not to assume at this point in time that all logging will cease. The review is looking very closely at the issue, and the Wombat State Forest process is taking place in consultation with the local community.

One of the hallmarks of the Bracks government is its community consultation. We do not ram things through the house, as the previous government did. We consult with the community when we put in place sustainable logging and sustainable logging practices. I commend the bill to the house.

Mr HUDSON (Bentleigh) — In essence, the Sustainable Forests (Timber) (Amendment) Bill does a couple of things. It keeps the sawlog and pulpwood licences with the Secretary of the Department of Sustainability and Environment instead of their being transferred to VicForests.

The reasons for that are quite simple. Firstly, we are trying to minimise disruption to licence-holders and for VicForests by maintaining the status quo whilst the Victorian Environmental Assessment Council (VEAC) undertakes its investigations. An enormous number of conspiracy theories have been advanced today by the opposition as to why this is occurring, and some of the

theories they seek to develop are astonishing in breadth and of death-defying gravity. However, it is quite simple. VEAC is an independent body, which in its former incarnation was developed and strongly supported by the Hamer government to look at sensible land use and forest management issues.

I would have thought members of the opposition would support a body like VEAC, which has a role to play in looking at land and forest management. I think every member would agree that the river red gum forests of Victoria have many values — conservation and ecological values in their relationship to the river. These forests are integral to the environmental sustainability of the river. To suggest that we ought not be doing what we are doing until the VEAC investigation is undertaken is irresponsible in the extreme. If we do not have a body like VEAC to look at it, who is going to make those decisions? These decisions need to be made by an independent body.

The bill also provides for a process of developing management of community activities in the Wombat State Forest. These provisions apply only to 3 of the 11 licences affected by the bill.

The other licences have either expired, have been bought back by the government — as members of the opposition would know — or have been affected by the establishment of the Great Otway National Park. I do not know whether the opposition is suggesting that we should not be doing this. For a long time the position of the opposition is that the government should not have established the Great Otway National Park, but opposition members and The Nationals speak with forked tongues on this issue, as they do on other issues. Some support the establishment of the Great Otway National Park but others do not. They cannot be clear about whether they agree with what the government is doing about timber harvesting licences in the Great Otway National Park.

Government members have had a very clear position about what to do about those licences. We also have a very clear view of what needs to happen until the VEAC investigation is undertaken. It will be an independent investigation, and it is appropriate that we look at the forest values in that area. It is also important that we put these matters on hold. I commend the bill to the house.

Mr INGRAM (Gippsland East) — I rise to oppose the legislation before the house, and in so doing, to support many of the comments made by the member for South-West Coast.

The bill before the house is reasonably narrow. Like other members who have spoken against this legislation, I, too, raised a number of concerns during debate on the principal act — that is, the Sustainable Forests (Timber) Act 2004. I opposed that legislation because of the uncertainty it put in front of the timber industry.

The concerns expressed were about how the tendering process would operate. We have seen some of those tendering processes occur recently, and many of the concerns that were expressed have been borne out.

The bill is fairly specific in that it will remove some of those areas, particularly in the west and north of the state, in the Otways and in the Murray Valley areas, and in the area of the Wombat State Forest. I have listened to comments from members about how the changes made in the Wombat forest have impacted on the certainty under which the mills in the area have been operating and their ability to get timber.

The interesting thing about this process is that in my electorate we have had similar problems with some commercial timber operators. Specifically we have asked the minister to have these operators exempted from the licensing requirements. They are small-volume operators such as firewood cutters; however, one is a spot mill in which the operator uses a swing saw to cut specialised timbers in the state forest. This operator uses timber not readily available or used by sawmills, large or extremely long pieces of timber for the purpose of boat-building timbers, or timber for other specialist uses. This sort of timber can be obtained from very few places.

The operator is concerned about being cut out of the process and not being able to get coops, and so will have to purchase logs from sawmills that were not bidding for licences to harvest that type of timber. This has been a major concern, and it is an indication of how the current tendering operation works.

I have made a request to the minister's office that these small firewood operators and the specialist operator I have mentioned be removed from the tendering process and handed back to DSE. In small towns like Mallacoota firewood operators have requested that similar provisions be made, so it is quite amazing that this legislation has come before the house and that everyone has been thrown into the basket of VicForests, except some areas that do not want to be removed from the VicForests legislation. But they are now being removed although there are real and justifiable reasons for those licence areas to be removed — but that has

not been done. I think that is part of the disappointment. I raise those points with regard to the bill's passage.

On the bill, we went through the process with Our Forests Our Future. That was extremely distressing for many of my communities and likewise, for many across the state. Yes, it had to be done. When the sustainable yield figures clearly indicated that the current cut was not sustainable, reductions had to be made. But there are some extremely disappointing aspects to it. Some of those businesses and communities that went along with the original decision were then left out; they did not receive the support they should have received from and were promised by the government. That is extremely disappointing. They lost their businesses completely because of the reductions. There are some real issues behind the legislation, and the government has not dealt with the Our Forests Our Future reductions very well.

The government members who think the government has handled the timber industry well should go back and talk to people within the industry, not only in my area but other areas around the state. There is an enormous amount of concern about the lack of support, the lack of security of supply and the changes that have been brought about. A number of people in the industry support the way forward, of trying to get better value from the resource and making sure there is some contestability. But removing that security and certainty has had a great deal of impact on the businesses. It means that they have limited capacity to invest in the equipment they need. A number of those people have found it much easier just to walk away. That is one of the most distressing things about the way the government has handled the industry.

With those words I would like to support the comments made by the member for South-West Coast in his contribution, and I will oppose the legislation.

Ms DUNCAN (Macedon) — It gives me great pleasure to speak very briefly on the Sustainable Forests (Timber) (Amendment) Bill. As someone who represented the area of the Wombat State Forest for many years before being elected, I know that the forest was being massively overcut.

I am pleased that as part of the Our Forests Our Future policy we were able to reduce the sustainable yield figure by 80 per cent. This bill makes further changes to those arrangements in the Wombat forest, which is currently trying a community management process that is working very well. It will continue, and I believe it will set the standard for ways in which communities can be involved in their local forests. The Wombat is a beautiful forest; it is still a productive forest, and it will still work very well for the community. I am very pleased with the outcome in that forest. I congratulate all members who were involved and continue to be involved in the community management of the Wombat State Forest. I commend the bill to the house.

Mr RYAN (Leader of The Nationals) — I wish to make a brief contribution in support of comments made by those on this side of the house, particularly the member for Swan Hill.

An honourable member interjected.

Mr RYAN — And the member for Gippsland East! In this instance I might say that the member for Gippsland East and I are as one in opposition to this piece of legislation.

An honourable member interjected.

Mr RYAN — We are united by the moment, yes. John So would be weeping if he were here!

This is another element and another stage in this government's blind pursuit of its philosophical opposition to the hardwood timber industry in Victoria. We have seen a number of steps and stages evidenced over the course of the years that the Labor Party has been in government in Victoria. This is another stage — ripping up regional forest agreements and the absolute havoc that has been created within the industry in the Otways are the sorts of things that are applauded by the government in an environment where it leaves in its wake timber-based communities.

They are left, in many instances, near despair as to what their future is going to be. An Our Forests Our Future package of about $80 million ran out of money and left unpaid a lot of people who deserved compensation. It wreaked havoc in a general sense in places like Cann River where people are very concerned about their future. This is just another stage of it. The Nationals are opposed to the bill, and so I endorse the comments of those who have already spoken in opposition to it.

Mr PANDAZOPOULOS (Minister for Gaming) — It is my honour and duty to thank all the contributors to the debate on the Sustainable Forests (Timber) (Amendment) Bill.

An honourable member interjected.

Mr PANDAZOPOULOS — Yes, Dandenong used to be a big timber town. Dandenong helped to build the Gippsland railway line, but unfortunately there are not many trees left in that area.

All members have made interesting comments. As usual, the opposition and The Nationals are joining together. I would like to say a couple of things as Minister for Tourism. Certainly our forests are unique icons in Victoria. It is not by chance that the busiest tourism regions of Victoria are in the Otways region as well as in Gippsland, and we have the national parks areas.

The responsibility of the government is to have a continuing timber industry and a continuing role in planning for a sustainable future for it. But of course the government must recognise also that communities want to steer themselves in different directions. Things like tourism now are a much bigger part of the economy of the Otways region, and that economy is very much supported by the locals who realise the importance of tourism and the potential inconsistency that may exist if logging practices are not perceived to be sustainable.

It is interesting to note that when I was in the Daylesford area a number of people in the tourism industry there were very supportive of ending logging at the Wombat forest. It is important that, while we support the development of careers and assist those in the timber industry to plan ahead, we are also responsive to the other local community expectations that exist in the Otways, in the Wombat forest and also in Gippsland, which continues to grow with tourism visitations.

I thank all those members who contributed to this important discussion on the bill, which is part of the evolution of the management of this industry.

Dr Napthine — On a point of order, Acting Speaker, I wish to draw attention to the way the government has insulted the house with regard to this bill. The minister has not appeared in the house at any stage during the second-reading debate on this bill. The minister has not even seen fit to turn up for the summing up.

The ACTING SPEAKER (Ms Lindell) — Order! That is enough. There is no point of order.

House divided on motion:

Ayes, 58

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

Noes, 25

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

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

LAND (ST KILDA TRIANGLE) BILL

Second reading

Debate resumed from 8 February; motion of Mr HULLS (Minister for Planning).

Mr BAILLIEU (Hawthorn) — I rise to speak on the Land (St Kilda Triangle) Bill, and I do so in the knowledge that it effectively constitutes a land reservation and re-reservation bill.

Such reservation bills come before the house on a semi-regular basis, and usually they are reasonably pedestrian. They normally describe a piece of land and change the reservation provisions or enact reservations on that piece of land. In that sense, reservation bills are relatively straightforward.

I regret to say that the Land (St Kilda Triangle) Bill is not a simple reservation bill. It comes with a number of complexities and problems. In many ways it represents a classic piece of Bracks government legislation because it comes as part of a major project which has been stuffed up by the Bracks government. It comes with members knowing that mates, money, waste, mess, delays, deceit, bungles and dodgy tenders have been behind it and that there are cover-ups and legal tangles, that private property interests are being undermined and, as ever, strings are being pulled behind the scenes by various members of Parliament on the government side. That makes it a classic piece of Bracks government legislation.

The problem is that whilst the bill provides for simple revocation of reservations and re-reservations, it is introduced when the tenure of the leaseholds on the land in question and access to those leaseholds are being contested before the courts. That means that the bill will potentially change the property interests of those who are currently before the courts, defending those property interests. That makes this particular piece of legislation exceptionally contentious. As far as I possibly can, I intend to point out the difficulties of what members are doing with this bill. In respect of that and the fact that there is a legal contest about the land with which this bill deals, the opposition seeks to move a reasoned amendment. I therefore desire to move:

> That all the words after 'That' be omitted with the view of inserting in their place the words 'this house refuses to read this bill a second time until all legal action concerning existing leases of the land in the St Kilda triangle is concluded and the property rights of existing lessees have been clarified'.

The ACTING SPEAKER (Ms Lindell) — Order! I ask the honourable member for Hawthorn to wait until copies of the reasoned amendment are circulated.

Mr BAILLIEU — I ask for leave of the house to have the clock restarted.

Leave granted.

Mr BAILLIEU — I thank the Minister for Gaming, who is at the table.

The purpose of the bill, as it is described, is to facilitate the development of a piece of land known as the St Kilda triangle. That development proposal is part of what is described as the St Kilda Edge project, being overseen by the City of Port Phillip and the so-called St Kilda Edge Committee. It is estimated to be of $100 000 value and it is being heralded as a rejuvenation of the foreshore. The St Kilda Edge project has been under way for some years.

I make clear the position of the opposition: we support the project to redevelop the site in question. I think that everybody agrees that redevelopment of the site is in order. The opposition maintains that the project must be open and transparent. It must also be free of all legal obstacles which may cloud any bidding for the project and respect any existing property rights.

Unfortunately in this process the government has trampled on property rights. It is not immune from trampling on property rights; it has done it with zone changes in rural zones and green wedge zones and with regard to wind farms.

Mr Maxfield interjected.

The ACTING SPEAKER (Ms Lindell) — Order! The member for Narracan is not permitted to walk into the house and make interjections in that manner.

Mr BAILLIEU — This may be a simple bill but it presents a complex position and will have complex consequences. Members do not know the definitive legal position on the tenure of any leaseholds on the land. In short, the government argues that the triangular-shaped piece of land, surrounded to the north by the Upper Esplanade, to the south by Jacka Boulevard and to the west by Cavell Street, has two current tenants. One is the Palais Theatre, which many members of the house will know, and which is a registered historic building that will be retained in the proposed development. The other is the Palace nightclub. I am sure that over many years many members have attended the Palace nightclub, which is a music venue. I am sure that the member for Bass has been there on many occasions.

The issue is that the existing tenancies are on two parcels of unreserved land which have been leased to those tenancies by the government. Those two tenancies are surrounded, essentially the outside of the triangle, by land reserved for public purposes. Those reserves date back many years.

The government argues, and it is perfectly within its rights to argue the position, that the leases on the two leasehold pieces of land expired on 31 March 2006, in fact last Friday. Yet it is the position, certainly, of the leaseholders of the Palace nightclub, that their leasehold is subject to an extension of the original lease which was granted in 1969 under an order of the Governor in Council and was for some 60 years. The merits of that have been pursued recently in the court.

The total St Kilda triangle land comprises approximately 15 000 square metres and is surrounded by the streets I mentioned. The land is also bisected by

the Lower Esplanade, which serves an important purpose because it provides access to the existing at-grade car park on the site, which is essentially a paid car park which services land to the foreshore side of Jacka Boulevard and elsewhere and the Palais Theatre and the Palace nightclub, which formerly was the Palais de Danse. Perhaps the member for Bass will remember it better as that than as the Palace nightclub. Currently the land is managed by the City of Port Phillip as the committee of management and some other land is managed directly by the Department of Sustainability and Environment and that is essentially the leasehold land.

The provisions of the bill are fairly straightforward. Not many clauses are involved; it has some dozen or so. I particularly mention clause 2, the commencement clause, because it states that the act will come into operation on proclamation or on 1 July 2007, so there is effectively a sunrise clause in the bill in the event that proclamation does not occur beforehand. Clause 3 simply describes the so-called St Kilda triangle land. Clauses 4 and 5 revoke two separate reservations, an 1885 and a 1956 reservation, and they were on essentially the land which surrounds the two leaseholds.

Clause 6 seeks to close a portion of the Lower Esplanade, which is the road that bisects the site. Clause 7 temporarily reserves the whole triangle of land, which will then be assembled for public purposes, and establishes the City of Port Phillip as the committee of management. Clause 8 revokes and re-reserves so much of the land as to provide for future bridges across Jacka Boulevard, essentially to the foreshore land on the Port Phillip Bay side of the boulevard. Clause 9 temporarily reserves the triangle land for public purposes, including those bridge stratums which have been reserved. Clause 12 allows for the leasing of land for up to 50 years with ministerial approval, with further 21-year extensions. They are relatively straightforward clauses, and I do not take issue with them.

What the opposition does take issue with is that all this is being done before the property interests on this site have been determined and before the legal action which seeks to determine those legal rights has been concluded. If this bill is passed and the subsequent 60-year lease — or what I will describe for shorthand purposes as the 2032 leasehold limit date — on the Palace nightclub site is confirmed in the courts, this will turn out to be one of the great legislative follies of this house. Effectively we would have prematurely undermined a legitimate property interest and caused it to become almost worthless. In the process we would have undermined due process and exposed the Crown to the ridicule of having dealt inappropriately with this land, as well as the ridicule of not having established vacant possession or clear title to the land in advance of undertaking expressions of interest and a tender process.

That is why we are pursuing this reasoned amended. It is not because we do not support redevelopment. It is also not because we think the clauses in this bill are in any way surprising or rare: they are relatively straightforward provisions. It is the timing of this that is wrong, as is the sequence in which the government has undertaken it.

I want to briefly talk about the history and the zoning of the site. As I said, the Palace nightclub was formally known as the Palais de Danse. The Palais de Danse was burnt to the ground in 1969, which has become a significant event in this whole process. Over the course of many years the Palace nightclub, which was the successor to the Palais de Danse — —

Mr Robinson — Was that a favourite haunt of yours in younger years?

Mr BAILLIEU — Yes, I have been there on occasion.

The Palace nightclub was built to replace the Palais de Danse after it burnt down. I do not think anyone would say the land there is an exceptional beauty spot. There is a car park, which does not do much for the St Kilda foreshore. In mid-2002 the St Kilda foreshore urban design framework was completed after a number of years of toing and froing with the local community. I do not think there are many people who disagree with the provisions of the urban design framework.

On 23 December 2002 planning scheme amendment CO36 was agreed to by the City of Port Phillip, which introduced that framework into the planning scheme and later introduced the development plan overlay on the St Kilda triangle site. That was then presented to the government. However, it was not until 15 July 2004 that that planning scheme was amended — and that was after an 18-month delay by the government. That is an indication of how the government has handled this issue.

In addition, that amendment rules out any third-party appeals on the site. The government has basically centralised all the decision-making in terms of the development of the triangle site. In addition, in December last year planning scheme amendment CO43 was gazetted, which introduced the design development overlay on St Kilda hill and the foreshore, even though that only touches on the triangle site. That is the basic

proposition. There are also heritage overlays covering the Palais Theatre, and there is heritage overlay 5, which partly covers the Lower Esplanade.

