

**PARLIAMENT OF VICTORIA**

**PARLIAMENTARY DEBATES  
(HANSARD)**

**LEGISLATIVE ASSEMBLY**

**FIFTY-SIXTH PARLIAMENT**

**FIRST SESSION**

**Tuesday, 22 May 2007**

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Professor DAVID de KRETZER, AC

## **The Lieutenant-Governor**

The Honourable Justice MARILYN WARREN, AC

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## Legislative Assembly committees

**Privileges Committee** — Mr Carli, Mr Clark, Mr Delahunty, Mr Lupton, Mrs Maddigan, Dr Naphthine, Mr Nardella, Mr Stensholt and Mr Thompson.

**Standing Orders Committee** — The Speaker, Ms Barker, Mr Kotsiras, Mr Langdon, Mr McIntosh, Mr Nardella and Mrs Powell.

## Joint committees

**Dispute Resolution Committee** — (*Assembly*): Mr Batchelor, Mr Cameron, Mr Clark, Mr Holding, Mr McIntosh, Mr Robinson and Mr Walsh. (*Council*): Mr P. Davis, Mr Hall, Mr Jennings, Mr Lenders and Ms Pennicuik.

**Drugs and Crime Prevention Committee** — (*Assembly*): Ms Barker, Mr Morris, Mr Delahunty, Mrs Maddigan and Mr McIntosh. (*Council*): Mr Leane and Ms Mikakos.

**Economic Development and Infrastructure Committee** — (*Assembly*): Ms Campbell, Mr Crisp and Ms Thomson. (*Council*): Mr Atkinson, Mr D. Davis, Mr Tee and Mr Thornley.

**Education and Training Committee** — (*Assembly*): Dr Harkness, Mr Herbert, Mr Howard and Mr Kotsiras. (*Council*): Mr Elasmarr, Mr Finn and Mr Hall.

**Electoral Matters Committee** — (*Assembly*): Ms Campbell, Mr O'Brien, Mr Scott and Mr Thompson. (*Council*): Ms Broad, Mr Hall and Mr Somyurek.

**Environment and Natural Resources Committee** — (*Assembly*): Ms Duncan, Mrs Fyffe, Mr Ingram, Ms Lobato, Mr Pandazopoulos and Mr Walsh. (*Council*): Mrs Petrovich and Mr Viney.

**Family and Community Development Committee** — (*Assembly*): Ms Beattie, Mr Dixon, Mr Perera, Mrs Powell and Ms Wooldridge. (*Council*): Mr Scheffer and Mr Somyurek.

**House Committee** — (*Assembly*): The Speaker (*ex officio*), Ms Beattie, Mr Delahunty, Mr Howard, Mr Kotsiras, Mr Scott and Mr K. Smith. (*Council*): The President (*ex officio*), Mr Atkinson, Ms Darveniza, Mr Drum, Mr Eideh and Ms Hartland.

**Law Reform Committee** — (*Assembly*): Mr Brooks, Mr Clark, Mr Donnellan and Mr Lupton. (*Council*): Mrs Kronberg, Mr O'Donohue and Mr Tee.

**Outer Suburban/Interface Services and Development Committee** — (*Assembly*): Ms Green, Mr Hodgett, Mr Nardella, Mr Seitz and Mr K. Smith. (*Council*): Mr Elasmarr, Mr Guy and Ms Hartland.

**Public Accounts and Estimates Committee** — (*Assembly*): Ms Graley, Ms Munt, Mr Scott, Mr Stensholt, Dr Sykes and Mr Wells. (*Council*): Mr Barber, Mr Dalla-Riva, Mr Pakula and Mr Rich-Phillips.

**Road Safety Committee** — (*Assembly*): Mr Eren, Mr Langdon, Mr Mulder, Mr Trezise and Mr Weller. (*Council*): Mr Koch and Mr Leane.

**Rural and Regional Committee** — (*Assembly*): Mr Eren and Mr Northe. (*Council*): Ms Darveniza, Mr Drum, Ms Lovell, Ms Tierney and Mr Vogels.

**Scrutiny of Acts and Regulations Committee** — (*Assembly*): Mr Brooks, Mr Carli, Mr Jasper, Mr Languiller and Mr R. Smith. (*Council*): Mr Eideh, Mr O'Donohue, Mrs Peulich and Ms Pulford.