I want to turn to the Palace nightclub lease. This was initially granted on 1 April 1956 for 50 years. If that was the extent of the lease, it would have expired on 31 March 2006, as the government contends. But after the fire of 1969, a lease extension was sought. That is where this becomes interesting. Documents have been presented to the courts in recent months which indicate that on 15 April 1969 the Governor in Council approved an extension of the lease. I want to read from a document that was presented to the court. It is a Governor in Council note, stamped by the Governor in Council and signed by the Minister of Lands, the Secretary of Lands, the clerk of the executive courts and dated 15 April 1969. It reads:

> Pursuant to the provisions of section 134 of the Land Act 1958 recommended that in respect of the Crown lease held by Palais de Danse Pty Ltd of allotment 103, at St Kilda, Parish of Melbourne South, for a term of 50 years from 1 April, 1956, the Governor in Council consent to the grant of a new lease for a term of 60 years from a date to be determined on the condition that such new lease shall not be executed until such time as:
>
> (1) the lessee has expended not less than $400 000 on the erection of a new building on the demised premises;
>
> (2) the lessee has reinstated the reception room and kitchen erected on the demised premises and recently damaged by fire;
>
> (3) the boundaries of the demised premises have been redefined having regard to the widening of Marine Parade at St Kilda;
>
> (4) the lessee has complied with the statutory requirements to the Land Act 1958.

On 18 April 1969 the Secretary of Lands wrote to Palais de Danse Pty Ltd. I will read a portion of that letter:

> Further to my letter of 11 April 1969, I now wish to advise that the Governor in Council has consented to a new lease being granted to your client company in respect of allotment 103 at St Kilda, Parish of Melbourne South, for a term of 60 years from a date to be determined on the condition that such new lease shall not be executed until such time as —

and the four conditions are then addressed. That letter was addressed to Arthur Robinson and Co., solicitors — I think that firm is now Allens Arthur Robinson.

That sets out the dilemma we have. The lease has changed hands since that date, but before the courts at this very moment is background material which suggests that there is a plausible and legitimate property right being contested in this case. In the event that the extension of that leasehold stands up, the government has a major problem with the bill.

The conditions of the Governor in Council memo can be looked at, and no doubt the courts will looking at them too. I do not want to read them again, as I have mentioned them already, but let me make it clear: a new building was erected on the site; the reception room and kitchen were reinstated; and the boundaries of the revised premises have been redefined having regard to the widening of Marine Parade. I do not think there is any question about that. The fourth point is that the lessee must comply with the statutory requirements of the Land Act — there is no suggestion that has not occurred. So we have a significant problem with the Palace lease.

The lease is currently held by Bradto Pty Ltd and has operated, as members will know, for 22 years as a live entertainment venue. That is the difficulty we have with the Palace nightclub. The Palais lease is currently held by Caroline Harper and has been held so since 1985 through a company called Tymbrook Pty Ltd. The government claims that the lease expired on 31 March 2006. The Palais is heritage listed, and its representatives have made representations — I think this is a fair summary — saying that they had been previously granted the opportunity to negotiate an extension of their lease but that that has now been denied to them. They take issue with the government's approach to clear title and vacant possession of this land.

Related to this project is obviously the Luna Park site. I am sure every member of this house has been to Luna Park at one stage or another. It was purchased in June last year for some $7 million by interests associated with Lindsay Fox. A lease was signed in December 1993 for 50 years, with 10-year adjustments. That land is currently unreserved and is managed by the Department of Sustainability and Environment — as are the Palace nightclub and the Palais Theatre. It indicates that we have ongoing leases regarding DSE-managed land, which is unreserved. The lease is for amusement, recreation and entertainment and such other uses as permitted by a consent schedule; but amusement is the predominant use.

In April last year the Minister for Planning, the Minister for Environment, the local member and the Treasurer announced an expression of interest (EOI) process for this St Kilda triangle land. That process was to close on 17 June. Expressions of interest were assessed by the City of Port Phillip and DSE; the ministerial briefing note on 2 August 2005 is to that effect. Short-listed

proponents were subject to DSE approval. Those in the government who have argued in the media that this is all a City of Port Phillip undertaking are really disingenuous.

The EOI has proceeded in a way which only can be described as a shambles. There have been an enormous number of shortcomings and failings in the process. An August 2006 deadline was initially set, and it is interesting that in the course of legal proceedings which have been under way it was revealed that DSE sought to deliberately foreshorten that EOI process but only for the purpose of describing to the courts a situation where there was a degree of urgency. This was a modification of material that had already been circulated. That is an example of one of the stuff-ups and the appalling approach the government has taken.

In terms of other stuff-ups, the DSE and the minister were appallingly slow to gazette planning scheme amendment CO43, which took more than 12 months; and planning scheme amendment CO26, which took more than 18 months. There has been a lack of transparency. At one stage the government was issuing a summons and an injunction against Bradto while it was a tenderer to the process. The government was acting as both the litigant and adjudicator of the tender. The Victorian Civil and Administrative Tribunal (VCAT) had to order that planning scheme amendment CO36 include an option to retain and not demolish the Palace nightclub given the circumstances.

Indeed it has been revealed in the court cases recently that the government was warned a week before the tender was announced. I refer to the *Australian Financial Review* of 2 November 2005 and quote from an article by Mathew Dunckley, which states:

> Interestingly, it emerged in court last week that the government was warned of these potential serious issues in the week before it went to the market with the expression-of-interest documents, but it ploughed ahead.

There have been a number of botched legal manoeuvres in an attempt to resolve the problems. The government was caught truncating the tender timetable to influence the legal case under way; the government was caught claiming the leases were actionable under the Land Act 1958 when the leases predated the act; it was caught failing to provide evidence that the leases included additional land; it was caught altering an affidavit that the Palace nightclub had existed prior to 1984, when it had not; it was caught allowing the City of Port Phillip to advise the media in November 2004 that a notice to quit had been served, when it had not; it was caught serving a notice to quit in December 2004 when the lessee had reasonable cause to believe that the lease had been extended; it was caught serving a notice to quit on an already surrendered lease when the lessee was clearly elsewhere; and it was required to drop a case against one of the lessees before the Supreme Court which had no jurisdiction on the matter which was brought.

There have been a series of broken promises. A former Attorney-General and local member, Andrew McCutcheon, in 1999 promised to grant long-term leases to all foreshore lessees, but that never happened. In 1990 a promise was made to retain the Palace as a venue, which was welcomed by the then mayor, Melanie Eagle, who I understand is very close to the government. There was also a promise to grant Bradto a further 50 year lease.

In the expression of interest process which was undertaken there were initially 15 bidders. They included a number of high-profile groups, including the consortium comprising Kerry Packer and Lindsay Fox; also, the Palace nightclub owners with Daryl Jackson, architects, who submitted a proposal. It was their view the planning scheme amendment had ruled out any third-party property rights so they had to be in the process. The other bidders included the architect Tom Kovac, a St Kilda Circ group, the MAB Corporation, and Macquarie Bank.

In August 2005 the short list was drawn up of three tenderers through the expression of interest process. They were Babcock and Brown with Citta Properties, including Ashton Raggatt Architects; the second was R Corporation with the Van Handels. That group is not unknown to the government through the work it has done at Burnley Gardens — and the less said about that the better. The third group was the Mirvac group with Frank McGuire, who is Eddie McGuire's brother, along with the owner of the Botanical Hotel, and Wood Marsh Architects.

Clearly the process for any tendering or expression of interest is subject to probity issues. It has already appeared in the press and indeed in the *Australian Financial Review* article that I referred, which states:

> If the process was held up beyond August of next year —

that would mean August this year —

> it might have to be abandoned for probity reasons, he said.

Who is 'he'? 'He' is Greg Garde, QC, the barrister representing the government. He argued in the courts that any extension beyond August this year will mean unacceptable delays and an unacceptable intrusion into the probity of the process. In this morning's *Australian*

Financial Review another article by Mathew Dunckley appears. He refers to the make-up of the consortia comprising the short-listed group. The article states:

> Major changes are set to be announced to the Mirvac-led consortium bidding for the $100 million triangle site …

He refers to the fact that:

> Port Phillip council chief executive David Spokes confirmed a proposal was being considered to change the composition of one of the consortiums. He refused to name the consortium. Mr Spokes said any changes to consortiums had to be approved by the council and, if approved, the new structures would be publicly announced without delay.

They have not been announced without delay at all. This has been on the cards and many people have known this for some time. It is my understanding that Mirvac, Frank McGuire and Chris Lucas have withdrawn from one of the consortia. This article suggests:

> But well-placed sources said there were major changes afoot within Mirvac's bid …

It further says:

> R Corporation's financial backing is also at the centre of the bountiful rumours in Melbourne about the process.

The suggestion is that corporation is seeking to either withdraw or to amend the composition of its consortia.

All of this raises significant issues about the probity of the expression of interest which lies behind this process. If the make-up of the consortia, which is subject to confidentiality provisions and to the probity regime which is being imposed, changes to the extent that there are no surviving members of a particular bid, as it was first placed, then you have to ask a range of questions as to how this could happen.

You can only conclude that because of the time delays, the lack of clarity, the changes in personnel, the wayward dissemination of information, the material which has been revealed in the court — which is only some of the material I have referred to because there are pages of court material and court transcript — will lead you to the conclusion that the process is a shambles and that it has been a botch-up from the start to this very point. It is far from finished.

Curiously, when this bill was introduced government representatives were in the courts at that time. The introduction of this bill caused quite a degree of consternation in the courts. I do not propose to read the transcript of the hearings which were undertaken at the time because time will not allow it. But let me simply say this: the government's representatives in the courts were unaware of the bill. There was considerable discussion of the potential impact of the bill, but at this stage that particular court case remains unresolved.

At the time the judge in charge chose not to reach a conclusion about the impact of this bill. Suffice it to say that in terms of the legal cases, on 2 August 2005 there was a ministerial briefing note in which the Solicitor-General advised the government that it was likely that the court cases may take from 16 to 18 months to resolve. In the event that the Solicitor-General is correct about that time, we will have passed the date beyond which the probity issues will be of such concern. As the government's Queen's Counsel says, 'The probity will have collapsed'.

There are a number of legal cases being undertaken at present: there is a possession case, which is a simple testing of the leasehold, tenure and lease background which I referred to; and there is an access case, which is about the government getting access to the premises involved, which has had one determination by the Supreme Court, and the Court of Appeal has had a hearing and its subsequent decision is awaited.

There is further evidence that there may be problems arising from the application of those contests. Curiously, one of the great stuff-ups of the government in regard to this is that despite the revelation of much of that material, which has been presented to the court and which is included in the minutes of a Governor in Council meeting — it would be horrifying to think that the Governor in Council meeting minutes had been lost — the government has lost the historical file regarding the leaseholds. Therefore there is no easy way of determining much of what is contested here.

As I have said, this process has been a shambles. The government has sought adjournments of the legal cases. We know that if the legal cases are not settled before August, the probity will have collapsed. We know from the commencement clauses that if the legal action continues beyond the July date next year, under clause 2 the provisions in this bill will apply.

For example, effectively the leasehold of the Palace nightclub will be surrounded by land which is unreserved. In that case it will become unalienated land, free of all interests — according to the clauses of the bill — and effectively the roadway which provides access to those leaseholds will have been extinguished. In the process those leaseholds will be isolated and the government will be within its rights to erect a fence around the property and totally isolate what may be seen in the future to be legitimate property interests, thereby rendering those interests worthless. In that

regard, it is impossible for us to do anything other than say that this bill should not proceed before these issues are resolved in the courts.

We may well support the development. We may well support the consortia, but we believe it should be transparent and that property interests must be respected. It is not for the Parliament to dictate to the courts the way they should determine those interests.

Mrs POWELL (Shepparton) — I am pleased to speak on the Land (St Kilda Triangle) Bill on behalf of The Nationals.

The main purpose of this bill is to reserve a triangle of Crown land in St Kilda for public purposes. The bill also provides for the management of that land. Port Phillip City Council will be appointed as the committee of management for that land. The bill provides for an initial lease term of up to 50 years, with one or more extensions to a maximum of 99 years.

The bill states that long-term leasing is required for the project to be financially viable and to attract suitable private investment. It revokes the current land reservations on the triangle site and reserves the land as one single parcel. This is one of the issues that the member for Hawthorn has raised where there are now in the courts some disputes about the Crown leases. This is on two of the properties in the St Kilda triangle area. The *Australian Financial Review* of 3 April 2006 says:

> Today should have been blue skies and happiness on the $100 million St Kilda triangle project in Melbourne.
>
> Crown leases for the two major tenants at the site were supposed to have ended last Friday and formalised tenders should have arrived from the bidders short listed to redevelop the site. Assessment teams should, by now, be knuckling down to determine a preferred bidder.
>
> Instead, Port Phillip council, which is running the process on behalf of the state government, conceded on Friday that deadlines had been missed because of ongoing court action by the operators of the Palais and Palace entertainment venues.
>
> The operators claim their leases still have years to run and are pursuing the matter in the Supreme Court.

Therefore The Nationals will be supporting the reasoned amendment by the member for Hawthorn which states that:

> This house refuses to read this bill a second time until all legal action concerning existing leases of the land in the St Kilda triangle is concluded and the property rights of existing lessees have been clarified.

The member for Hawthorn went through in detail the disputes that are in the court now with the Palace nightclub and the Palais Theatre, which is heritage listed. He also read from some documents which suggested the leases were extended. This is a significant issue which needs to be resolved before the legislation is passed.

It is an interesting development that the Palace nightclub won the people's choice award in a National Trust poll of Victoria's heritage icons. It will be interesting to see how the government in fact deals with this. Much was reported in many of the papers which talked about what the government will do with the Palace nightclub. I quote the *Herald Sun* of 2 March this year:

> Victorians have declared our top heritage landmark is the Palace — the St Kilda venue facing demolition under a state government revamp.
>
> The government is facing a major embarrassment after a public poll it sponsored handed the people's choice award to the St Kilda building.
>
> The live music venue is at the centre of a long-running planning battle with the government over plans to redevelop the site on Crown land.

The project itself has great merit and The Nationals support it. I know the Port Phillip council is keen to rejuvenate the site and the St Kilda foreshore. I have spoken to Rebecca Doherty from Port Phillip council who advised me of their support for this project and told me about the long history of the process and community consultation. In 2001 to 2003 the St Kilda Edge — Urban Design Framework plan was prepared. This was a 20-year vision for the St Kilda foreshore. I was told there was extensive community consultation undertaken to ensure that the community vision was incorporated in this plan, including the desire for increased public space, low-rise development and protection of local culture. There needs to be more consultation on this particular issue before a decision is made on the Palace nightclub because of it winning the popular choice award. It will be interesting to see whether the nightclub will be demolished or revamped on the site.

In February 2004 a reference and business case was put forward for the triangle site. It was prepared and launched with the state government. The business case identified a need for legislation to allow leases to be issued on the site commensurate with the level of investment required to achieve the community vision.

In May 2004 an economic impact assessment was prepared which indicated that the St Kilda Edge project

should be implemented. The assessment in part — I will not go through all of it — states that the benefits to the Victorian and metropolitan Melbourne economies would be an increase in value added of around $116 million per year. The negative impact of not investing in the St Kilda project is around $47 million. The project is expected to generate 528 to 1974 jobs per year, and 25 per cent of those direct jobs would be secured by young workers. That is an important issue for the St Kilda redevelopment — the increase in employment it will bring forward.

On 15 July 2004 the St Kilda Edge — Urban Design Framework was approved by the Minister for Planning and incorporated into the Port Phillip planning scheme. The triangle site was provided with site-specific planning controls to allow for the development of an entertainment and leisure precinct with significant public spaces. This is what we are seeing with the Palace nightclub and Palais Theatre in the courts at the moment; there is a discussion about whether they have leases and whether the leases are to continue and whether they were extended.

Many of us have fond memories of the Palace nightclub and Palais Theatre. I have been to a number of shows at the Palais Theatre. It is a beautiful heritage building and I understand there are plans to redevelop that historic theatre to bring it up to what it should be. I think all of us would support that. I understand it is on the heritage listing.

There are also some restrictive controls provided to ensure that key view lines to and from the site are protected. The views to the bay will be protected by having a height restriction. Any developers of the site will have to understand there is a height restriction which needs to be adhered to so that people have access to public spaces and views of the bay. A lot of people believe that is very important. I understand that one of the issues with the Palace nightclub is that it inhibits views of the bay.

On 1 April 2005 a memorandum of understanding was signed between the City of Port Phillip and the Victorian Government Solicitor's Office (VGSO). The City of Port Phillip was authorised to undertake the tender process for the triangle site development for the state of Victoria. On 8 April expressions of interest were invited from the site. They were sent out nationally and internationally so as to procure as many expressions of interest as possible to get professional development of the site. Fifteen high-quality expressions of interest were received on 17 June. On 30 August a shortlist of three consortia was announced. They were Babcock and Brown with Citta Property Group, the RV Group comprising R Corporation with John van Haandle, and the St Kilda Creative Hub comprising Mirvac, the Fox family, David Goldberger and David Wieland.

Mr Baillieu — They are new arrivals.

Mrs POWELL — They are new arrivals, the member for Hawthorn tells me.

On 7 February 2006 the Land (St Kilda Triangle) Bill was introduced into Parliament and of course today we are debating the issue of whether or not this bill should be passed.

It is very important we make a decision on this bill and that the issues that are before the courts are resolved. The bill actually proposes to revoke current land reservations on the St Kilda triangle site, which means that that will be in perpetuity. Therefore it is important that the current lessees have the opportunity to put their cases to the courts and that property rights are clarified before the winning tenderer can begin the redevelopment. It will have a huge impact on any tender put in to redevelop the site. The extended leases will become a very important issue. The Nationals hope a resolution will be found and look forward to the redevelopment of the St Kilda triangle site.

Mr CARLI (Brunswick) — I am pleased that the member for Hawthorn and the speaker for The Nationals support the redevelopment of the St Kilda triangle site. It is very important to note that site is in urgent need of redevelopment. It certainly fits with the St Kilda Edge plan that has been put together by the City of Port Phillip. There is an urban design framework for the whole foreshore. Critical to that is the redevelopment of the triangle.

This legislation is necessary to allow that to happen because it allows for the consolidation of various titles into one title and also the ability to lease that property for 50 years with possible extensions of not more than 99 years. It is a piece of legislation that will facilitate a very important redevelopment that is quite critical in terms of the foreshore framework, and importantly it is a major project. Potentially it could be worth between $100 million and $150 million in terms of redevelopment and will obviously be very important to the look of St Kilda and also to the important cultural, tourist and entertainment industries that live and flourish in St Kilda.

It is pleasing that opposition members support the principle of the project. It is unfortunate that they are not wanting to move ahead and support legislation — and this is a very simple piece of legislation — that

would allow that to happen. I understand what they have said — that is, that there are some legal complications. What we know is that the leases for the Palais Theatre and Palace entertainment complex expired on 31 March 2006. The government has commenced proceedings to obtain vacant possession since that time.

It is not appropriate to comment in any way on these matters until the legal proceedings have concluded. But it is important that we allow the legal proceedings to occur and that we move ahead and assist the facilitation of this urgently needed redevelopment, which is such a major part of the City of Port Phillip's vision for the St Kilda foreshore, as outlined in the St Kilda Edge strategy.

The redevelopment of the St Kilda triangle aims to create a culturally responsive leisure, recreational and tourist destination and includes open space, indoor and outdoor entertainment, retail and cultural events. The whole framework is very complex and was very much part of a major consultation process. I think the member for Hawthorn pointed out that it took a considerable amount of time because it involved the Port Phillip community and also the public agencies that are so critical to realising this vision for the St Kilda foreshore. Obviously the process has been endorsed by the City of Port Phillip and the government.

The expression of interest process was run by the City of Port Phillip. It resulted in three consortia being invited to participate in a request-for-proposal process. It is a very important recreational and tourist area. It is an important attraction. Currently the site consists of reserved and unreserved land, as previous members have mentioned — the Palais Theatre, the Palace entertainment complex and a very large car park complex.

The importance of this bill very much allows for the whole triangle site to be reserved and managed as one lease and provides for the City of Port Phillip to be appointed as the committee of management for the whole of the reserve Crown title land site. It is a very important project, so it is heartening to know that all speakers support the principle behind and the basis of this redevelopment. It is really important that the government — and the government is certainly committed — pushes ahead along with the City of Port Phillip so that we can realise the great potential of St Kilda and realise the St Kilda triangle redevelopment as part of a bigger urban design framework which is called St Kilda Edge — Soul and Sand.

I wish this bill swift passage. I also wish this redevelopment well. Hopefully the issues can be resolved quickly, and it can move ahead and become very much a part of the revitalisation of St Kilda.

Ms ASHER (Brighton) — I wish to make a couple of comments in relation to the Land (St Kilda Triangle) Bill. I wish to strongly support the reasoned amendment moved by the member for Hawthorn. The essence of the reasoned amendment is that this bill should not be proceeded with until all legal action concerning existing leases of the land in the St Kilda triangle are concluded and the property rights of existing lessees have been clarified.

Basically what the Liberal Party is saying is that there is currently a dispute before the courts involving the very important matter of people's property rights. We say the bill should not be considered until the legal dispute is resolved. I would have thought that was a pretty simple point, and it certainly is a point from the perspective of my party. Property rights are inalienable. What should happen is that the court case should proceed, come to a conclusion and then the government could proceed with the passage of this particular bill.

By way of background, the bill facilitates the redevelopment of the St Kilda triangle. It revokes reservations. It establishes the City of Port Phillip as the committee of management. It gives power to lease the land for 50 years, and so on. The provisions of the bill have been more than adequately covered by the member for Hawthorn. Again I take this opportunity to restate that the Liberal Party in principle supports the redevelopment of the St Kilda triangle.

I used to be the member of Parliament whose electorate included that particular area, and we support in principle that redevelopment. The government is embarking on a process of expressions of interest, tender processes and so on. However, there are fundamental issues involved in the timing — and this is the 'but' — of the bill that cause us some objections. First of all, there are issues of property rights currently before the courts, and yet the government insisted on bringing this bill before Parliament. There are also considerations in relation to the role of the courts as independent arbitrators.

The fundamental issue for us as a political party that respects the rule of law and that respects property rights is that the Palace nightclub is in dispute with the government in relation to its lease. The lease was extended by the government in 1972 for 60 years, according to the Palace nightclub, and it is putting that case in court, provided existing conditions were met

and so on. They are arguing that they have met those conditions and they have a right to the lease. However, the government claims that the lease expired on 31 March 2006, as I understand it; but that is not the point.

The point is that there is a dispute in relation to tenure: there is a dispute in relation to a lease. Notwithstanding all the merit associated with the redevelopment of the St Kilda triangle, notwithstanding how that will improve the area and notwithstanding how much it is overdue, we on this side of the house strongly believe that the court case should be dealt with before the bill facilitating the development passes.

I note with some interest that the member for Brunswick — and I think I am correct in quoting him — said, 'It is not appropriate to comment because the matter is before the courts'. During the course of his contribution to the debate he said he would not comment in Parliament on the court case because the matter was before the court. How much more serious is it then for there to be a bill before Parliament which is actually, if you like, moving forward with the development before the issue of the lease has been resolved by the court?

I find it inconceivable on the one hand for the member for Brunswick to argue that he cannot comment on the court case, yet on the other hand, for him to support a bill which should not pass before the court case concludes.

That is in essence the Liberal Party's problem with this bill. We are a party that has always respected property rights; we are a party that has always been very strong on the role of courts in our system — their right to independence, their right to work unfettered — and we do not favour the government suddenly deciding that it will determine certain property rights in advance of the court case. The court will decide the dispute between the tenant and the government.

I strongly support the reasoned amendment. This bill should not have come before Parliament until the court case had been resolved.

Ms D'AMBROSIO (Mill Park) — I wish to spend the short time I have available speaking in support of the Land (St Kilda Triangle) Bill. The St Kilda triangle certainly has a place in my memory, as it does for many people, over many decades. I remember in its more heady days, if you like, travelling around the area with family and passing the neon lights of the Bojangles nightclub — never knowing what was in it, but certainly passing it — and having photos taken with family and friends in that precinct. So it certainly has a lot of fond memories.

But the precinct has suffered somewhat of a decline over time, and it certainly needs to be reinvigorated. What the house has before it today is a means by which that reinvigoration can take place. The sites that are within the St Kilda triangle fit into the St Kilda Edge strategy which has been developed by the City of Port Phillip on behalf of its residents.

The bill enables the City of Port Phillip to become the committee of management for the St Kilda triangle redevelopment, the purpose of which is to return it to its rightful pride of place in Melbourne's psyche and for residents of the Port Phillip area to have it as a very significant tourist attraction and a source of economic prosperity for that local area.

The aim of reinvigorating the triangle as a hub of busy community activity and interaction is one that should augur well for the area's economic prosperity into the future. The bill facilitates the redevelopment of the triangle by providing for reservation and management of the site under one lease. Vesting authority in the City of Port Phillip as the committee of management with the ability to operate the precinct or have it operated under a one-lease arrangement will provide much-needed certainty to commercial developers. The site will be redeveloped wholly through private investment.

Allowing for a single lease of at least 50 years duration, with a possible extension of up to 99 years in total, will provide better and more sound opportunities for private investors to come in and ensure that the site is redeveloped in a way that has ongoing viability. That is quite a sensible way of dealing with the problem that is the triangle at the moment.

The bill redresses lease arrangements which expired on 31 March where more than one lease existed for these sites. I believe through the single-lease arrangement the City of Port Phillip will be certainly better placed to achieve a sound integration of the triangle with the neighbouring precincts. The objective of that is to deliver a complementary mix of functions, with the attraction of cultural, entertainment and commercial activities.

The key to the success of the St Kilda triangle through its redevelopment is to ensure that the amenity of the area is integrated with the surrounding precincts. That is essential to the success of this redevelopment. Anyone who knows the St Kilda area and its distinct precincts knows that the combination of those precincts and the

ability of people to move freely around them is a very important part of a coherent and prosperous St Kilda triangle precinct.

To ensure that, the bill provides for the Lower Esplanade to be closed off to traffic so that it is reserved for public purposes. The objective is to ensure that the Lower Esplanade becomes included in the St Kilda triangle for the purpose of the redevelopment project. As I said earlier, this action is important to the amenity of the entire precinct. The interaction between the foreshore, the retail area, the commercial area and the actual precinct itself through this important Lower Esplanade is a wonderful synergy of interactivity by the community. A further measure is that the bill allows a stratum of land, by way of a pedestrian footbridge, to be built over Jacka Boulevard. Again that makes more accessible the St Kilda foreshore to the triangle precinct area.

With these few words I wish to conclude because of shortness of time. I certainly commend the bill to the house.

Mr McINTOSH (Kew) — I have sat in the house and listened to my colleague the member for Hawthorn outlining the opposition's concerns about this bill. At the outset let me say that a redevelopment of the St Kilda triangle is something that we all welcome. Certainly it is a patch of land that could become a tourist icon or precinct, something of significant value not only to the people of St Kilda but to the people of Melbourne, if not Victoria and if not Australia — because we all know that Luna Park and its precincts are a well-known icon of Melbourne. I welcome the prospect of the government resolving all its difficulties and concerns in relation to this land to ensure an appropriate development that we can all be proud of.

However, it is the cost of the proposal set out in this legislation that I find concerning — and not only concerning because it gives me a great deal of pause. In fact it is something I have only ever seen on one other occasion in my time as a member of Parliament, and it is a matter of profound concern.

It is also a matter of profound concern when a charter of rights which the government has distributed on a web site becomes available for scrutiny. I have gone through that. It is a matter of profound concern that it says property rights can only be taken away from individuals in accordance with the law. That is precisely what the bill does. It actually deprives a person of their property rights and their enjoyment of those property rights by way of legislation.

The only other time I have seen that in this place has been in relation to a fisherman in East Gippsland, Steve Casement — I think that is his name — and I know the local member, the member for Gippsland East, was aware of the matter at the time. Irrespective of politics, that case gave us all cause to think about the fact that we were depriving a person of their right to take an action against the government in the courts, specifically depriving that person of their rights. That is what this bill does.

While this bill may not take away the leasehold, if it exists, in relation to the Palace nightclub, what it does is completely surround the Palace nightclub leasehold, if it exists — which is the subject of a court case, and that will go on for some time in the future. But if it does exist, it will completely surround it.

The effect of the legislation is to completely surround that with a piece of land where every single trust, limitation, reservation, restriction, encumbrance, estate and interest in that land has been extinguished and reverts to the Crown. That means the Crown itself will completely surround that piece of land. Indeed we know, even under the notion of acquisition at common law — the notion that you surround the land, you acquire the land or even if there was an easement of necessity — all of those common-law principles are completely extinguished by this piece of legislation. So what this legislation is doing in practice is effectively destroying the leasehold of a citizen or citizens of Victoria.

The most important thing about it is that, yes, the leasehold will still exist but the quiet enjoyment of that leasehold has been completely destroyed because access to that leasehold could be prevented. I understand that at the briefing given to the member for Hawthorn by the government in relation to the bill it was conceded by government representatives that that could be the effect of the legislation. It is a matter of real concern when the government is conceding that an effect of this legislation would be preventing access to that leasehold land.

What right do we have to be able to do that? We have every right. We, as a Parliament, can do that. There is nothing that prevents this place from passing legislation specifically or generally that would deprive a person of their property rights. It is still in accordance with the law.

I have often said that if we are going to have a charter of rights that includes a provision about preserving property, what we need to have is a provision about not depriving citizens of their property rights apart from the

principle of 'on just terms'. Just like the commonwealth has in relation to the commonwealth acquiring land set out in the constitution, that provision ought to be here. What the government is doing, through the back door, is using this legislation to exhaust, extinguish and prevent a person from using their property rights. That is a matter of concern. It is also a matter of concern that this whole issue is still subject to court dispute — that is, it is before the courts.

We do not need to go into the detail of that court case — I accept what the member for Brunswick has said — but the point is that the matter is before the courts and it is the right of every citizen to take on their government to test whether it is right or to have their own property rights vindicated. That is an absolute and fundamental right, but the government is saying, 'We will still press on with the court case, but in the meantime we will prevent access to that property by surrounding it'. Yes, I understand the argument is that the provision will not come into effect until the act is proclaimed, so again we have the minister standing there saying, 'Trust me! I will not bring this into operation; I will not proclaim it'.

We have seen repeatedly that this government is prepared to trample upon people's individual rights when it suits its political agenda. Yes, there is a high political agenda in relation to this land, but the worst part of it is that even if we trust the minister — and frankly, that would be drawing a long bow — the act will come into operation automatically by 1 July 2007. Within the space of 14 or 15 months it will come into operation, which will mean that all rights, titles, interests, limitations and estates will be extinguished on the land around the Palace nightclub, thereby preventing access to the Palace nightclub and the quiet enjoyment of the nightclub land in accordance with the law — that is, the law the house would be passing here.

This sort of legislation is effectively without precedent. The only exception I can identify is a case involving Steven Casement. This legislation is reprehensible, and no citizen should have to put up with the sort of bill that prevents access to their land because the government deems that it is in accordance with its political agenda. The act will come into operation by 1 July 2007. Yes, the matter is before the courts, and there may be an expectation that it will be completed by 2007, but in the end, having practised in the courts for nigh on 15 years as a barrister, I know that delay after delay is a foreseeable prospect.

In my view this bill certainly will come into operation before this court case comes on, which will mean that that citizen will not have the right to take on their government and have their property rights vindicated properly in the courts.

Mr LUPTON (Prahran) — The redevelopment of the St Kilda triangle site is a very important issue for people living in and around the St Kilda area, including those parts of my electorate of Prahran that are in the City of Port Phillip. The legislation forms part of the broader City of Port Phillip strategy known as St Kilda Edge, which the local council has formulated through a lengthy and extensive community consultation process for the redevelopment and enhancement of the St Kilda foreshore.

Over the last few years a lot of community debate and consultation has taken place in the area about how best to implement the most significant aspects of the St Kilda Edge strategy and the triangle site, which includes the Palais Theatre, the Palace entertainment complex and the associated car parks that form a very important part of the overall strategy. To increase the attractiveness and amenity of that site will add considerably to the ambience and general atmosphere around that part of St Kilda. Anyone who goes down to the triangle site will be impressed with the need for the redevelopment to go ahead.

The redevelopment certainly has very strong community support in that area, and I support it strongly as well. I applaud the City of Port Phillip and congratulate it on the way in which it has handled this process over a period of years. The process has been a good example of community consultation and engagement, and the whole process has been extensive and very thorough. As I said, community support for appropriate redevelopment in St Kilda, particularly at the triangle site, is very strong.

It is important to bear in mind the way in which the City of Port Phillip and the government intend to ensure that the area becomes a significant and enhanced leisure, recreational and tourism destination. It is important that the open space be enhanced significantly and that a range of commercial and retail entertainment and cultural venues be developed on those sites.

Some time ago the City of Port Phillip entertained an expression-of-interest process for the redevelopment of the triangle site which resulted in three consortia being invited to participate in a request-for-proposal process. That process is in need of facilitation and is what the government seeks to achieve — that is, by setting out changes to the way in which the parcels of land that currently make up the triangle site are reserved, and by dealing with the terms of leases that may be entered into with successful tenderers in the future.

I want to concentrate on those two elements of this legislation. It is a major redevelopment involving multimillion-dollar tenders. In order to satisfactorily enable the tenderers to put together their bids and to make the whole process financially viable, two very important matters need to be established beyond doubt. One is the number of years that a successful tenderer will be able to lease premises on the site, and the other is the way in which the parcels of land are going to be managed in the future.

The government has determined that the leasehold should be for a minimum of 50 years with extensions possible up to a maximum of 99 years. That will give the successful tenderer the appropriate time span in which to make its very large investment in this process financially viable.

The other element that needs to be taken into account is that currently the triangle site is subject to a number of different parcels of land with different types of reservations. This bill enables the entire St Kilda triangle site to be reserved and managed as one lease, and provides for the City of Port Phillip to be appointed the committee of management for the whole of the reserve Crown land site. That is the second important strategic issue as far as the tenderers are concerned — that is, that they need to be assured and have certainty that the entire triangle site is going to be managed as one parcel of land in the way that this bill sets out.

The redevelopment of the triangle site will be funded by private investment. This is not a project where the government or the council is investing its own funds. We need to make sure that business can have certainty in that respect.

The bill does those very important things and will facilitate that process when it is appropriate that the tender process is in a position to move forward. Of course legal proceedings are afoot at the present time, so it is not appropriate for us in this debate to go into the merits or pros and cons of those legal proceedings, save to say that this bill does not affect those legal proceedings.

The bill ensures that the mechanism is in place so that once those legal proceedings are dealt with and disposed of in whatever way the court ultimately decides, the process will be ready to move forward, and in the meantime the tenderers will have the certainty they require in terms of the extent of the number of years that a prospective lease is able to run in the future and that the entirety of the triangle site ultimately will be managed as one parcel of land. They are the key requirements that the tenderers need for the further development of their tender bids. This legislation will facilitate that, and that is entirely appropriate because it will enable this very important social development in St Kilda to go ahead in due course.

Mr SMITH (Bass) — I must say it gives me no pleasure to get up and speak on the Land (St Kilda Triangle) Bill before the house today. I sat and listened to the member for Hawthorn giving the house half an hour of a full run-down as to the merits of this piece of legislation. Let us get it clear at the start: we in the Liberal Party do not disagree with the development of this site. But if the legislation before the house is passed, it will extinguish the rights of two leaseholders on land on the foreshore. We all know this site and the importance of the site to Victorians. I do not think there would be a person in Victoria who had not passed through the site, driven around it, walked around it or been into the Palais de Danse — I was advised that that was where I had been before. I am not sure about the Palace nightclub side of it. I am not sure whether I have been in there or would wish to go in there, but I am sure there are a lot of people who do wish to go there.

But this bill is about extinguishing people's rights, rights they have got now and which were given to them by the Governor in Council back in 1972. They have some rights to the land that they currently occupy which will be extinguished by this bill's being approved by this house. We know there is an action before the courts at this moment by those leaseholders against the government. But the government here in this house is trying to extinguish their rights. These people are before the Supreme Court trying to get a decision that will either agree or disagree with their rights. Why are we rushing the bill through? The member for Prahran said that it will make it clearer to have this legislation in place once the decision of the courts is made.