## Heads of parliamentary departments

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

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

*Parliamentary Services* — Secretary: Dr S. O'Kane

## MEMBERS OF THE LEGISLATIVE ASSEMBLY

### FIFTY-SIXTH PARLIAMENT — FIRST SESSION

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**Deputy Speaker:** Ms A. P. BARKER

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**Leader of the Parliamentary Labor Party and Premier:**

The Hon. S. P. BRACKS

**Deputy Leader of the Parliamentary Labor Party and Deputy Premier:**

The Hon. J. W. THWAITES

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

Mr E. N. BAILLIEU

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

The Hon. LOUISE ASHER

**Leader of The Nationals:**

Mr P. J. RYAN

**Deputy Leader of The Nationals:**

Mr P. L. WALSH

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Asher, Ms Louise	Brighton	LP	Lupton, Mr Anthony Gerard	Prahran	ALP
Baillieu, Mr Edward Norman	Hawthorn	LP	McIntosh, Mr Andrew John	Kew	LP
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Beattie, Ms Elizabeth Jean	Yuroke	ALP	Merlino, Mr James Anthony	Monbulk	ALP
Blackwood, Mr Gary John	Narracan	LP	Morand, Ms Maxine Veronica	Mount Waverley	ALP
Bracks, Mr Stephen Phillip	Williamstown	ALP	Morris, Mr David Charles	Mornington	LP
Brooks, Mr Colin William	Bundoora	ALP	Mulder, Mr Terence Wynn	Polwarth	LP
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Burgess, Mr Neale Ronald	Hastings	LP	Napthine, Dr Denis Vincent	South-West Coast	LP
Cameron, Mr Robert Graham	Bendigo West	ALP	Nardella, Mr Donato Antonio	Melton	ALP
Campbell, Ms Christine Mary	Pascoe Vale	ALP	Neville, Ms Lisa Mary	Bellarine	ALP
Carli, Mr Carlo Domenico	Brunswick	ALP	Northe, Mr Russell John	Morwell	Nats
Clark, Mr Robert William	Box Hill	LP	O'Brien, Mr Michael Anthony	Malvern	LP
Crisp, Mr Peter Laurence	Mildura	Nats	Overington, Ms Karen Marie	Ballarat West	ALP
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Hulls, Mr Rob Justin	Niddrie	ALP	Trezise, Mr Ian Douglas	Geelong	ALP
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Jasper, Mr Kenneth Stephen	Murray Valley	Nats	Wakeling, Mr Nicholas	Ferntree Gully	LP
Kosky, Ms Lynne Janice	Altona	ALP	Walsh, Mr Peter Lindsay	Swan Hill	Nats
Kotsiras, Mr Nicholas	Bulleen	LP	Weller, Mr Paul	Rodney	Nats
Langdon, Mr Craig Anthony Cuffe	Ivanhoe	ALP	Wells, Mr Kimberley Arthur	Scoresby	LP
Languiller, Mr Telmo Ramon	Derrimut	ALP	Wooldridge, Ms Mary Louise Newling	Doncaster	LP
Lim, Mr Muy Hong	Clayton	ALP	Wynne, Mr Richard William	Richmond	ALP



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**Tuesday, 22 May 2007**

**The SPEAKER (Hon. Jenny Lindell) took the chair at 2.04 p.m. and read the prayer.**

## **BUSINESS OF THE HOUSE**

### **Filming of proceedings**

**The SPEAKER** — Order! I wish to advise the house that I have given approval for the filming of proceedings today and on Thursday. There will be four additional cameras in the chamber: one camera will be located in the media gallery; one in the upper public gallery; one in the microphone operator's area; and one in the wheelchair viewing area. No additional lighting will be used. The footage will be used by the Parliament for promotional and educational purposes.

## **QUESTIONS WITHOUT NOTICE**

### **Member for Derrimut: conduct**

**Mr BAILLIEU** (Leader of the Opposition) — My question is to the Premier. I refer the Premier to his comments in March that he had commenced an investigation into references provided by Labor members of Parliament, and I ask: when was the Premier first advised by the member for Derrimut, his parliamentary secretary, that he had provided a reference for accused South American drug courier Francisco Pozo, who was charged with the smuggling of \$300 000 worth of cocaine?