How does he know the decision the courts are going to make in regard to this? That is what the courts are there for! That is why the matter is before the courts now, because there has to be a decision made about whether these people have some rights.

The member for Hawthorn has moved a reasoned amendment that we refuse to read this bill for a second time until all the legal action concerning the existing leases of the land is concluded. That is only the right thing to do in this Parliament. Surely this government has not reached such a stage of arrogance that it is going to step on people's rights and walk over people's current leases and their rights to the quiet enjoyment of their land and to run their business from it.

The maps in the legislation show the area will surround the land that the government wants to take — the two existing leases. Yes, they can be fenced off, and I would not put it past this government to fence off that land when this bill is proclaimed on 1 July next year.

Why not wait for the court case to be concluded? Surely that is the logical way to go about it. We have not all lost commonsense in this place because we are members of Parliament and we think we have all the might of the world to step on other people's rights. We do not have that right. We are here to use some commonsense. We have a legal process in place. We have a judiciary in the state to make this sort of decision — not in this Parliament and not by 88 members of this Parliament. We have judges who are qualified to do this. Yet this government seems intent on stepping on the rights of these people. It is wrong that the government should be thinking about doing that.

I would think that the three consortia have put a lot of time and effort into getting their proposals up. The truth is if the court ruled against the government, those consortia would have some rights to take legal action against the government to recover their costs, because they have pushed ahead to try to extinguish the rights of the leaseholders that are there now. I think they would have a right to recover costs. The government should think about it.

I conclude by saying that it is abominable that the government is pushing on with this legislation. We do not support it. We do support the reasoned amendment of the member for Hawthorn.

Mr HULLS (Minister for Planning) — I thank all members who have contributed to the debate and those who desperately wanted to contribute as well. I thank the members on this side for their passionate support of the bill, whether they contributed or not.

This is an important bill. I think that some of the speakers who opposed the bill have not read it properly. To be saying that it takes away rights is a nonsense. I urge members who have opposed this bill to actually take the time to read the bill and see what it does. This bill is quite separate to legal proceedings that are currently under way. This bill puts the building blocks in place to enable the future redevelopment of this iconic site. This bill allows for the consolidation of land parcels and it enables the government to enter into a longer term lease — —

Mr Smith interjected.

The ACTING SPEAKER (Mr Ingram) — Order! The member for Bass!

Mr HULLS — The bill itself does not affect existing leases. It provides for the government to establish a lease term that will be attractive to investors. The bill represents a responsible approach to facilitating planning for the future redevelopment of this iconic St Kilda site. In opposing this bill the opposition is sending a very inappropriate message to investors in this state. The opposition is saying it is not prepared to support a piece of legislation that gives certainty to investors and that actually ensures that the building blocks are put in place — —

Mr Smith interjected.

The ACTING SPEAKER (Mr Ingram) — Order! The member for Bass.

Mr HULLS — Can I also say that the bill does not pre-empt the outcome of legal proceedings. It does not affect existing lease arrangements. If the member for Bass could actually read the bill, or get someone to read it for him, he would understand that that is the case. This is about showing that the government is supportive of the project and creating a single site and giving certainty of tenure to potential investors. If the Liberal Party does not want to give certainty of tenure to potential investors, that is the message that will be given very loudly and clearly by the government in relation to that view.

Delaying the introduction of this bill will simply result in an unnecessary delay in enabling the future development of this precinct. To be saying that this matter should be withdrawn — that is what the reasoned amendment says — until some legal proceedings are concluded, if the government, any government, took the view that because there may be legal proceedings on foot in relation to any piece of legislation, that legislation should not proceed until those legal proceedings are concluded, government would grind to a halt!

Mr Smith — Absolute rubbish!

Mr HULLS — Hopefully the member for Bass has now had a little bit of education in relation to what this bill actually does and now has a little bit of understanding about the fact that his contribution was just waffle and absolute nonsense — full of wind and bluster. When he reads the bill he will find, quite clearly, that this does not affect rights. It is about ensuring investor confidence and ensuring that this iconic site can be redeveloped appropriately. That is why I wish this bill a speedy passage and the

government will not be supporting the reasoned amendment put forward by the honourable member for Hawthorn.

The ACTING SPEAKER (Mr Ingram) — Order! The minister has moved that the bill be now read a second time. To that motion the honourable member for Hawthorn has moved a reasoned amendment proposing to omit all the words after 'that' with a view of inserting in place thereof the words which have been circulated and are in the hands of honourable members. The question is:

> That the words proposed to be omitted stand part of the question.

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

Ayes, 57

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

Noes, 24

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

Amendment defeated.

House divided on motion:

Ayes, 57

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

Noes, 24

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

Motion agreed to.

Read second time; by leave proceeded to third reading.

Third reading

The DEPUTY SPEAKER — Order! The question is:

> That this bill be now read a third time.

House divided on question:

Ayes, 57

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

Noes, 24

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

Question agreed to.

Read third time.

Remaining stages

Passed remaining stages.

Sitting suspended 6.38 p.m. until 8.02 p.m.

VALUATION OF LAND (AMENDMENT) BILL

Second reading

Debate resumed from 1 March; motion of Mr HULLS (Minister for Planning).

Opposition amendments circulated by Mr BAILLIEU (Hawthorn) pursuant to standing orders.

The Nationals amendments circulated by Mrs POWELL (Shepparton) pursuant to standing orders.

Mr BAILLIEU (Hawthorn) — I rise to speak on the Valuation of Land (Amendment) Bill. This is a bill that is technical in nature and fairly dry in subject. The bill amends the Valuation of Land Act 1960, supposedly to enhance the objection process, to enhance the Valuer-General's role and for other miscellaneous purposes. There are three aims to the bill: firstly, to improve information sharing between valuers and objectors at the time of objection; secondly, to improve the rights of objectors to review those decisions, allowing them to initiate a passage to the Victorian Civil and Administrative Tribunal (VCAT) in advance of the current arrangements; thirdly, to supposedly strengthen the Valuer-General's role.

There are a range of issues involved with the bill. The opposition is not opposed to the bill, but widespread consultation and discussion with industry groups has led to the suggestion of a number of amendments, and we intend to pursue some of those. In addition, we believe there is a need to pursue amendments in our own right.

This bill follows a discussion paper released by the Valuer-General Victoria (VGV) in the name of the Department of Sustainability and Environment, in May 2004. The release of that discussion paper did elicit some commentary at the time — and I refer to articles such as the one in the *Australian Financial Review* in July 2004 under the heading 'State plans attack on land valuations' and a variety of others.

In January 2005 a directions paper was issued by the Valuer-General Victoria — again under the name of the Department of Sustainability and Environment. That discussion paper raised a number of proposed legislative amendments to the Valuation of Land Act. That circulated for some time and again elicited a number of commentaries in the media and in the community. The *Age* of 22 March 2005 noted 'Valuation change may boost land tax' in Victoria. I am sure members would realise how popular that proposition was.

In the *Age* of 4 March 2005 the Real Estate Institute of Victoria (REIV) and other bodies were reported as lobbying desperately for tax relief. An article by Peter Mickleborough in the *Herald Sun* of 23 March 2005

said land valuations were taxed by stealth. On 21 March the REIV and the Municipal Group of Valuers made a range of propositions and noted those in their newsletter, the *REIV News*. Included in those proposals was a call on the government 'to abolish permit use of land change to the Valuation of Land Act currently before cabinet'.

They also made a detailed commentary on a range of the proposals in a directions paper dated January 2005. That was mirrored by other institutes — for example, in the *Age* of 9 April 2005 an article by Enzo Raimondo, chief executive of the REIV, was entitled 'Ratepayers in for a rough hike as government pursues land tax by stealth scheme'. Commentary was made by the opposition at the time about widespread industry concern at what was proposed in that directions paper, which then led to a meeting of stakeholders in June 2005. Those stakeholders obviously included all the property groups, those in the building construction industry, the Municipal Association of Victoria (MAV) and various councils as well.

The government absorbed the information and concerns and produced the Valuation of Land (Amendment) Bill, which is now before the house. It is curious that this bill makes precious little change to the act. When the minister introduced this bill even he was surprised how little was in the second-reading speech. I said across the house to him at the time that I thought he had copped out. I got as much as you can get from the minister, when he indicated that he was inclined to agree. The reality is that there are still changes in this bill which disturb the industry, and the bill could have advanced in other areas which would have been to the benefit of Victorians, but that has not happened.

Various stakeholders have been listened to and have corresponded with the opposition. I quote from a letter sent from the Moyne shire to the member for South-West Coast, dated 14 March 2006. The member for South-West Coast has been strident in his support for the stand we are taking on this bill. The letter says:

> The call for submissions replying to the directions paper would appear to have been a wasted exercise, as was a meeting held by the VGV and key stakeholders, in which the Revenue Management Association re-stated its opposition to the change in process.

At the time of those discussions, there were propositions on the table from the Valuer-General and the directions paper with which many stakeholders groups disagreed. Some of those have survived and found their way into the Valuation of Land (Amendment) Bill; hence, our concern.

I have to acknowledge that this bill excludes the number of matters which were canvassed in the discussion and directions paper. They included definitional changes, objection lodgment fees, separate tenant/owner notices and a variety of other changes. We were told in the briefing we had on this bill on 9 March that it does not change timing limits for objections, and that is to be applauded, but it is the opposition's view that there was an opportunity in the bill to advance the cause of those who seek to object to their valuations at the time they received land tax notices.

The opposition has been advancing that policy for some time. We think this would have been an appropriate opportunity for the government to pursue that as well because the proposition is widely supported in the community. The member for Box Hill, who will be following me in debate on the bill, intends to detail that provision at some length. I will defer to his superior knowledge on the subject of land tax evaluations. I flag that one of the amendments I will be proposing would make that change.

I might say that having now seen the proposed amendments circulated by The Nationals, it would appear that its amendments are 100 per cent in line on this subject with the amendments proposed by the Liberal Party.

I note in the second-reading speech the government claims that the bill will not increase either site value or land tax. The second-reading speech was silent on the proposition that the bill might decrease site value or land tax. We raised the subject in the briefing and were assured that the bill would not decrease site value or land tax. I guess that, coming from this government, is no surprise. It would have been our expectation that the government might pursue an increase, but only time will tell whether that transpires. We are assured in the second-reading speech that it will not happen; whether that is measurable is also not clear.

The proposed changes in the bill are not major. In fact they are a series of minor changes. In essence, as I said, it is a cop-out, but there is a significant change which a number of parties have referred to — the proposition that supplementary valuations will need to be certified by the Valuer-General.

If I can pause for a moment I wish to address again the directions paper of January 2005 and look at the issues raised in that paper. Without going through them in detail, there is the issue of valuation notices, the timing for lodging objections, the determination of an objection to valuation, the referral to the Victorian Civil and Administrative Tribunal or a court, the awarding of

litigation costs, the referral notification to the Valuer-General, the definition of site value, the apportionment of site value, the improvements definition over site works, highest and best use, the supplementary valuation issue, heritage buildings, estimated annual value, capital improved value, residential use land and urban farmland definitions, property market information collection and distribution, certifying general valuations, administrative amendments, and some general issues and conclusion.

As I said, some of those issues have dropped by the wayside, and I think there are many who are comfortable with that. Other matters that might have been raised have not been raised, but there are still some issues that are like hot potatoes. One of those is the supplementary valuation issue. I refer again to the letter of 14 March from Moyne shire to the member for South-West Coast, which says about the supplementary valuation:

> … the proposal to force councils to submit supplementary evaluations for VGV certification received widespread negative feedback, (attached are copies of submissions made by the Municipal Association of Victoria, the Revenue Management Association of Victoria and Moyne Shire Council). All of the submissions suggested that the proposal was neither warranted nor justified.
>
> We remain of the same opinion in relation to this requirement, and have grave concerns about the resource requirements to implement the change, as well as the community confusion and negative impact for community members in regards to this new process.
>
> I request that you represent our concerns regarding the apparent disregard by the VGV for stakeholders who will be affected by the changes to supplementary valuation procedure.

In response to the directions paper the Municipal Association of Victoria in February 2005 had this to say about supplementary valuations:

> The MAV is concerned that the burden of certifying supplementary valuations is substantial and will result in severe time delays before Valuer-General certification is completed. As a professional qualified valuer prepares supplementary valuations there is some doubt about whether the tedium of certification would add any value to this process.

The Revenue Management Association, in a letter dated 15 July 2004 to Mr Jack Dunham, the Valuer-General, had this to say about supplementary valuations:

> The need for the Valuer-General to confirm supplementary valuations is considered totally unnecessary.
>
> The Valuer-General already approves and confirms the basis and validity of general valuation figures through the VBP process. Supplementary valuations are based on the same levels of value and utilise the same calculation tables as the general valuation. The objection process is designed to identify and correct any valuation errors.
>
> Even if the suggested two-four week time line was achieved, it would impact on the issue of rate notices and result in a loss of revenue to councils. Timing is a critical factor in processing supplementary valuations and amending associated rates and charges.
>
> The additional administrative costs associated with this proposal would be significant.

In an email dated 14 March the Colac-Otway shire had this to say about the proposal for supplementary valuations:

> This is considered unnecessary and is seen as the cause of a delay in councils being able to issue supplementary rates notices and collect resultant revenue.
>
> Certification of valuations already takes up to four weeks. With the volume of supplementary valuations referred to the VG from across Victoria, it would be impossible for the VG to process these within a reasonable time frame.
>
> As a result, the issue of supplementary notices will be delayed with resultant financial implications. This will particularly be a problem later in the financial year when council is needing to close off accounts from the previous financial year.
>
> It is likely councils will forego sending supplementary rates notices later in the year as valuations would be unlikely to be certified in time to allow the issue of supplementary rates notices and collection of resultant rates in time for the end of the financial year.
>
> This would be unfair on other ratepayers and have cost implications for councils.

The Australian Property Institute, in a letter to me dated 27 March, expressed its concerns about the supplementary valuation process. It states:

> We believe the following provisions should be included:
>
> (a) The Valuer-General must provide opportunity to discuss with the valuer the supplementary valuation and reasons for concern.
>
> (b) the Valuer-General must provide supporting explanation as to why the supplementary is not considered to be to correct.
>
> (c) In the event that this section is enforced, the Valuer-General will become a party to an appeal, if an appeal is launched.

Essentially the Australian Property Institute is saying it is uncomfortable with the supplementary proposals. Along with other stakeholders it has led us to the view that we should move amendments that delete these provisions from the bill. That is what the proposed amendments seek to do, particularly amendments 1, 2 and 3 and consequential amendments 6 and 7.

In addition, the Australian Property Institute also expresses concern about proposed section 16(3)(3B) inserted by clause 4, which states:

> An amount stated in an objection in accordance with sub-section (3A) is not binding on the objector.

The Australian Property Institute and the Municipal Group of Valuers expressed the view that such a value should be binding on the objector. That may be restricting on the opportunity to object, and while it may be a matter that is addressed by an amendment, it is our view it should be addressed in the administration.

The third concern of the Australian Property Institute and the Municipal Group of Valuers is with new section 26(2)(d) in part 3, which states:

> … the degree of openness in sharing information between the parties —
>
> (a) during the objection process; and
>
> (b) during the review or appeal

Both stakeholder groups felt that ought to include the words 'during the revaluation process' so it would read 'the degree of openness in sharing information between the parties during the revaluation process'.

The reality, though, is that the objection process includes the revaluation process, and we do not believe at this stage that it needs amending. We trust that the administration of the provisions will prevail such that the openness during the revaluation phase and objection process will be taken into account — hence, our circulated amendments.

At the briefing we sought some additional information. I regret some of that has not been made available. We were keen to get a hold of the business impact assessment which we understand was done. That has not been made available to us. Whether or not it was a cabinet-in-confidence document, we believe the minister should be making a statement to this house about the impact or otherwise of this statement on business, because the government says it is now advancing the cause of business impact assessments. We have not received that information.

We note that following the May 2004 discussion paper, some 69 submissions were made, as we were advised at the briefing. We asked whether those submissions would be made available to us; we asked for copies, but we have not received them. We can only presume that they do not remain in the public domain. We think that is to be regretted.

We understand from the briefing that following the January 2005 direction paper some 30 submissions were made which have not been made public. We asked for a copy of those, but likewise they have not been made available. We think that is to be regretted. We asked for any information following the stakeholders discussion of June 2005. That information has not been made public.

We were assured that the stakeholders included the Municipal Association of Victoria, the Property Council of Australia, the Australian Property Institute, the Municipal Group of Valuers, revenue managers associations and Real Estate Institute of Victoria. But the reality is that those groups are now saying to us that they are unhappy about some aspects of this bill. Hence the proposition advanced to us at the briefing that the stakeholders were all delighted seems not to be correct, because we are hearing otherwise.

We also understand that the Law Institute of Victoria was invited, but for one reason or another it did not attend. A submission was made by the south-eastern group of mayors. Also at the briefing we asked for a reconciliation sheet between the propositions advanced in the discussion paper, the directions paper and the bill. I regret we did not receive that either, but we have made a fair fist of this without it anyway.

As I said, a number of items were not included from the direction papers. These include definition changes, objection fees, separate notices for tenants and owners, and the somewhat contentious original suggestions. The member for Box Hill will be dealing with the matter of objecting at the time of land tax assessment. As we were advised in the briefing, in reality some 2.3 million valuations are undertaken biannually in Victoria. In approximately 20 000 cases, objections are lodged, but the actual figure was not available given that some of those objections do not reach the Valuer-General. About half are referred to the Valuer-General for adjustment. Again, that is not a precise figure.

It was suggested to us at the briefing — and I note the Valuer-General was good enough to attend it — that the number of objections and valuations was unlikely to change as a consequence of this bill, although there may be a few more objections. We were keen to see whether there was a formal analysis of the profile and errors in objections — for instance, whether there was a breakdown of the property types or of particular councils which are responsible for most areas. According to the Valuer-General at the briefing, this seems to vary in accordance with the particular political interests of councils. That was an interesting commentary, but there was no formal analysis made.

There is no analysis of the spread of errors, but according to the Valuer-General, the average area may be in the range of 10 to 15 per cent inside a bracket of some 5 to 30 per cent.

Mr Stensholt interjected.

Mr BAILLIEU — Are some of the errors in Camberwell? I am sure that is the case. We were keen to see whether there was an analysis of the delays, but we understand that no such analysis is in place. There are some topical valuations which — —

Mr Herbert interjected.

Mr BAILLIEU — I will not get there, so relax.

The ACTING SPEAKER (Mr Seitz) — Order! Interjections are disorderly. The honourable member for Hawthorn will ignore them.

Mr BAILLIEU — I spend my life ignoring him! There are some topical instances, and they cause us to wonder whether some of those cases have led to some of the proposals in this bill. Fundamentally this bill is proceeding not with a bang but with a whimper. Whilst the opposition will not be opposing the bill, we advance the cause of the changes I have suggested, which are fundamentally to delete the provisions about supplementary valuations and to take this opportunity to allow land-holders to object to their valuations at the time they receive land tax assessments. But we will not be opposing the bill.

Mrs POWELL (Shepparton) — I am pleased to speak on behalf of The Nationals about the Valuation of Land (Amendment) Bill. The purpose of the bill is to amend the Valuation of Land Act 1960 to enhance the objection, review and appeal process; to require the Valuer-General to clarify all supplementary valuations; and to make other consequential amendments to the Victorian Civil and Administrative Tribunal Act 1998 and the County Court Act 1958. The Nationals will not be opposing this legislation, but I intend to move the amendments circulated on behalf of The Nationals; I understand they are similar to the Liberal Party's amendments.

I also understand that there has been extensive consultation with stakeholders, that a large number of policy direction papers have been put forward and that a direction paper was brought forward in January 2005 with a number of amendments to the Valuation of Land Act 1960.

The Nationals' amendment, we believe, addresses the issue of a person being able to object to a land tax bill when they receive the actual invoice. At the moment there is a perceived deficiency in the system whereby a person receiving a rate notice not only may not object to the site value but also may not understand that the site value will be the basis of any land tax payable. It is confusing to some people when councils rate on the CIV, or capital improved value, valuation. Many councils rate on capital improved value, but land tax is assessed on site value, and usually the site value is also on the rate valuation that comes to the person. A person who thinks that the council rates on CIV perhaps does not realise that the site valuation component of the bill will also determine what their land tax payments will be.

The Nationals' amendment in effect allows for an objection within two months of the subsequent notice of valuation given by the rating authority, or a notice or subsequent notice of assessment of the rate or tax payable in respect of land issued by the rating authority that gave the notice of valuation, or by any other rating authority. The reason for our amendment is the excessive increase in land tax due to soaring property prices, the very low threshold and the bracket creep that has been happening, which the government is able to benefit from by getting a windfall gain from the land tax paid by people who otherwise would not have realised the amount of tax that was going to be put on their invoices.

Land tax is payable by anyone who owns property worth $175 000 or more. This does not include a person's principal place of residence, land used for primary production, by a charity or as a private caravan park. A media release was put out by Hunt and Hunt, lawyers, under the heading 'New Victorian land valuation bill falls short of solving legal discrepancies':

> Objections to land valuations remain complex and contradictory.
>
> Sydney, 6 March 2006 — The Valuation of Land (Amendment) Bill, which was introduced last Wednesday into the Victorian state of Parliament has failed to address the main contention of landowners regarding valuation of land and land tax.
>
> Andrew Walker, a Melbourne-based senior associate at national law firm Hunt and Hunt, said the bill's failure to address the crucial deficiency that a landowner may only object to the valuation of their land on receipt of the valuation, and not on receipt of the land tax bill, was disappointing.
>
> 'The fact there is a lag of more than two years between the time the land is valued and the time land tax bills are issued, means landowners have no right to contest the valuation when they finally receive their land tax bill', said Mr Walker. 'It just makes no sense'.

It goes on to say:

> Council valuations are the basis by which rates, and more relevantly, land tax are assessed.
>
> Mr Walker said as property values had skyrocketed over the past few years, so too had land tax bills.

This is going to affect specific groups of people who perhaps have not been affected before. They include operators of small to medium-sized businesses as well as mum and dad investors and people owning holiday houses. The Treasurer said in a media release about a month ago that there were about 160 000 land tax payers in Victoria. There have been many media reports over the last year about skyrocketing land tax prices, and a number of businesses have either closed their doors or are deciding to close their doors because of the impact it will have on their bottom line. An article in the *Sunday Age* of 13 March 2005 says:

> As a third small business falls victim to the land tax squeeze, pressure mounts on the state government for reform …
>
> Rogerseller, a 108-year-old Richmond bath ware business, faces a $115 000 increase in its land tax next year, 1600 per cent more than it paid this year.
>
> The company is expecting a $122 000 bill for 2006, compared with $7134 this year.
>
> In a week when the Whitehorse Inn in Hawthorn was forced to close its doors because of rising land tax and Arthurs Hotel on the Mornington Peninsula announced it too would sell, Rogerseller managing director James Edmonds accused the Bracks government of being 'out of touch with commercial realities' and warned that land tax was harming investment in the state.
>
> The premium bath ware business, which employs 80 people nationally, would not invest further in Victoria, and would reduce training and staff numbers if the land tax system was not changed, he said.

The Treasurer said in the same article:

> 'I do accept that a relatively small number of taxpayers are facing significant increases, but it won't affect the overall economy', Mr Brumby told the *Sunday Age*.

It may not affect the Victorian economy, but it certainly affects small businesses and communities and has an effect on employment in our communities.

I had a briefing from Mr Mitchell Rowe, who is the associate director of HMC Valuers in Shepparton, who agreed that the bill makes no changes to the basis on which municipal valuations are made and does not cause any increase in site value or land tax. But he agreed that the government was receiving a windfall gain. It provides for a better objection process and encourages mediation so that people can go to mediation rather than litigation and therefore speed up the process. It also encourages early resolution. There is an opportunity for a better information exchange between the council valuers and the objector.

The objector now has to state why they are objecting, and they have to state what they think the valuation should be so that the valuer is able to assess fairly quickly what the difference in the valuation is and what the objection is about. The valuer has to tell the objector how they assessed the value of the property, and they have to supply data such as what the property sales were so they are able to work out how they arrived at the valuation, as well as a number of other areas of interest which the valuer took into account in deciding the valuation. It will actually improve the flow of information to make sure that the valuer knows why the objector is objecting early on so that we get fewer objections in the courts, which is a costly process.

I understand that this bill will provide that court costs can be awarded against an objector, if it is found that the objection is frivolous — and 'frivolous' means, for example, a person saying, 'I do not get the services, so why should I pay that amount of rates?'. There are a number of other frivolous components to why people object to their rate valuations.

I was formerly a councillor with the Shire of Shepparton, and I was a commissioner with the Shire of Campaspe. I know that many people confuse the cost of the value of their property with the services they do or do not receive — for example, garbage disposal. Many people say they do not receive a garbage disposal service if they are out in the country. As to libraries, some people ask why, as they do not go to a library, their rates should pay for that library. That is an old issue, whereby some people say it should be user pays; but it cannot be user pays, because that would mean the costs would be exorbitant for those people who use libraries.

A number of people say they do not have a proper road to their property or it does not get graded or maintained enough. There are a number of reasons why people do not want to pay their rates, but in fact it is not about the value of the rates. It is really about the services they do or do not receive.

In my time I also helped prepare many council budgets and I learnt the importance of ensuring a fair and equitable distribution of the rate burden right across the municipality. We were able to do modelling where we looked at the impact of the rate in the dollar on either commercial, retail, farm or residential areas. It is really important when you are able to pass on the information to your municipality that the rates you have struck are a

fair and equitable assessment of the budget you are hoping to bring down.

When I was the member for North Eastern Province in the other place I went to a number of public meetings involving the Gannawarra shire. Part of the Gannawarra shire was in my electorate, and I know that in the years 2000 and 2001 a ratepayers group initiated legal action against the shire because it felt the rates were excessive. The council did not have a farm rate, and a large percentage of the people who lived in Gannawarra shire were in the farming industry. There was a discussion about the inequities in the valuation of their rates, given the services they did not provide, and that they were subsidising some of the urban members of the shire. That went on for quite a number of years; it was a long, protracted discussion. It was quite costly and very harmful to the people of Gannawarra. A number of members said they would even go to jail if it was not resolved. But it has been resolved, and hopefully that sort of thing will never happen again.

The other issue that could raise some problems with the rating base for municipalities is the unbundling of water that has just come in with the recent water bill, where the water value will be removed from the land value. That will have a significant impact on the rate base of a number of rural and regional councils, particularly councils in my area like the Shire of Moira, the City of Greater Shepparton, the Shire of Gannawarra, the Shire of Loddon, the Rural City of Swan Hill, the Shire of Campaspe and the Rural City of Mildura.

I have received a letter from Mr Gavin Cator, the chief executive officer of the Moira shire, outlining a number of his concerns about what will happen to the rate base of councils once the water is removed from the land component. I know those councils have been meeting with the Municipal Association of Victoria in an effort to make the impact as low as possible and as fair and equitable as it can be across the whole of their municipalities.

During the debate on the water bill I advised the Minister for Water of the effect that it will have on rural and regional councils. I urged him to speak directly with the councils themselves to discuss the impact and to find some way to help them work through this to find a model for ratepayers that will not be a burden on the different parts of the shire. When you remove a certain rate base from one group of land owners, you put it on to another, so we need to make sure that there is some compensation made so that councils are able to find a model because some councils will need assistance to find models that will ensure the rate base is fair and equitable across the whole of their shire.

I hope the minister meets with those councils and discusses the issues. I hope he meets with the Municipal Association of Victoria and that they work out some assistance. The government's saying that the changes will not be implemented until 2008 shows some recognition by the government of the huge impact the removal of water from land will have on the rate base of councils. I believe that is a good thing. It will allow councils to have some sort of transitional process where they can move to work equitably with their municipality and make sure that there is not too excessive a burden on those that should not have the extra rate burden on them.

Currently councils are required to perform a revaluation every two years. The Nationals have a local government policy which will increase the requirement for local government valuations to be undertaken every three years. There are only a certain number of valuers in country Victoria, and they are all busy at the same time. That causes some problems for some councils, because they all need to have the valuations in at a certain time so the Valuer-General can assess them and tick them off. Many valuers are now looking at a computer-based model to put in place the appropriate valuations, instead of relying on site visits. More and more valuers are going to a computer-based model. There is a problem in that if the base rate is not correct, it means that in continuing years the person has to object to the basis of the valuation, and if they are not successful that first time, that amount continues on to the next valuation.

I urge the government to accept The Nationals amendment which will cover people who may not realise that they should object when they receive their rate notices if land tax is payable by them. I also ask the government to put in place a process to ensure people are fully aware that rate valuations can be used to determine any land tax payable.

Mr DONNELLAN (Narre Warren North) — It is a great honour to speak on the Valuation of Land (Amendment) Bill tonight. If I had not entered the political field, I might have finished my final subjects at RMIT and become a valuer myself. In many ways I would have found that very difficult since I had major disagreements with the head of the department at the time over the use or otherwise of double-sided sticky tape, of all things. He for some reason thought the use of double-sided sticky tape was more important than the substance of those reports and how you came to a conclusion and the methodology you used.

The amendments in the bill improve and streamline the objection process. Doing so will avoid lengthy and

costly disputes and encourage mediation rather than litigation. No amendments proposed tonight vary the methodology of valuations, whether it be capital improved, which is adding together the value of the land and then the value of the building, less depreciation, to get a total value or site value, which is just the land value. You look for comparable sites and so forth when you make that valuation or that assessment, or the net annual value when you assess a rental figure for a particular property; you capitalise it and you get the final value.

Victorians can be assured there will not be a sudden increase in the valuation due to a change in methodology. There is no change so there will not be an increase in land value or anything like that. There may be increases on a biannual basis due to rising or falling property values, and the comparables that are used, but that is it. That is really beyond the control of the government. It is really how the market moves in the coming two years.

The reforms will result in setting clear limits for the lodging of an objection to a land valuation. The objectors will still have two months in which to object to a council valuation and there will be time lines for the remainder of the objection review process to be completed as quickly as possible. It will encourage better exchange of information between objectors and the council during the objection process. This will be mandatory only for high-value properties, but it is very important because at the end of the day councils often are holders of substantial information, vis-a-vis using comparables to assess the value of a property, and you will find private valuers or private individuals will not be aware of such comparables. The definition of high-value property — and it is mandated that the information be provided — will be set after a regulatory impact statement. Further, the changes will provide more time for councils and objectors to resolve disputes before making an application to the Victorian Civil and Administrative Tribunal.

It will enable property owners to apply directly to the Victorian Civil and Administrative Tribunal or the Supreme Court. Under the current arrangement property owners are required to ask the council to actually make an objection to VCAT, which seems rather strange and unusual. It will allow costs to be awarded by VCAT or by the Supreme Court in instances where it believes information is not being properly or quickly provided, and there are other matters which the court may consider at its discretion. Costs are not required to be awarded. The change simply allows this to occur in instances where the courts believe they should be awarded.

Lastly, this will strengthen the role of the Valuer-General. The legislation itself provides for the administration of land valuations for rating purposes and taxing across Victoria. The Valuer-General is responsible for the certification of all municipal valuations which form the basis of the revenue local government collects of about $1.6 billion per year.

The changes being proposed tonight are the result of extensive consultation, led by the Department of Sustainability and Environment and the Valuer-General. A discussion paper was released in May 2004 and a directions paper in January 2005. Persons or groups consulted include the Real Estate Institute of Victoria (REIV), the Property Council of Australia, the Australian Property Institute, the Municipal Association of Victoria (MAV), the Revenue Management Association, the Municipal Group of Valuers and the Law Institute of Victoria.

I will just consider some of the clauses. Clause 1 sets out the purposes of the bill, which are to enhance the objection, review and appeal processes; require the Valuer-General to certify supplementary valuations; and make various general amendments. It is hoped that with these amendments the objector and the municipal valuer will be able to enter into meaningful discussions. This is done to save costs for all parties. They can actually swap information on comparables, and at the end of the day you would hope that, because the valuation methods used are exactly the same, you could end up with a similar outcome with a variance, you would hope, of 10 per cent at the most. This mandatory exchange of information will only occur with properties valued at — I think this is the guesstimate at the moment — around $1 million. This will require councils to provide more information than they used to, but it will save the costs involved in internal departments having to review their valuations and so forth when there is going to be an objection.

In my experience councils are used to keeping this information in an orderly manner. I have actually found that the council valuers are the holders of the best information on property values in Victoria, even though there are many private valuers with good databases. Currently the Valuer-General is required to certify the quality and correctness of all parts of the valuation process, except for supplementary valuations. Such valuations are undertaken when, for example, there is a substantial change in the way a building has been added to. Councils undertake those, and then the Valuer-General must certify them.

There has been some criticism of this bill in this place and in various articles. There was criticism by one

group of solicitors, Hunt and Hunt, a senior associate suggesting that for some reason councils value their properties on capital improved value, and that includes the building and site value. If that were used for the assessment of your rates, then one would think that if you disagreed with the site value, which you are going to object to at a later date with regard to land tax, you would object to it at the time, because your rates would actually be too high.

I cannot understand the criticism which suggests that when someone received their rate notice they would not object to it but that when they received their land tax notice they would suddenly get up and object, because a component of the capital improved value of the rate notice is the site value. So if they have it wrong then, why would you wait two years to object? Why would you pay rates on that basis and then suddenly get to the end of two years and say 'Now I object.'? A sensible and careful property owner or careful investor would not allow themselves to pay rates for two years before objecting to the site value, so it does not really make a lot of sense.

Land tax will not increase due to any of these changes. There is no variation at all in the valuation method. The only way land tax would increase in any of these situations would be in the instance that property values increased. This is what has happened over previous years, but the government cannot be blamed for that.

I think this is a good bill. The government has consulted widely. Most of the objections are quite obtuse, to put it mildly. To put it bluntly, they are ridiculous. It is not a revolutionary bill, it is evolutionary. Valuation is not an exact science, but at the end of the day groups swapping information will get a lot closer to getting more sensible valuations from each other than they would if they were holding back information.

I note that VCAT can award costs against parties for putting in ridiculous valuations when they are objecting. That will assist the parties to focus their minds on getting valuations done properly. As you find in most things, a person who has a property might believe that for rating purposes the council has valued it too highly, but when it comes to selling it they believe the real state agent has not valued it highly enough. The truth probably lies between the two expectations.

I think this bill will improve the functioning of valuations, the way of dealing with objections to those valuations and ratings for councils and so forth, and I commend it to the house.

Mr THOMPSON (Sandringham) — In commenting on the Valuation of Land (Amendment) Act, the first remark I wish to make is that the Labor Party sees as fertile ground anywhere where it can increase its revenue. In the last seven years there has been a disproportionate reliance upon land tax as a form of government revenue.

If one wanted to go back to another example of the Labor Party seeking to gain a reliance upon taxation, it would be back in the late 1980s, when it was proposing to redress the financial circumstances of the state by charging an ad valorem tax on the purchase price of a business, so that when a person who wished to make their own way in the world and to be independent and self-reliant bought a small business, not only did they have to pay for the goodwill, the electricity bond, their legal and accounting expenses and the costs associated with the acquisition of the business, but they were also obliged to pay a certain tax, not dissimilar to the tax on the purchase of real estate, for the sake of endeavouring to ply their trade.

Likewise land tax is targeted at garnering a form of revenue for the government from a certain group of people. When a land tax bill was debated in this chamber late last year or earlier this year, the honourable member for Bentleigh described land tax as a well-targeted tax because the tax base was reasonably finite among those people who were obliged to pay it. He did not realise or acknowledge that many of the people in that category of land tax payers were self-funded retirees and small business people endeavouring to provide for themselves, make their own income and meet their own expenses. I think a society is better placed when the majority of its citizens are not reliant upon the government, big business or large bureaucracies but, through their own initiative, endeavour and hard work, have the capacity to make their way in the world.