**Mr BRACKS** (Premier) — I thank the Leader of the Opposition for his question. As I indicated when the Kelvin Thomson matter arose, I asked MPs to examine their own records in their electorate offices to see if there were any references that they had given. In relation to the matter that the opposition leader has raised with me, I think it is a matter which happened 13 years ago. It is the right of every citizen of this state to submit a character reference to a court for a judge to decide on, not on guilt or innocence but on sentencing arrangements. It is an inalienable right of any person to undertake that. Matters that happened 13 years ago, whether they were about an electorate officer, a welfare officer or a parole officer, are not subject to the matters which I refer to.

**Mr Baillieu** — On a point of order, Speaker, it is a simple question: when was the Premier advised? The Premier has not addressed the question.

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

### **Climate change: Californian agreement**

**Mr ROBINSON** (Mitcham) — My question is to the Premier. I refer the Premier to his recent meeting with the Governor of California, Arnold Schwarzenegger, and I ask him to inform the house on outcomes that will address climate change.

**Mr BRACKS** (Premier) — I thank the member for Mitcham for his question. I thank him for his concern, alongside that of many members of this house, about addressing the issues of climate change, reducing greenhouse emissions and getting the architecture up for an efficient and effective emissions trading scheme for this country. I was very pleased, as part of my recent visit to California, New York and London, to meet with climate change experts — Lord Oxburgh in London; Credit Suisse, which is conducting the emissions trading scheme across the United States of America; experts from the states and other parts of Europe; and Governor Schwarzenegger, who has taken a leadership position across the United States of America in urging his federal government to have an effective emissions trading scheme in place.

The Governor of California, Arnold Schwarzenegger, already has agreements from several other states in the United States, from some provinces in Canada and from the government of the United Kingdom on policy issues in relation to cutting greenhouse gas emissions and on the architecture for an emissions trading scheme so there can be a universal scheme in the future. At a practical level, in relation to the memorandum of understanding (MOU) which was signed by the government of Victoria and the government of California, we agreed that clean-energy researchers and companies would work together in developing low-emission energy technologies, and California is one of the leaders in undertaking that work; that both jurisdictions will share best practice for energy efficiency and green building design; and that the MOU will help Victoria learn from California in developing actions to reduce transport emissions. Certainly California is taking some important steps and a leadership position in the transport sector in cutting emissions and having cleaner fuel as part of that as well.

It is clear that it is one of the biggest issues across the United States and one of the biggest issues across Europe to get a proper and effective emissions trading scheme which works across nations and which effectively allows for investment so that risk is not

assessed on the basis of what might be and a premium put on for investment. The premium put on for investment if the risk is not determined is much higher than if we have a determined scheme. It is holding back investment and holding back investment in clean technology, including clean coal technology. We need a defined scheme, and certainly the work this government is doing with other states and territories, and internationally with other states who are taking leadership positions, is to have a defined scheme for this country as soon as possible.

I understand the Prime Minister will very soon receive a report from his own task force, headed up by Dr Peter Shergold, the Secretary of the Department of the Prime Minister and Cabinet, on whether or not Australia should have an emissions trading scheme. We hope that, if a scheme is in place, it has defined targets, defined objectives and caps on the emissions which can occur, and is a scheme which is robust and in accord with what already operates across other parts of the world.

I am very pleased that Victoria, as well as California, is taking a position, as Governor Schwarzenegger said, of showing how innovative policies can work and showing to the federal administration how they can work more effectively. On greenhouse gas emissions I am very pleased about just what we are doing here in Victoria.

### **Water: goldfields super-pipe**

**Mr RYAN** (Leader of The Nationals) — My question is to the Premier. I refer to the Premier's answer to the previous question and I also refer to the fact that Powercor anticipates that the energy required to pump water from Shepparton to Bendigo through the so-called goldfields super-pipe will be more than is used by all consumers within the Loddon shire, and I ask: how does the government rationalise this huge consumption of power given its policies regarding climate change?

**Mr BRACKS** (Premier) — I thank the Leader of The Nationals for his question. The Leader of The Nationals compared the Loddon shire, which I think has a population of about 1000 people, with —

*Honourable members interjecting.*

**Mr BRACKS** — I am just saying what it is.

**Mr Ryan** — It is 8000.

**Mr BRACKS** — Eight thousand people. He compared it with the energy requirements for the

goldfields super-pipe. Could I say to the Leader of The Nationals that one thing this government has done is to encourage renewable energy as part of our energy generation in the state. That is why we brought in, for example, the Victorian renewable energy target to ensure that we have 10 per cent of our energy coming from renewables, and that will more than compensate for the energy required for the goldfields super-pipe. If the Leader of The Nationals had got behind our renewable target, then he would understand that we will have a much more sustainable energy future in Victoria.