Numerous people have written to my office objecting to their increased land tax bills at the hands of the Bracks-Brumby government. One of the most striking examples was the Tulip Street Tennis Centre in Cheltenham, where two brothers, both former junior tennis champions, were attempting to generate their income through the conduct of their business. They had a massive increase in the land tax on their site. They did not change their objectives at all in running the business. They were hiring out tennis courts — that is how they made their income — at $20 an hour or $24 an hour, so they were not in a position to adjust their charges to meet the land tax imposed by the Bracks government.

It was an outrageous circumstance in which these small business people were facing the prospect of being forced out of business. The land tax bill does not take into account mortgage requirements and immediate land use. I surmised it was based on the best and highest value use of the land. In their particular circumstance, by running tennis courts they provided a great service and facility in the local area, but it was not urban high rise or industrial usage, which presumably was what the highest and best use of the land was based upon.

Another couple were migrants to this country. They had worked hard and endeavoured to provide for their future by way of a self-funded retirement through certain investment property holdings. They arrived in this country with nothing. They applied their skills and their minds to the development of their enterprise and were fortunate to be in the position of owning a number of properties. But again, their independence and their ability to live their lives apart from government service reliance was being placed in jeopardy by the land tax imposition upon their properties.

I could think of a good half dozen examples. There was the case of Ian Armstrong, which appeared in the *Age* recently. He has had to realise some of his property holdings to avert the massive land tax impost imposed upon him by the Bracks government.

Government members say they have not done a great deal in this area, but it is not so much what they have done on certain criteria but what they have failed to do — what they have not done. They have been content to allow inflation to bring properties up through the land tax scales and then derive an increased revenue source, which has seen a doubling of land tax revenue in the time that the Bracks government has been in office. This has been an unacceptable burden on hardworking Victorians and a soft revenue take on the part of the government.

I think that government members have a naive belief that you keep on imposing taxes, but they do not realise that they are taking away the independence, self-reliance and initiative of members of the Victorian community who have sought to provide for their own futures. They are being penalised just for having worked hard during their lives. The bill before the house makes a number of general amendments to land tax, but it certainly does not redress the concerns of a number of my constituents who are being forced to realise their property assets because they cannot afford to meet the massive tax rip-off of the Bracks government.

Mr LIM (Clayton) — I rise to speak on the Valuation of Land (Amendment) Bill. Like so many bills that have come before the Victorian Parliament in recent years, this bill has resulted from extensive discussions with people and organisations who have an interest in the way that the law is administered and, in this case, how real property is valued in this state.

It is a tribute to the Bracks Labor government that when a change in the law is contemplated the government's first instinct is to consult relevant stakeholders to see what their views might be. I mention this because it is in marked contrast to the way in which the federal Liberal government manages legislation. The federal government consults employers, not unions and is always striving to improve the position of those who are already enjoying power at the expense of the majority. It is also how the Liberals behaved when they were in government in Victoria, and it must never be forgotten.

In June last year the Bracks government invited the Property Council of Australia, the Australian Property Institute, the Municipal Association of Victoria, the Revenue Managers Association, the Municipal Group of Valuers, the Law Institute of Victoria and the Real Estate Institute of Victoria to a round-table discussion. The result is a bill that considerably improves the operation of the Valuation of Land Act 1960.

The bill does not change the basis of council valuation, so it will not bring about any increases in site value or land tax, but rather introduces an improved valuation, objection and review process. With its commitment to consensus and its wish to prevent unnecessary conflict and expense, it is typical of the Bracks government that the changes are designed to encourage the objector and the council valuer to engage in discussions and mediation rather than resort to litigation.

Once again I contrast the approach and stance taken by the federal Liberal government's stance on its industrial relations policy. It resorts to nothing but the courts. I am reminded of the old saying, 'The law is open to everyone', but so is the Savoy Grill! Objectors find the process prescribed under the current Valuation of Land Act to be confusing. They have to rely upon the municipal authority with which they are in dispute to lodge the matter with the tribunal for review. The bill enhances the role of objectors in the process, and puts objectors in control of their application to the Victorian Civil and Administrative Tribunal while not removing their right to appeal to the Supreme Court if they so wish.

The bill will also mean that VCAT or the Supreme Court may consider a range of factors when awarding costs. Importantly, these factors will include the degree of openness of objectors and council officers in exchanging information during the objections process and their general behaviour throughout the proceeding. I believe this provision will have a major impact on the conduct of both council officers and objectors, and will reward cooperation and act as a disincentive to those who have tended to behave in a less than transparent manner. This bill will encourage people to seek mediation rather than litigation, give objectors better control of the process, ensure that the awarding of costs is fair and balanced and strengthen the Valuer-General's role in the process. I commend the bill to the house.

Mr STENSHOLT (Burwood) — I rise in support of the Valuation of Land (Amendment) Bill. This bill of the Bracks government will ensure that Victorians have a fairer process for objecting to council valuations. These amendments improve and streamline the objection process, and improving the valuation objection process of course will help avoid lengthy and costly disputes — which is valuable — and encourage mediation rather than litigation. I very much approve of this.

One can read in the bill that its purpose is to amend the Valuation of Land Act to enhance the objection, review and appeal processes. The bill requires the Valuer-General to certify supplementary valuations, and makes some other general and consequential amendments to the Victorian Civil and Administrative Tribunal Act and a minor amendment to the County Court Act.

The Valuation of Land Act — which I am sure members have read in great detail — establishes the process for administering valuations of land in this state. These valuations are used for rates and, as other speakers have mentioned, for land tax purposes across Victoria. You normally get the unimproved value and the improved value, and virtually all councils rate on the improved value. I think there is only one council — Monash City Council — that rates on the unimproved value. I know that council has been discussing that matter because my electorate covers a part of the city of Monash. There is a bit of a dispute and discussion going on as to whether they should change to the capital improved value system for the purposes of rating.

The Valuer-General is ultimately responsible for the certification of valuations. Normally the valuation is done by the council or by somebody on contract to the council with the council keeping control over the process, but it is the Valuer-General who is ultimately responsible for backstopping, underlining or certifying the valuations. Local councils are very involved in this, because they collect the rates.

There are 79 councils that collect rates totalling well over $1.5 billion. Victoria has a very good system of valuation, and a fair and equitable distribution of rates for property owners. This review is to look at the Valuation of Land Act to try to improve the process. As other speakers have mentioned, it has been quite an extensive review and consultation process led by the Department of Sustainability and Environment. I can see from the briefing notes that it has done an excellent, very thorough job.

I will turn to what the bill does. It is important that the bill does not really change the basis on which municipal valuations are made but provides an enhanced valuation objection review process.

I should also mention that it does not actually increase or cause increase in the site value in land tax. The member for Hawthorn almost implied that there might be an increase. He was almost saying he was told that it will not actually decrease the valuation for the purposes of rates and land tax. That is typical of his tactics of twist and spin. In fact, in the second-reading speech, the minister said that the bill will not cause any increase in site value nor in land tax. The part-time spokesperson for planning should get it right; he is once again asleep at the wheel.

Valuations are very important for people. I keep pretty close to the small and medium businesses in and around my electorate. For example, at Camberwell Junction — which is actually in the middle of the Hawthorn electorate — I have done a lot of work with the traders and the other landowners in looking at some of the valuations. There was a situation a few years ago where the land was undervalued. The following year there were big changes, but clearly there were some mistakes in the way the valuations were done. It was actually to the benefit of the owners in that case, because the valuations were somewhat lower than they should have been by normal and reasonable valuations, given the genuine valuations in the surrounding areas at the time. It is very important for landowners that the valuations be done properly and with professionalism.

There have been a lot of reforms in the methodology and in the way that titles and other aspects of property arrangements are kept now. Reforms over the last years have been very good.

The issue of land tax has been raised. We have had major reforms to land tax. Well over $1.8 billion has been stripped away from land tax. That is a change to the Clark schedule of land tax, which I am sure the member for Box Hill — as a Parliamentary Secretary to the Treasurer in the former government — would be very familiar with. We inherited the top rate from 5 per cent, which is in the Clark schedule, and reduced it to 3.5 per cent, and it is going down to 3 per cent. We have actually raised the threshold.

The member for Brighton, as a Minister for Small Business in the former Liberal government, should have been ashamed that the threshold was actually lowered to $85 000. It captured virtually all the small businesses in the state. We have raised it successfully by well over 100 per cent $200 000.

There have been massive changes in the middle brackets in the last year — if I recall correctly, some $830 million over four years, and a very substantial cap has been stipulated for this year. Refunds were given last year to people following their valuations.

I reject the amendments of the Liberals and The Nationals. People are able to object to valuations when they are received. There is usually a note on the rate notice saying that the valuation might be used for land tax assessment purposes. Generally my advice and that of the State Revenue Office is for owners to work it out when it is received. There is usually a gap of 18 months or two years advance warning so people can work out their land tax liability on the current rates. That would have been hard in our case because we have been cutting the land tax by $1 billion in one year and by $800 million the following year. If you get enough advance warning, it helps with the cash flow management and prediction.

A current provision in the Valuation of Land Act 1960 is section 16(5), which states:

> (5) A person is deemed to be a person aggrieved by a valuation of land if —
>
> (a) the person is liable for or required to pay any rate or tax in respect of land; and
>
> (b) notice of a valuation of the land has not been given to that person by the rating authority which made it or which caused it to be made.

You can actually object to a land tax valuation if you did not see the original rate notice. This is pertinent to small businesses for which the land tax is passed on at the time of the land tax bill, but they had never received the rate notice several years earlier. They can object and have full objection rights to their land tax in that case. That situation, where a person might not know about the land tax, is covered in the Valuation of Land Act 1960.

Businesspeople are usually looking ahead. They are advised to look ahead, and so there is no need for the proposed amendments of The Nationals or the Liberal Party. With advance warning, businesspeople can make plans for the payment of bills in the future by cash-flow management, which is very important for small businesses.

I am pleased that this bill is an improvement to the council valuation process and has a whole range of mediation processes. I commend it to the house.

Mr CLARK (Box Hill) — I rise to speak on the Valuation of Land (Amendment) Bill, particularly in relation to land tax. There is of course a very close link between the two subjects. The valuation regime is vitally important to the assessment of land tax liability. Changes in valuations can have a profound effect on land tax liability, particularly under the progressive scale of land tax. When the land tax scale is not adjusted to reflect changing property values, as has happened by a deliberate policy decision of the Bracks government up until very recently, then relatively small increases in valuation will have a magnified effect on the tax bill.

Yesterday I referred in this house to the case of a couple living in Ashwood, which is in the electorate of the honourable member for Burwood, who pointed out that an unimproved value increase of 236 per cent had resulted in an increase in their land tax bill of 724 per cent — in other words, a vastly multiplied increase as properties are pushed into higher and higher brackets when the government deliberately leaves the brackets unchanged and allows rising property values to reap the consequence of higher bills and therefore higher revenue into the government's coffers.

The second reason for the close nexus between valuations and land tax is the use of indexation factors in the calculation of land tax liabilities in every second year. In 2005 land tax bills were determined by reference to indexation factors, and some of the indexation factors handed down by the Valuer-General were strikingly high, to say the least. From memory, there was a 46 per cent indexation factor in Geelong and an indexation factor of 36 per cent in Ballarat and of 40 per cent in Bendigo. What that means as a matter of logic is that over a two-year period, on the basis of those indexation factors, land values in the relevant municipality will have gone up by twice the amount of the indexation factor used in one year. As a matter of

mathematics, that is by 92 per cent in Geelong, 72 per cent in Ballarat and 80 per cent in Bendigo over a two-year period.

Certainly a number of valuers questioned how those indexation factors could be justified and whether they were borne out by the actual changes in land values in the municipalities concerned. Nonetheless, those were the indexation factors that were decreed by the Valuer-General, and therefore those were the indexation factors that were used last year to escalate the land values that had applied to properties in the previous year for the purposes of determining their land tax liability.

Again, the consequences were very fierce indeed — for example, taking an indexation factor of 38 per cent, if you had a property that was valued at $300 000 in 2004, it would have been liable for $400 in land tax. Applying that indexation factor in 2005, even after the so-called cuts the government has much trumpeted, the land tax bill would have risen to $628 and, depending on exactly how you follow through the arithmetic of that indexation factor to the 2006 year, a land tax bill of perhaps $856 in 2006 — a more than doubling of the land tax bill in just two years. For all those reasons valuations are vital to the liability of tens of thousands of taxpayers around the state, and thus the integrity of the valuation system is vital to their interests.

As the member for Hawthorn has outlined, there has been quite a history to the measures that are now before the house. On 19 January 2005 the then Acting Minister for Planning, Minister Pandazopoulos, proudly trumpeted a suite of reforms that he claimed would lead to fairer and more equitable property valuation procedures. As the member for Hawthorn has documented, most of the changes foreshadowed at that time have now gone out the window, I think largely because they were recognised as — and the government was under increasing pressure for the fact that they were — anything but fair and equitable.

By way of example I refer to an article that appeared in the *Whitehorse Leader* of 4 May 2005 under the heading 'Land tax rise by "stealth"', and this was not an issue that was being raised by the opposition. The opening paragraphs are as follows:

> State government changes to property valuations will 'increase land tax by stealth', according to local government valuers.
>
> Changes proposed by the Valuer-General would force councils to take into account the full value of any planning permits on the land when calculating site value — even if the development is not yet built.

The article went on to document the consequences of that. This had all the hallmarks of being yet another revenue grab being lined up by the state government. I pay tribute to the actions of various valuation groups, the Real Estate Institute of Victoria (REIV) and law firm Hunt and Hunt, amongst others, in pointing to the potential consequences of the proposals contained in the directions paper.

As the member for Hawthorn said, the bill that comes before this house has in many respects been greatly stripped down compared with the quite harsh provisions that were being proposed back in January 2005. However, there is one particular provision that I want to refer to — that is, the government's failure to deal with the issue of whether or not people should have the right to object to their land valuation at the time they receive their land tax bill. Despite the fact that clause 15 of the bill rewrites section 18 relating to the timing for lodging of objection, the government has made no change on that front.

We have just heard the member for Burwood saying that there was no need for the amendments proposed by the Liberal Party and The Nationals. Despite the attempted justification by the member for Burwood, this has increasingly become a catch-22 situation for many land taxpayers. They receive a council rate notice which these days is almost always based on capital improved value, or if not on that then on net annual value, which is an enormous change from past times when many municipalities used site value for their own rating purposes. Now site value is an irrelevant data line on just about every council rate notice.

The member for Burwood referred to narrative in the text of the rate notice referring to the fact that the site valuation could be relevant to other taxation matters. But time and again ratepayers receive their rate notice, look at whether their council rates have gone up and heave a sigh of relief or fume in anger as the case may be, pay the bill and put the document to one side — and it is only months later when they get their land tax bill that they realise exactly how important that apparently insignificant figure on the rate notice was. But by then it is too late and the government says — 'Gotcha! You have lost your chance; pay up into our coffers'. This is unjust, and the government has put forward no good reason whatsoever for why people should not have the right to object to their valuations at the time they receive their land tax bill, whether or not they were given notice of the valuation figure on their council rate notice.

We on this side of the house believe that should be changed. We have committed to a Liberal government

making that change if it is not made by the current government. In the meantime we appeal to the government to see fairness, basic equity and justice and decency to taxpayers, and therefore to accept the amendment that we are putting forward so that people will have the right to object to their land valuation at the time they receive their land tax bill.

Ms D'AMBROSIO (Mill Park) — I am pleased to speak in support of the Valuation of Land (Amendment) Bill. In so doing I wish to make the observation that Victoria's land valuation system has a reputation of providing a fair, equitable and transparent means of rating properties. In a way the bill represents the culmination of the government's commitment to further enhancing the Valuation of Land Act. Put simply, the bill seeks to enhance the fairness of the valuation process by improving the means by which objectors can seek a review of a valuation of land.

The bill also introduces improvements to information exchange during the objection process and strengthens the role of the Valuer-General in that process. The past 20 years have seen a significant cultural shift in community expectations of government. The community has come to demand more of government in how decisions are made and are seen to be made. That goes right down to how fines and fees are applied, to valuation of property and how taxes are used. It is not a surprise that the relationship between government and the community has evolved to respond to that shift — any decent government would do that. I suggest that the saturation of the community through multimedia has brought government processes and systems to a heightened immediacy and therefore greater scrutiny and judgment by the community. Good, responsive governments take steps to improve systems to satisfy that heightened degree of scrutiny by, and ultimately accountability to, the community. I am pleased to say that this government does just that.

I refer to the steps by which the bill will achieve those objectives and marry good government with community expectations. The bill focuses on the objection process by encouraging early mediation between objecting ratepayers and the local government valuer and the resolution of objections by ratepayers. It does so by encouraging the municipal valuer and the objecting ratepayer to enter into purposeful discussions about a valuation by a municipal valuer.

The bill mandates information exchange between the parties in cases involving high-value properties. Regulations with the finer detail of that will be forthcoming soon. The process will of course be open to public input by and consultation involving all the relevant stakeholders through a regulatory impact statement, which will ensure that the proposed regulations will have full oversight by anyone in the community who has an interest in this matter. As a member of the Scrutiny of Acts and Regulations Committee and the regulations subcommittee I certainly look forward to going through that.

The bill provides an additional two months for information exchange prior to any progression that is chosen by the objector — that is, either the Victorian Civil and Administrative Tribunal or the Supreme Court, which is maintained as an avenue of appeal. The bill also improves the rights of the objector to seek review. Sometimes the principal act leads to confusion among ratepayers, who usually depend on their local council to lodge a review with a reviewing body, which is usually VCAT. If a council is not timely in lodging a review, that can lead to frustration for both parties.

The bill allows the ratepayer to fairly much control the timing and the submission process of their application to VCAT or beyond. That is a good thing. Usually a ratepayer objects to a valuation because they consider it to be too high. In those instances the ratepayer is the aggrieved party. As the bill seeks to facilitate resolution of an outstanding matter that cannot be resolved by mediation it has to be a good thing and it has to be making a positive change to the act.

Councils can also feel confident because the bill gives them greater flexibility in the awarding of costs by VCAT or the Supreme Court, whichever jurisdiction is reviewing a matter. I understand from anecdotes that the existing lack of flexibility in the awarding of costs can cause some councils to not fully pursue or defend a valuation that they otherwise could. The introduction of greater flexibility for the two jurisdictions in reviewing a disagreement about a valuation will assist in ensuring that all the facts are presented so that there can be a full and proper review.

An important sting in the tail, though, is that with that greater flexibility comes allowing the tribunal or court to consider the attempts by both parties to deal with or resolve an issue through mediation. The bill basically signals to the parties involved that it is worth their while to seek through mediation a resolution to any disagreement about a valuation before the matter is brought before the tribunal or the Supreme Court. Again, members can see that the bill is very much weighted towards mediation, with the value of the mediation to be taken into account when the matter is presented to a jurisdiction because mediation has failed. That places an imperative on both parties to fully and reasonably exhaust all their means of reaching a

resolution in an attempt to not go further, which of course costs all the parties concerned money. The focus is clearly on avoiding the continuation of disputes down the jurisdictional road.

The third way that the bill reflects the heightened community expectation that processes will be more highly responsive to its expectation of government is that it enhances the role of the Valuer-General. With respect to the uniformity of the principles upon which valuations are based, I would describe the Valuer-General as the keel on the yacht. Currently the Valuer-General can allow or disallow adjustments emanating from successful objections. The bill clarifies and simplifies that function by providing that the Valuer-General will have the authority to decide whether a valuation is correct. That will provide greater certainty — and specificity, if you like — in the role of the Valuer-General regarding a successful objection. That decision must then be given to council in writing, of course.

The bill further provides that the Valuer-General is required to certify all supplementary valuations prior to their reference to external authorities. Again, the bill will inject the process with a greater focus on consistency of application and consideration by the Valuer-General, neither of which has ever been in doubt. The point is that the Valuer-General will be seen to be making decisions in full public view, which also enhances the confidence of the community in our processes. I wish to make it clear that there are no dangers relating to the indexation factors in this bill, and I commend it to the house.

Mr KOTSIRAS (Bulleen) — I was not going to speak on this bill, but I decided to stand up because I cannot believe the rhetoric that I am hearing from those on the other side. They claim to represent all Victorians, including the workers, yet land tax is going up. I have to say this is one of the biggest issues that the constituents of Bulleen come to see me about. They cannot understand why this uncaring government is ensuring that land tax increases, year after year. They work hard simply to be able to afford to buy a home, and possibly a second home, yet they are slugged by this government, year after year.

This government cannot be trusted to reduce taxes. It needs more money for political advertising, for major blow-outs in major projects and for expensive consultants. When the government pays $1000 a day to a consultant, despite the fact that the number of public servants in the last seven years has gone up by about 20 per cent, one has to ask what the other public servants are doing. It is understandable why the government has to raise more money — it is to pay for the consultants and the extra public servants.

Tax bills are going up, not down. Land tax has increased over the last few years by 20 per cent. Land that is valued at $840 000 will incur a bill of $2380 compared to a $1730 bill last year — that is, an increase of about 38 per cent. Land valued at $1.4 million will pay $8730 in land tax compared to $7500 last year — that is, an increase of about 16 per cent. Over the seven years the Labor Party has been in government, the numbers have gone up, year after year.

The 1999–2000 total land tax take was $411 million; in 2000–01 it went up to $525 million; in 2002–03 it went up to $654 million; in 2003–04 it went up to $748.5 million; and in 2004–05 it went up to $847.8 million. That is an enormous increase over the last seven years. What is this government doing with the money? It will claim it is spending it on teachers and police, but the government is spending it on political advertising, more consultants and more public servants in its departments. The opposition has told the government how it can reduce land tax, but it is not paying attention.

The member for Hawthorn has circulated an amendment. If the government had any compassion or if it cared, it would support the member for Hawthorn's amendment. I am surprised that the backbenchers have never once, in the last seven years that I have been in Parliament, stood up against the minister. They just sit there like mushrooms being fed garbage. They take it because they do not have the courage to stand up and go against the minister.

It is disappointing that they are refusing to decrease land tax. In fact, they ensure that land tax increases year after year, simply to pay for their blow-outs and the fact that they cannot complete any single major project on time.

The ACTING SPEAKER (Ms Campbell) — Order! I ask the member for Bulleen to return to the bill.

Mr Trezise interjected.

Mr KOTSIRAS — I thank you, Acting Speaker. The member for Geelong will have his turn in a few minutes — —

The ACTING SPEAKER (Ms Campbell) — Order! I remind the member for Bulleen that interjections are disorderly and should be ignored. The member will return to the bill.

Mr KOTSIRAS — I should ignore it, but the member for Geelong — —

The ACTING SPEAKER (Ms Campbell) — Order! The member for Bulleen will return to the bill.

Mr KOTSIRAS — The bill needs to be changed. I urge members on the other side to support the amendments to be moved by the member for Hawthorn. They make sense; they are good amendments. I urge members on the other side to listen, to do something and to be proactive, rather than just sitting there and taking it from the minister. They have just been ignoring their constituents, and it is about time they stood up for them.

Mr TREZISE (Geelong) — I am very pleased to be speaking in support of the Valuation of Land (Amendment) Bill 2006. I can assure you, Acting Speaker, that I will very much stick to the bill and its importance, unlike the member for Bulleen who did not bother once to stick to the bill before the house. I agree with the member for Bulleen that many members of Parliament have constituents who enter their offices, concerned with the land valuation process. The importance of this bill is that it addresses many of the issues that are raised by constituents on a relatively regular basis.

I think this bill is typical of a Bracks government bill in that it has been subject to an extensive consultation process with various stakeholders that are affected by it. For example, the bill is born out of the government's Land Information Output Review 2003 which recommended changes to the Valuation of Land Act. As part of the consultation process, a discussion paper was released in mid-2004; and a directions paper, in early 2005.

Also, as part of this extensive consultation process that I alluded to before, in mid-2005 a stakeholders round-table meeting was held by various stakeholders who were affected by the bill — that is, the Property Council of Australia, the Australian Property Institute, the Municipal Association of Victoria, the Revenue Managers Association, the Law Institute of Victoria, the Real Estate Institute of Victoria — and the list goes on. These bodies met and all had input to the round-table discussion. As a culmination of that process, Parliament has a very good bill before it tonight.

Overall, the bill amends the Valuation of Land Act 1960 by doing a number of important things. For example, it introduces improvements to the information exchange between parties during the valuation objection process. Importantly, it increases the objector's rights to seek such a review and strengthens the role of the Valuer-General in the objection process. The bill improves and enhances the valuation objection process in Victoria. I know that constituents and ratepayers in my electorate of Geelong will greatly appreciate the changes that are being made to the objection process through this bill.

It provides a fairer objection process for many property owners.

Mr Baillieu interjected.

Mr TREZISE — The member for Hawthorn asks me how. There are a number of ways in which the bill will improve the procedures that apply to property owners and councils involved in the valuation process. For the information of the honourable member for Hawthorn, who does not seem to know, it will encourage mediation rather than litigation. This is a major step forward in the valuation process in Victoria. It will also provide a fairer process for awarding costs, and it will strengthen the Valuer-General's role in the objection process, including the certification of supplementary valuations, which is also an important step forward. It will give councils better mechanisms for objections and will provide objectors with more control of the objection process, including the mandatory exchange of information on high-value properties, which will be greatly appreciated and no doubt utilised by many property owners in Victoria.

The Bracks government, through the bill, is ensuring that all Victorians have a fairer process for objecting to council property valuations. I recommend the bill to the house and wish it a speedy passage.

Mr HOLDING (Minister for Police and Emergency Services) — I am happy to make a contribution, like other honourable members, on the Valuation of Land (Amendment) Bill. This is an important piece of legislation — as is the principal act, which this bill seeks to amend — because it not only provides for the valuation of land and the collection of council rates, which are worth a significant amount to municipalities across Victoria which provide a huge and diverse range of services, but also supports the collection of land tax revenue in Victoria. In recent years municipal rates were worth approximately $1.6 billion to municipalities across the state, as well as the $824 million that was collected in land tax revenue in 2004–05.

The amendments in the legislation are significant, because they do several things. Firstly, they improve considerably the objection review and appeal process

which underpins the legislation. They also support and clarify the arrangements by which the office of the Valuer-General will be able to certify supplementary valuations in accordance with the legislation. The legislation makes a range of amendments that amongst other things will clarify some of the arrangements for biennial valuations, which were introduced by legislation in 1998, as well as amending other pieces of legislation in support of these measures.

Most of the provisions in the legislation will come into effect on 1 July 2006, with the exception of the provisions relating to high-value properties, which will require a regulatory impact statement (RIS) and will come into effect at the conclusion of the RIS process on or before 1 July 2007.

The amendments are the result of an extensive review which arose out of the 2003 process led by the Department of Sustainability and Environment. That included not only a discussion paper but also a directions paper and involved extensive consultation with a broad range of stakeholders, as the member for Hawthorn will be aware. The process that led to the amendments that are being considered by the chamber was the first significant review of the sections of the Valuation of Land Act since it was brought into effect. This is a timely review and a very significant process.

I stress that the legislation makes no changes to the definition of 'highest or best use', the capital improved valuation process or the site value process, nor does it change the basis upon which municipal valuations are conducted. The bill will not in any way cause site values to be altered or land tax to be increased. That will be reassuring to land tax payers across Victoria. There will also be no change in the frequency of valuations.

Most Victorians understand and support the biennial valuation process which is contained in the legislation introduced in 1998. This bill does not seek in any way to change those arrangements. It makes clearer the procedures for objecting and for exchanging information as part of the objection process. It makes the time frames clearer as well as fairer, and in some instance extends the time frames within which the objection process is conducted and the exchange of information that takes place. These are good reforms. It is important that all land tax payers have confidence that the process supports their rights to lodge objections and their rights to have their land tax assessments properly reviewed. Land tax payers can be confident that the process is robust and fair and includes clear statements about what information is provided and the time frame in which these processes will be undertaken. These are good changes that enhance and support the rights of land tax payers in a number of different ways. Clarifying and extending objection time frames further protects land tax payers and enshrines their rights in a superior way.

The legislation supports land tax payers in a range of other ways. It makes it very clear that there will be greater certainty in terms of both time frames and the information that is provided to land taxpayers as part of the exchange of information process, which is about supporting them and making sure they are confident that the land tax assessments and the valuations that underpin them are robustly struck and are carried out in a way that supports them. It is properly reflected not only in the valuation process but more importantly in the land tax assessments that they receive.

These and the land tax changes that have been made are part of a broader range of amendments to taxation arrangements, business taxes and land tax arrangements that the state government has introduced over the last seven years. They are part of the Bracks government's ongoing commitment to building fairer and superior business tax and land tax arrangements, whether in relation to land tax itself or to other taxes that have an impact on businesses and private citizens. That includes the payroll tax system and the significant reduction in payroll tax that the government has introduced. More broadly it relates to things such as the significant and successive reductions in WorkCover premiums that have been a hallmark of the Bracks government in recent budgets.

The bill contains proposed changes to the principal piece of legislation, the Valuation of Land Act, as well as to the Victorian Civil and Administrative Tribunal Act, the County Court Act and other important acts of Parliament. The changes will improve the operation of the valuation of land legislation. They will not only significantly improve the operation of the principal act but also make sure that Victorian taxpayers can be very confident of the valuation process which underpins their land tax assessments and that there has been a full and frank exchange of information prior to the conclusion of those land tax assessments. Those changes will also ensure that time frames which are provided to taxpayers as part of this objection process are fair and reasonable.

The government obviously does not support the amendments which have been suggested by The Nationals and the Liberal Party, but we support the Valuation of Land (Amendment) Bill before the house. We know it will improve the operation of the act, and we wish it a speedy passage.

Ms DUNCAN (Macedon) — It is my pleasure to speak on the Valuation of Land (Amendment) Bill 2006. Having listened to the member for Bulleen's contribution, it is clear yet again not only that he has not read the bill but that he has not even studied his own shadow minister's amendments. If he had read the bill, he would know that everything he said about the bill was completely incorrect. The amendments in the bill will not result in any land tax increases but will simply streamline the objection process, ensure greater equity in the objection process, and better quality and transparency in the valuation process.

It is critical that people have confidence in the way in which properties are valued. There is nothing that gets people more hot under the collar than thinking that their property has been overvalued and that they are consequently paying too much council rates, land tax or whatever the case may be. This bill makes no changes to the way in which properties are valued. It makes no changes to their site value. It makes no change to land values. The opposite of virtually everything the member for Bulleen said is in fact the case.

The bill makes a number of changes to the current processes. Briefly, it sets clear time limits for the lodging of an objection to a land valuation. Objectors will still have two months to object to their evaluation, and there will be time lines for the remainder of the objection review process. It will encourage a better exchange of information between objectors and councils during the objection process — the emphasis is on mediation rather than litigation.

It will provide more time for councils and objectors to resolve these disputes before making an application for review to the Victorian Civil and Administrative Tribunal. It will enable property owners to apply directly to VCAT or the Supreme Court, which will then give them much more control over the process. As we know, now property owners have to ask councils to lodge an objection review on their behalf. The current situation that exists is bizarre. This is a good bill. I think people will be very pleased with the changes it makes. I commend the bill to the house.

Mr NARDELLA (Melton) — I want to congratulate the honourable member for Hawthorn, who represents the Liberal Party, and the honourable member for Shepparton, who represents The Nationals, because they have done the hard work. Unlike their work on the education and disability bills that passed this place, when they were extremely lazy and put forward reasoned amendments — the lazy way to go about things — the honourable members for Hawthorn and Shepparton have prepared and circulated some amendments.

Of course the government will reject them, but at least they have done the hard work. We will reject their amendments because they take away from the bill a process where the independent Valuer-General looks at valuations. From my reading of the circulated amendments, that would be their effect if they were carried. That is the wrong way to go about it.

The Bracks Labor government, being an open and transparent government, wants to have independent processes and independent people who look at the valuation of land so that both the rates and any land tax that is levied on properties are levied on proper rates. This bill builds on the fairness of this process, which fairness would be removed if the house accepted the amendments of the honourable members for Hawthorn and Shepparton.

You, Acting Speaker, have to understand that we undertook an extensive consultative process before this legislation came before the house. It is a pity that the honourable member for Hawthorn is not here, because he would have understood that undertaking a consultative process with all stakeholders was something that was rare during the seven long dark years of the Kennett Liberal government. Yet, as the honourable member for Geelong pointed out, in 2004 the process of consultation started.

That does not mean that an agreement will come out of that process, but it does mean that all the stakeholders are heard in that process. That is one of the most important aspects and the philosophical differences between us: a Labor government which is prepared to go out, listen and consult; and an opposition which trampled on people's rights when it was in government. The amendments demonstrate that opposition parties do not like the independent Valuer-General playing any part in this process.

Business interrupted pursuant to standing orders.

ADJOURNMENT

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

That the house do now adjourn.

Timbertop Drive–Stud Road, Rowville: traffic lights

Mr WELLS (Scoresby) — I would like to raise a matter of concern with the Minister for Transport. I ask him to take immediate action to make the funds available to have traffic lights installed at the intersection of Timbertop Drive and Stud Road in Rowville. There is no doubt this intersection is becoming a death trap. Figures obtained from Knox City Council recently show that traffic volumes in 2004 of 55 000 vehicles per day drive up and down Stud Road in that Rowville section. That is an extraordinary amount of traffic.

The problem we have is that as the area develops and has more and more houses, people are not able to get out of the estates onto Stud Road. There was a situation in Scoresby some years ago where traffic lights were installed in George Street to allow the traffic to get out safely onto Stud Road. There is the same situation at Timbertop Drive estate where cars trying to get out onto Stud Rd are finding it very difficult. If they are travelling north, there is a massive wait to try to get into the traffic. But more importantly, and the more dangerous aspect of this, is when they travel across the main median strip, they wait in the so-called safety zone to be able to turn right to head south down to Dandenong. This will become more and more important when the Scoresby freeway — the Scoresby tollway — is built and they head south to get on to the Monash Freeway to travel either into the city or out to the eastern suburbs.

This situation is now occurring more and more often. The traffic along Stud Road is bumper to bumper; it is becoming very congested. As the estates grow they are becoming more and more congested and dangerous.

An honourable member interjected.

Mr WELLS — This situation may or may not ease when the Scoresby tollway is built, but in the meantime we need these traffic lights to be installed to make sure people can get in and out of Timbertop Drive estate safely.

Knox City Council has approached me. It moved a motion on 25 October 2005 and it has been pushing this. We met about four weeks ago and it was keen for this to be raised in Parliament to get the minister to instruct VicRoads to make money available so we can get this project moving along as quickly as possible. We do not want a situation where there is a serious accident. We believe that if the minister takes immediate action we can avoid this and make it safe — —

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

Footscray electorate: women's community leadership program

Mr MILDENHALL (Footscray) — I raise a matter for the Minister for Women's Affairs. I request the minister to award additional grants to the Footscray electorate for the women's community leadership program. I know that since the grants were first made available 74 groups and 12 individuals across the state have been successful, but in my electorate there have been some very significant allocations with some quite interesting outcomes.

Two women in particular, Kelly Linnell of the Braybrook and Maidstone Neighbourhood Association and Faten Mohammed of the African Community Development Centre, or ACDC as it is commonly known in the area, have come through these programs and established themselves firmly as community leaders in the local area. Kelly Linnell was awarded an individual grant of $2000 in 2003 and has used that money to build on her leadership skills through pursuing a range of leadership training and activities, including training on project management, public speaking, IT training and governance issues.