One of the things we are doing is ensuring not only that we have sustainability for renewables but that we have significant research into clean coal technology. That is why we are looking at carbon capture and storage; why we have large investors such as Shell and Anglo, which have combined to look at a multibillion dollar project to look at carbon capture and storage in Bass Strait; why we have new generation from wind power, which the Leader of The Nationals opposes; why we are going for a low-energy, low-demand future; and why this project is viable, which is because of the other steps we have taken to ensure that we have a viable energy generation system in the state.

**Questions interrupted.**

### **DISTINGUISHED VISITORS**

**The SPEAKER** — Order! Before calling the member for Melton for the next question, I acknowledge in the gallery today Mr Michael Polley, the Tasmanian Speaker, and Mrs Heather Butler and Mr Michael Hodgman, both eminent politicians from Tasmania.

**Questions resumed.**

### **Climate change: national emissions trading scheme**

**Mr NARDELLA** (Melton) — My question is to the Minister for Water, Environment and Climate Change. I refer the minister to the challenge of combating climate change, and I ask him to update the house on the benefits of a national emissions trading scheme and how this will build on the Bracks government's existing initiatives to tackle climate change.

**Mr THWAITES** (Minister for Water, Environment and Climate Change) — I thank the member for Melton for his questions on climate change. I am also pleased that the Leader of The Nationals has for the first time shown an interest in the climate change issue.

One of the critical actions that is going to be needed around Australia and indeed around the world is emissions trading. Emissions trading provides the market incentive for business to reduce its emissions. What it does is encourage innovation and new technologies, including all those technologies that are going to help us in Victoria, in Australia and indeed in the world in ensuring that we drive down greenhouse gas emissions. Importantly emissions trading will also provide the price signal to the community and to business about the importance of factoring carbon into the price of the energy and other goods that we use. Finally and very importantly, emissions trading sets a clear cap on emissions, which will allow us to achieve absolute reductions in greenhouse gas emissions.

I am pleased to advise that there is now broader support for climate change. Despite the fact that we have had opposition from the Liberal Party and The Nationals, we are now seeing the business community understand the importance of emissions trading. For example, the Australian Business Roundtable on Climate Change is urging the federal government to implement an emissions trading scheme. Leading companies like BP, Westpac, Visy and Swiss Re are now urging action and urging an emissions trading scheme.

I should advise that the Council for the Australian Federation, consisting of the premiers and the leaders of the territories around the country, have now agreed that the states will implement a national emissions trading scheme in 2010 if the federal government refuses to implement such a scheme. We are in a position to do that because the states, led by Victoria and New South Wales, have been developing an emissions trading scheme. We have also been developing the work that backs up the scheme, which indicates that such a scheme can be implemented in Australia without threatening growth and jobs while at the same time driving down greenhouse gas emissions.

This emissions trading scheme will build upon the other suite of measures that our government is implementing — measures like the Victorian renewable energy target, or VRET; the energy technology innovation strategy project on investing in technology and innovation, which is delivering projects like the new solar station in north-west Victoria and a major reduction in emissions from the Hazelwood power station; the Victorian energy efficiency target; the purchase of green power by our government; and the adaptation work that we are doing, including the recent infrastructure report.

What we need to do is act in the national interest with a national emissions trading scheme. I think the key

message is the message Sir Nicholas Stern gave in his recent review of climate change action, when he stated that the cost of doing nothing on climate change is much greater than the cost of urgent action.

### **Member for Derrimut: conduct**

**Mr BAILLIEU** (Leader of the Opposition) — My question is to the Premier. I refer to the fact that the Premier's parliamentary secretary has now provided references for three accused drug dealers. I also refer the Premier to his previous defence of his parliamentary secretary, when he said that 'I think he was appropriate in his judgement', and I ask: how many references for drug dealers does it take before the Premier sacks his parliamentary secretary?