Women's Health West received its $5000 grant in the same year to run a young women's leadership program. That aimed to give 10 young women from diverse backgrounds new skills and knowledge in areas such as health, communication, event management and careers. It was so successful that Women's Health West has just had its second group of young women graduate from the program. Faten Mohammed is one such graduate. She is now the public relations officer of the African Community Development Centre, a member of the western young people's independent network and she contributed very constructively to a youth forum I conducted recently as part of the government's refreshing its youth policy program. She is always looking at new ways to engage with the local community.

It is no secret that in my community we have many issues that women and the community generally face particularly for some of the newly arrived cultures — isolation, discrimination and intolerance, family violence and disability, to name a few. I will be strongly encouraging women in the local community to apply for these grants particularly based on the success rate we have had from the graduates in recent years. I commend them on their work and I ask the minister to continue — —

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

Bridges: Echuca–Moama

Mr MAUGHAN (Rodney) — I wish to raise a matter for the Minister for Transport. I seek from him an update on the progress of building a second Murray River crossing at Echuca–Moama. I refer to the minister's visit to Echuca on 24 February, together with the Minister for Aboriginal Affairs in the other place, the chief executive officer of VicRoads and the regional manager of VicRoads, and specifically to the meeting with representatives of both the shires of Campaspe and Murray.

As the minister would be well aware, the Echuca community has consistently expressed its support for the western option, and this position has been strongly and consistently advocated by the Shire of Campaspe and the Shire of Murray. I have certainly supported them in that stance. I note the minister's comments that the best results on this issue would be to deliver a second river crossing that has the support of local residents and council while also respecting the rights and cultural heritage of the local Aboriginal people. I also note the minister's comments that he is simply unable to build a bridge in the west because of the current commonwealth legislation and the Yorta Yorta council of elders very strong objections to the western option.

The Yorta Yorta have publicly stated that they are not against a bridge but not at the expense of their cultural heritage. I understand that a meeting has been arranged between the shire and the Yorta Yorta to discuss these issues, which is a development I very much welcome.

Any progress on construction of a new bridge has been at a stalemate for some 12 months, or probably a bit more than 12 months. The existing bridge is unlikely to be able to continue to cope with the volume and weight of traffic that it is currently carrying. I seek from the minister an update on what progress has been made in resolving any outstanding matters that are currently inhibiting VicRoads from proceeding with the construction of the western option which the Shire of Campaspe and the Echuca community have very clearly indicated is their preferred option.

I also seek the minister's assurance that the New South Wales government is in fact committed to its share of the funding and that any escalation in costs will not now mean that the bridge and its approaches will be built over time rather than as one continuous process.

Calder Highway: funding

Ms DUNCAN (Macedon) — The matter I wish to raise is for the attention of the Minister for Transport. The action I seek from the minister is that he take all necessary action to ensure funding is forthcoming to upgrade the Calder Highway just north of Keilor. I know the minister has committed $20 million towards new interchanges on the Calder Highway and I ask him to continue to lobby the federal government for its contribution to this road of national importance as a matter of urgency.

There are a number of at-grade intersections on this section of road and with ever-increasing volumes of traffic, these intersections have become more and more dangerous. Some works have recently been completed or are in the process of being completed by VicRoads along this section of road to improve safety until the interchanges are completed. These works include reducing the speed limit to 80 kilometres per hour and preventing a number of turns across the highway. While these measures have certainly helped improve safety, they are essentially short-term measures. We need proper interchanges at Sunshine Avenue, Kings Road and Calder Park Drive. This is a road of national importance and, as such, is jointly funded by the state and federal governments.

Victorians are sick of being ripped off over road funding by the federal government. Instead of working with the state government and supporting it in its efforts to get a fair share, the Victorian Liberals laugh and criticise its efforts to get the federal government to commit to Victoria its share of funding. Victoria's fuel levies are being used to fund roads in other states — it is as simple as that — and rather than the Victorian Liberals ignoring this and showing that they are Liberals first and Victorians last, they should support the government in its efforts to secure this funding.

If we could get our share of this federal funding, not as some gift but what is our share, and if the federal government meets its own responsibilities to fund these types of roads, work on this highway could commence immediately. Victoria receives less than 18 per cent of national road funding even though Victorian motorists pay more than 25 per cent of fuel levies collected by Canberra.

I know the minister has repeatedly requested the federal government to commit its share to the project. We have this argument with it again and again right along the length of the Calder Highway, where it is always dragging its feet to contribute its part of this funding. We need to constantly remind it that as a road of

national importance it has to have half of the responsibility of funding this road and many other projects across the state.

I ask the Minister for Transport to continue to work towards getting this funding from the federal government, to continue to lobby the federal government and to continue to highlight the inequities in road funding across this state. I ask him to continue that as a matter of urgency.

Roads: rest areas

Mr MULDER (Polwarth) — I call on the Minister for Transport to clean up our tourist and truck rest areas along major highways. What is needed is for the minister to have VicRoads conduct an audit of all rest areas across the state to monitor the performance of contractors engaged in maintaining the rest areas and provide priority to these projects over and above weight loss programs for taxidrivers, parties for incomplete rail projects and farce trains that have got the stitch! What about some of the $80 million in wasted taxpayer-funded advertising going into projects such as this?

Recent inspections of the Princes Highway west of Geelong and of the Midland Highway paint a bleak picture of the impression international tourists are left with in that we provide no incentive to drivers to take a break. Currently you could not encourage anybody to pull into these stops for a quick nap or a cup of tea. Our roadside stops are an utter disgrace, with the Conns Lane rest area on the Princes Highway littered with rubbish. The seating is broken and damaged, with 4-inch bolts protruding from one of the seats, which would cause serious injury to anybody who took a seat late at night.

The pavement at this rest area is broken, with potholes being a disincentive for weary motorists stretching their legs while taking a well-earned walk. The area surrounding the rest area is littered with rubbish and the line marking is non-existent on parts of the paved area. The rest area is an utter dive and must be fixed up immediately.

The rest area on the Midland Highway just past Bannockburn is even worse, with VicRoads materials, rubbish, old car seats and the remains of the minister's picnic table and seating smashed into the ground. All that remains intact is the concrete pad. In some cases the seating has been completely ripped out of the ground. Just before you reach the rest area along the highway there is a sign with a picnic table indicating that this would be a good place to stop and rest. I would say, 'Try it out, Minister, and see what you think. Pull up at either of these rest areas and take a break, then ask yourself whether that facility would encourage a tired driver to pull over for a break, or would they continue on, fall asleep and have a serious accident?'.

With fatigue being one of the major contributors to fatal crashes causing 25 to 30 per cent of road fatalities, including about 70 deaths and 500 serious injuries every year according to the Transport Accident Commission, surely it would be a priority to provide clean and inviting roadside stops. The seats at these stops are a pain in the posterior, and I can assure the minister that when he or someone else turns up to investigate my claims, they should take a cushion or at least a deck chair.

I have plenty of photographs to support my claims, and I would seek permission to table the photographs at this point in time.

The ACTING SPEAKER (Mr Savage) — Order! Has the member sought permission from the house to — —

Mr MULDER — I have not sought permission of the house to table these photographs, but I would be prepared to make them available to the house for tabling.

The ACTING SPEAKER (Mr Savage) — Order! The member cannot have them inserted into *Hansard* unless he has leave.

Mr MULDER — I would also insist that the minister looks statewide at this problem. It is a very serious issue — —

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

Breakwater Road, Geelong South: bridge

Mr TREZISE (Geelong) — I raise an important issue for action this evening with the Minister for Transport. It concerns the construction of a new bridge at Breakwater, which borders the electorates of Geelong and South Barwon.

In its preliminary examination of the project VicRoads had documented two preferred options for the route of the new bridge. One was to the north of the current road and on to Fellmongers Road. The other was to the south of the current route, joining Leather Street. Within the community of Breakwater there has been much concern over the consultation being carried out by VicRoads as

it applies to its new preferred option of Fellmongers Road.

Local residents do not feel they have been adequately listened to nor the issues addressed. The action I therefore seek from the minister is to ensure VicRoads carries out an extensive and transparent examination process of both the Fellmongers Road and Leather Street options for the Breakwater bridge and that both options be examined by an independent planning panel.

There is no question in my mind that a new Breakwater bridge must be constructed. East-west traffic flow through Geelong and onto the Bellarine Peninsula is a vital transport issue that must be addressed by the government. The existing bridge no longer meets the current, let alone future, traffic demands, and it is unacceptable that the bridge is regularly out of service when the Barwon River floods.

That is not to say that Breakwater Road takes all the east-west traffic. It has been my regularly stated position that all east-west arterials from Malop Street, Myers Street, McKillop Street, Carr Street and Breakwater Road should share the east-west traffic load. However, it is of great concern to many Breakwater Road residents, especially those who will have their homes compulsorily acquired, that VicRoads is not examining both the Fellmongers Road and Leather Street options, but instead has at least a perceived predetermined outcome of utilising the Fellmongers Road route. I note, however, that there is also support for the Fellmongers Road route coming from a number of organisations connected with Belmont Common, including the Friends of Belmont Common.

This is an important issue, and it is my firm belief that before any final decision is made a full and fair process should be undertaken, including an extensive consultation process with all stakeholders, including the residents of Breakwater Road.

Sambar deer: control

Mr INGRAM (Gippsland East) — I raise a matter for the attention of the Minister for Water, who is also the Minister for Environment. I would like to draw the minister's attention to the escalating pest problem in East Gippsland, particularly in some of the most pristine and special isolated areas, with large and increasing numbers of Sambar deer.

The action I seek from the minister is to address this escalation of Sambar deer and put some control measures in place. Whilst the problem may not be easily recognisable to most people — Sambar deer are extremely cryptic in their habits and avoid human contact — in many areas Sambar deer have reached the stage where they are causing significant environmental problems. I use the example of the Snowy River National Park in particular where in many areas Sambar deer have stripped riparian vegetation, and they are removing the ability for the riparian vegetation to grow back on the side of the streams. Basically all the vegetation in some areas is pruned back so that there is no vegetation at all for anything up to 2 metres above the ground.

This has a great impact on the condition of our national parks in some of these areas. The Snowy River National Park, as an example, is protected from shooting. Shooters are not allowed to go into those areas, so we have a large, hard-hoofed animal rampaging through some of our national park areas and doing an incredible amount of damage, but there are no control measures in place.

Sambar deer are also becoming a problem on our roads. Personally I have had a couple of near misses with Sambar deer in the last 12 months. Sambar deer are the size of a cow, and they jump out of the bush on the side of the road at night. A large number of deer have been killed. Just recently I was up at Dargo. Locals in that area are quite concerned about the impact of Sambar deer. Their numbers are escalating.

I had a recent example of a farmer in our area who was fined by the Department of Sustainability and Environment because he had the audacity to shoot a Sambar deer which had trespassed on his property, broken the fence and eaten his grass. He shot it without a permit, so DSE fined him. This is an issue that needs to be addressed by the minister.

When Sambar deer are in national parks they are feral and pest animals and should be dealt with as such. We should make sure there is some way of reducing their number. When Sambar deer stray onto private property they are no longer a game species, they are a pest animal, and farmers should have the right to cull them. The government must open up national parks like the Snowy River National Park for limited periods so that sporting shooters can reduce the number of Sambar deer. Like many pest animals they do incredible damage to our national parks. The problem must be addressed to ensure that the value of those national parks and pristine areas is protected for future generations.

Clyde Road, Cranbourne: duplication

Mr PERERA (Cranbourne) — I would like to raise a matter for the Minister for Transport. I call upon the minister to take action to prioritise and allocate funding for the further duplication of Clyde Road south from Pound Road.

I thank the minister for visiting the Cranbourne electorate this morning for the formal opening of the $8.9 million Clyde Road improvement project. This involved duplicating the road to two lanes in each direction between Cresthaven Boulevard and Pound Road. A third lane running in each direction was constructed between Cresthaven Boulevard and Meadowlands Way. Traffic signals were installed at the Moondarra Drive–Meadowlands Way intersection. The intersection of Clyde Road and Pound Road was realigned. Underground wiring was provided for traffic lights at the Clyde and Pound road intersection to enable traffic lights to operate in a cost-effective way in the future.

The project was the next stage in the ultimate duplication of Clyde Road between the Princes Freeway at Berwick and the South Gippsland Highway at Five Ways. The project's completion is a milestone for the Bracks government's $163.6 million commitment to upgrade key routes in Melbourne's outer metropolitan area. The increased road capacity on Clyde Road will encourage the diversion of the main through traffic currently heading south along High Street, Cranbourne, to this road. The traffic originating in Dandenong South and in suburbs along the coast such as Chelsea, Mordialloc, Cheltenham et cetera, will sensibly take Thompsons Road to get to Clyde Road, bypassing the township and residential areas of Cranbourne.

The impact of current and future traffic levels on the amenity of the Cranbourne town centre was one of the principal factors that brought about the Cranbourne township bypass study, which was completed in June 1999. The study compared two options — the local Cranbourne bypass utilising the existing reservation, and an improved Clyde Road.

This study indicated that an improved Clyde Road route between the Princes Freeway and the South Gippsland Highway would more effectively cater for regional through traffic, in particular heavy trucks and buses. While a local Cranbourne bypass may attract substantial traffic, it would primarily function as a local traffic distributor rather than a regional through road and would not meet the criteria for designation as an arterial road.

Wodonga: land valuations

Mr PLOWMAN (Benambra) — The issue that I wish to raise this evening is for the attention of the Minister for Health. I ask the minister to consider the best interests of the Wodonga and District Health Service, the former Westlands and Vermont Court aged care services, which have merged to form a single aged care service called Westmont, and the major Catholic education centre, the secondary college in Wodonga.

The issue centres on the ability of Westmont to sell Vermont Court, which is on land owned by the Wodonga hospital, at a reasonable price to give it the opportunity to purchase the land available to it to construct a purpose-built aged care facility to cater for up to 100 people from the community and provide facilities for independent living. I ask the minister to meet with the representatives of all these organisations and to also consider that the written-down valuation of Vermont Court made by the Valuer-General is not a fair valuation and is in fact probably only one-third of the replacement value of the existing building.

The minister has the opportunity to influence public opinion in respect of the acceptance of a single health service for both Albury and Wodonga, which is currently the objective of both the Victorian and New South Wales governments. This request offers the minister the opportunity to provide an acceptable outcome for the Wodonga and District Health Service, which needs this additional area and wishes and needs to use this building. It would give both aged care facilities the opportunity to provide a service that would meet the needs of this fast-growing community through the 100-bed service plus the independent living units they propose to build. It would also meet the needs of the Catholic secondary college, which is currently landlocked and needs to buy additional land immediately adjoining it which is owned by Westland. It could use that building to good advantage. It would be of great benefit to the Catholic education sector.

I have discussed this issue with the minister, and I rely on her good judgment to assist all these community organisations to come to an arrangement. It is something the minister could make a determination on that would meet all the needs of this wonderful community.

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

Box Hill: town hall redevelopment

Mr STENSHOLT (Burwood) — The action I seek from the Deputy Premier and Minister for Victorian Communities is financial support for the Box Hill town hall redevelopment. This is a project which is dear to the hearts of many people in the city of Whitehorse and in Box Hill in particular. I have followed this project quite closely in concert with the mayor, Cr Sharon Ellis, her colleague and excellent Box Hill representative, Cr Robert Chong, other councillors and Whitehorse city officials such as Noelene Duff, Terry Wilkinson and especially Helen Killmier and Julie Lyons.

I have a special interest in this on two grounds. Firstly, my electorate includes all of Box Hill South and Burwood, and secondly, at least 14 community groups in Whitehorse will directly gain from this $5 million-plus project.

On behalf of the Whitehorse community I seek the minister's support in the form of a substantial grant, as Box Hill town hall is a prestigious landmark which adds character and vitality to the composition of the city of Whitehorse. It is right next door to the Box Hill business district, the library, the public transport hub and the Box Hill Institute of TAFE. The Box Hill community arts centre is down the road in Station Street, with the hospital around the corner and the local and state service agencies. Its profile, heritage and presence on Whitehorse Road make it a highly strategically important facility.

The redevelopment project has three key features: the creation of a community hub, the development of an arts space, and the refurbishment and upgrade of the town hall spaces and amenity. This project aims to create a community hub where arts and culture can meet with the community. It is a multipurpose community space which will turn this decades-old facility into a 21st-century hub. The annexe will be refurbished to accommodate the vision, which is to bring together a number of community groups currently housed all over Whitehorse into a unique co-location. It will provide a complementary mix of services where people can meet and get information about the council and community services, or meet in the town hall if they wish. They can organise bookings for facilities and community events and attend seminars, classes and other recreational activities.

The building has already started, and the key feature, as I said before, is that 14 groups are going to co-locate in this hub — the migrant information centre of the eastern region, which I should mention has been absolutely dudded by the federal government; the Box Hill community information centre; the eastern community legal centre; the Louise multicultural centre; Whitehorse Boroondara community radio station 94.1 3WBC — and I urge people to tune in and listen to my program on Friday afternoon; the Box Hill Historical Society; the Box Hill University of the Third Age; the Whitehorse Life Activities Club; the Bor African Association; Extended Families Australia; the Eastern Volunteer Resource Centre; the Gateway local learning and employment network; Whitehorse Preschool Association; and the Chinese Health Promotion Foundation. It is a terrific proposal, and I urge the minister to support it.

Responses

Mr PANDAZOPOULOS (Minister for Gaming) — A number of members raised matters for the Minister for Transport: they were the members for Scoresby, Rodney, Macedon, Polwarth, Geelong and Cranbourne. I will pass all those details on to the minister.

The member for Footscray raised a matter for the Minister for Women's Affairs, and I will pass that on.

The member for Gippsland East raised a matter for the Deputy Premier in his capacity as Minister for Environment. I will pass that on to the minister.

The member for Benambra raised a matter for the Minister for Health, and I will pass that on.

The member for Burwood raised an important matter for the Minister for Victorian Communities, and I will pass that on to him.

The ACTING SPEAKER (Mr Savage) — Order! The house is now adjourned.

House adjourned 10.30 p.m.