**Mr BRACKS** (Premier) — I thank the Leader of the Opposition for his question. As I have indicated previously — and I will indicate it again — it is the right of every citizen to submit in a court on a character reference, if required. That does not go to determining guilt or innocence, it goes to the judge determining the sentencing arrangement.

A character reference is something the courts require in making their judgements. It is the inalienable right under our system of the separation of powers that people have the capacity to do that, and that is the reason I made that comment, and that is the reason those matters were submitted to the court.

### **Agriculture: genetically modified crops**

**Mr HUDSON** (Bentleigh) — My question is to the Minister for Agriculture. The moratorium on the growing of genetically modified canola expires in Victoria in February next year. Given the significant community interest in this issue, can the minister outline to the house how the government will determine whether to continue the moratorium?

**Mr HELPER** (Minister for Agriculture) — I thank the member for Bentleigh for his interest in being informed on this very important issue and his keenness for the house to be informed on this very important issue. Earlier today I had the pleasure of joining the Premier and Sir Gus Nossal, Victoria's chief scientist, at the announcement of an independent review panel into the Victorian moratorium on the commercial planting of genetically modified (GM) canola. The current moratorium, as most members would understand, was put in place in 2004 in response to and in reflection of the concerns that were expressed by agricultural sector, and more widely in the community, about the commercial impact and the trade impact of

the planting of GM crops in Victoria. That very careful and considered approach taken by the government then is continued with the announcement of this review panel.

The review panel will take into consideration whether issues in terms of trade have indeed changed since 2004 and whether issues in terms of market access have changed. It will consult widely in terms of informing government in reaching a decision on whether to extend the moratorium or indeed to let the moratorium sunset. The panel consists of, as I said before, Sir Gus Nossal, chief scientist of Victoria and former Australian of the Year, and highly respected in our community; and Merna Curnow, a grains industry expert and former chair of the Victorian Farmers Federation education committee, and again very much respected in agricultural circles and in communities throughout Victoria. The other panel member will be Christine Forster, a recent chair of the Victorian Catchment Management Council, with extensive experience in regional development and water resource management — and again, a very much respected individual in the community, particularly in the agricultural sector throughout Victoria.

I have every confidence that this panel will bring independence to its judgement on whether market conditions in terms of the growing of GM canola in Victoria have changed since the moratorium was introduced by this government in 2004. I look forward to joining my cabinet colleagues in receiving the report by that panel so that we can make a considered decision on whether this moratorium will continue or will be allowed to sunset.

**Dr Napthine** interjected.

**Mr HELPER** — I hear the catchcry from the member for South-West Coast. His vocabulary seems to extend to one word — ‘When?’. Clearly before the moratorium sunsets on 29 February 2008. Clearly this panel will consult widely within the community. It will reach an independent decision on whether the trade impacts that formed part of the decision made by this government to put in place the moratorium in 2004 still apply or whether other conditions apply, and it will carefully consider the impact on trade of the planting of GM canola.

I think it is worth noting again that this government has taken a careful approach on this issue and will continue to do so. At this first opportunity I thank very much the three panel members for their willingness to provide this advice to government, and I look forward to receiving that advice. I look forward to the discussion

that will occur within this government on that particular decision.

### **GJK Facility Services: Office of Housing contracts**

**Mr BAILLIEU** (Leader of the Opposition) — My question is to the Premier. I refer to the awarding by the Office of Housing of \$52 million of cleaning and gardening contracts to Mr George Stamas and his company, GJK Facility Services, and I ask: has the Premier ever met with Mr Stamas; if so, when; and were cleaning contracts ever discussed?

**Mr BRACKS** (Premier) — I thank the Leader of the Opposition for his question. The awarding of that contract was done, as are all contracts in this state, independently by the department on the basis of best value for money for the state. I meet with many, many people in Victoria. I would not even remember.

*Honourable members interjecting.*

**The SPEAKER** — Order! The Leader of the Opposition! The member for Polwarth!

### **Energy: renewable target scheme**

**Mr STENSHOLT** (Burwood) — My question is to the Minister for Energy and Resources. With renewable energy as a key component of the global response to climate change, which I do not think the opposition is interested in, can the minister detail to the house what the Bracks government is doing to encourage investment in renewable energy in Victoria to make Victoria a great place to work, live and raise a family?

**Mr BATCHELOR** (Minister for Energy and Resources) — And to turn on your electric lights! All around the world industrialised and developing countries are turning to renewable energy. Why are they doing that? Because it does a number of things. It provides real benefits to their communities, as it will here in Victoria. In Victoria it is helping to reduce greenhouse gas emissions, it is stimulating regional investment and it is increasing the diversity of our energy supply.

Current renewable energy resources here in Victoria, of course, include hydro, wind, biomass, solar and geothermal. We have a whole suite of possible renewable energy sources available to us. The renewable energy industry in Victoria is at an early stage of its development, and accordingly government assistance is needed for the industry to improve technologies, become commercially competitive and deliver long-term benefits to the Victorian community.

The Bracks government was able to step into the void created by the commonwealth when it failed to expand its mandatory renewable energy target. By doing that we announced our policy on the Victorian renewable energy target (VRET), and this scheme commenced operation on 1 January this year. Although renewable generators contribute 10 per cent of our installed generating capacity of about 8500 megawatts, at the moment they currently only account for about 4 per cent of the total Victorian electricity consumption. What VRET will do is increase Victoria's share of electricity consumption from renewable resources to some 10 per cent by 2016. That is the whole purpose behind this VRET scheme.

So what will VRET do for Victoria? Since the announcement of VRET we have seen that over 1000 megawatts of wind energy projects have been confirmed. In addition, a large-scale hydro-electric peaking plant and a world-leading large-scale solar power plant have also been announced. In terms of total investment here in Victoria, these projects will inject into the Victorian economy in excess of \$2 billion in new investment in renewable energy over the next 10 years.

These investments will lead to more than 27 million tonnes of greenhouse gas abatement by the year 2030. That is the equivalent of taking 280 000 cars off the road for the next 22 years. These projects will help create up to 2200 new jobs in the renewable energy industry, mostly in provincial Victoria, where renewable energy is welcome. The jobs and the investment in renewable energy is being welcomed right across provincial Victoria, notwithstanding the attempts of The Nationals to sabotage this.

In summary, the VRET scheme is delivering investment, jobs and cleaner energy for families in all parts of Victoria. I also note that contrary to what the Prime Minister asserted in March, our VRET scheme can and should coexist with any future national emissions trading scheme. Both schemes, that is VRET and the national emissions trading scheme, have important roles to play in providing a comprehensive and balanced approach to future investments in the energy sector that will clearly be operating in a carbon-constrained world. We say that in the development of any new national emissions trading scheme, clearly front and centre of that has to be an allowance for schemes like VRET, our new Victorian energy efficiency target.

### **Water: pipeline projects**

**Mr RYAN** (Leader of The Nationals) — My question is to the Premier. I refer to the government's plan to pump water from Shepparton to Ballarat and its further proposals to pump water from Shepparton to Melbourne and to pump recycled water from Melbourne to the Latrobe Valley, and I ask: will the Premier inform the house as to the extent and the cost of the energy associated with these projects, the greenhouse gas emissions thereby produced and the consequent impact on the government's climate change policies?

**Mr BRACKS** (Premier) — I thank the Leader of The Nationals for his question. We know that members of The Nationals are against having water security for Ballarat and Bendigo. We know that! They have made it very clear that they oppose water security for Ballarat and Bendigo because those cities happen not to be their constituencies. What a position to take for a third party that supposedly stands up for country Victoria!

We believe that these schemes are not only viable but also essential to provide water security for the future. As to the pumping requirements for other projects around the state, they will be assessed on their merits. I reiterate that overall we are reducing the amount of energy generation in this state by going to renewables, which the Leader of The Nationals opposes. If he had his way, he would knock out all wind farms. He would knock out everything except coal-fired stations. He would not put money into renewables. He would not put money into clean-coal technology. The reality is that this government is doing that. We believe in a sustainable future, both for water and for energy.

### **Workplace Relations Ministers Council: meeting**

**Ms BARKER** (Oakleigh) — My question is to the Minister for Industrial Relations. I ask the minister to detail for the house the latest developments concerning the Workplace Relations Ministers Council and what matters should be brought before such a council.

**Mr HULLS** (Minister for Industrial Relations) — I thank the honourable member for her question. Never before has a political party made such a calculated misjudgement of working Australians. WorkChoices, or should I say 'the policy that now dare not speak its name', has been an unmitigated disaster for working Victorians and for working Australians, and the Howard government knows it.

That is why Minister Hockey and Prime Minister Howard are so desperately applying an expensive new paint job, hoping no-one will notice them painting over the WorkChoices name; and at the same time they are preparing to spend millions and millions of dollars of taxpayers money, in addition to the \$55 million they have already spent, on political advertising. I hate to break the news to them — —

**Dr Napthine** — On a point of order, Speaker, I draw your attention to the fact that the minister should answer with respect to Victorian government business, and I ask you to bring the minister back to speaking about Victorian government business.

**The SPEAKER** — Order! I uphold the point of order. The minister should relate his answer to Victorian government business.

**Mr HULLS** — It is certainly Victorian government business that there is supposed to be a Workplace Relations Ministers Council, and at that council meeting I intend to raise the fact that Victorians have lost their basic rights and entitlements. That is why in March of this year I urgently requested that Minister Hockey convene a workplace relations ministerial council meeting so that I could discuss with him research that shows that for hundreds of thousands of Victorian workers WorkChoices has been the assassin of the fair go in their workplaces. Having received no reply from the minister in hiding, I wrote to him again four days ago. I said this to him in relation to the new so-called fairness test:

This is worsened by the announcements made by your government and by comments attributed to the Prime Minister which suggest — —

**Mr Clark** — On a point of order, Speaker, the minister is quoting from a document, and I ask him to make the document available to the house.

**The SPEAKER** — Order! Is the minister quoting from a document?

**Mr HULLS** — Yes, Speaker, I am quoting from a letter, and I am more than happy to have it tabled — — and I will continue to quote from it:

This is worsened by the announcements made by your government and by comments attributed to the Prime Minister which suggest that the compensation payable to an employee for the removal of terms and conditions of employment can include, for example, the mere provision of the employment itself.

Equally I said to the minister that I was concerned:

... about the 150 000 Victorians who are subject to agreements made between 27 March ... and 7 May ... The announcements you have made do not appear to provide any form of comfort to employees who have been left in the WorkChoices 'black hole'.

The letter goes on. It makes very interesting reading, I might say, so I am more than happy to table it. The fact is that the Howard government is in furious denial. It is absolutely crucial that a Workplace Relations Ministers Council meeting be convened immediately. What we now have is a policy where workers rights are being undermined and workers rights are being taken away, and all the Howard government is doing is wanting to change the name.

The fact is that on *Stateline* in July last year the name 'WorkChoices' was fully endorsed by the Leader of the Opposition.

**Dr Napthine** — On a point of order, Speaker, the minister is again straying from Victorian government business, and I ask you to bring him back to responding with respect to Victorian government business, not the business of the federal government nor the business of the Victorian opposition.

**The SPEAKER** — Order! The minister, to refer his answer to Victorian government business.

**Mr HULLS** — This is all about Victorian government business, because a Workplace Relations Ministers Council meeting, and what ought be discussed at that meeting, is absolutely a matter for the Victorian government. It is interesting to note that WorkChoices has been referred to by the Leader of the Opposition as a policy that is aptly named.

The fact is, Speaker, that if it looks like a skunk, it walks like a skunk and it smells like a skunk, it is a skunk. That is exactly what WorkChoices is. I call on those opposite to join with the Bracks government and to stand up to their federal masters against WorkChoices, or whatever it is called. I ask the Leader of the Opposition — —

*Honourable members interjecting.*

**Dr Napthine** — On a point of order, Speaker, I put it to you that the minister is now debating the issue, and I ask you to bring him back to answering the question.

**The SPEAKER** — Order! The minister should conclude his answer and relate his remarks to Victorian government business.

**Mr HULLS** — As far as the Victorian government is concerned, we will continue to urge the federal

Minister for Employment and Workplace Relations, Joe Hockey, to come out of hiding and convene this very important meeting. I ask all those opposite, including the Leader of the Opposition, to get on the blower to Joe Hockey and get him to come down to Melbourne — we are happy to host that meeting here in Melbourne — and discuss the disaster that is WorkChoices.

## GOVERNOR'S SPEECH

### Address-in-reply

**The SPEAKER** — Order! I wish to advise honourable members that the address-in-reply to the Governor's speech on the opening of Parliament will be presented at Government House on Wednesday, 13 June 2007, at 10.00 a.m. I would be grateful if as many members as possible could accompany me to the presentation. I will inform members of travel arrangements in due course.

## NOTICES OF MOTION

Notices of motion given.

**Ms CAMPBELL** having given notice of motion:

**The SPEAKER** — Order! We have not received a copy of that notice of motion from the member for Pascoe Vale.

Further notices of motion given.

### ACCIDENT COMPENSATION AMENDMENT BILL

*Introduction and first reading*

**Mr HOLDING** (Minister for Finance, WorkCover and the Transport Accident Commission) introduced a bill for an act to amend the Accident Compensation Act 1985 and for other purposes.

Read first time.

### SUPERANNUATION LEGISLATION AMENDMENT (CONTRIBUTION SPLITTING AND OTHER MATTERS) BILL

*Introduction and first reading*

**Mr HOLDING** (Minister for Finance, WorkCover and the Transport Accident Commission) — I move:

That I have leave to bring in a bill for an act to amend the Emergency Services Superannuation Act 1986, the Government Superannuation Act 1999, the State Employees Retirement Benefits Act 1979, the State Superannuation Act 1988, the Superannuation (Portability) Act 1989 and the Transport Superannuation Act 1988 and for other purposes.

**Mr WELLS** (Scoresby) — I wonder if the minister could give a brief explanation of the bill.

**Mr HOLDING** (Minister for Finance, WorkCover and the Transport Accident Commission) — The bill provides, amongst other things, for contribution splitting for members of the relevant schemes — those who have accumulation fund superannuation benefits.

Motion agreed to.

Read first time.

### PAYROLL TAX BILL

*Introduction and first reading*

**Mr BRUMBY** (Treasurer) introduced a bill for an act to re-enact and modernise the law relating to payroll tax, to harmonise payroll tax law with New South Wales, to repeal the Pay-roll Tax Act 1971, to amend the Taxation Administration Act 1997 and other acts and for other purposes.

Read first time.

### STATE TAXATION ACTS AMENDMENT BILL

*Introduction and first reading*

**Mr BRUMBY** (Treasurer) introduced a bill for an act to amend the Duties Act 2000 and the Taxation Administration Act 1997 and for other purposes.

Read first time.

### COURTS LEGISLATION AMENDMENT (JUDICIAL EDUCATION AND OTHER MATTERS) BILL

*Introduction and first reading*

**Mr HULLS** (Attorney-General) — I move:

That I have leave to bring in a bill for an act to amend the Constitution Act 1975, the County Court Act 1958, the Supreme Court Act 1986, the Magistrates' Court Act 1989, the Victorian Civil and Administrative Tribunal Act 1998 and

the Children, Youth and Families Act 2005 and for other purposes.

**Mr CLARK** (Box Hill) — I ask the Attorney-General to provide a brief explanation of the bill.

**Mr HULLS** (Attorney-General) — This bill obviously does a number of things including ensuring that there is consistency between the County Court and the Supreme Court in relation to appeals in civil proceedings, ensuring that the Supreme Court Master can indeed constitute the Court of Appeal in certain proceedings and also ensuring that the heads of jurisdictions — —

**Ms Asher** interjected.

**Mr HULLS** — It is going well, actually. It also ensures that the heads of jurisdictions have responsibility for directing professional development and training for their judicial officers.

**Motion agreed to.**

**Read first time.**

## WILLS AMENDMENT BILL

### *Introduction and first reading*

**Mr HULLS** (Attorney-General) — I move:

That I have leave to bring in a bill for an act to amend the Wills Act 1997 and for other purposes.

**Mr INGRAM** (Gippsland East) — Could the minister give a brief explanation of the bill?

**Mr HULLS** (Attorney-General) — This is a very important bill that will clarify the basis on which the Supreme Court may consider applications for a statutory will to be made on behalf of somebody who has never had testamentary capacity.

**Motion agreed to.**

**Read first time.**

## PROFESSIONAL STANDARDS AMENDMENT BILL

### *Introduction and first reading*

**Mr HULLS** (Attorney-General) introduced a bill for an act to amend the Professional Standards Act 2003 to provide for the establishment of a new

**Professional Standards Council Fund and the closure of the existing fund, to provide for delegation powers and further regulation-making powers and for other purposes.**

**Read first time.**

## OUTWORKERS AND CONTRACTORS LEGISLATION AMENDMENT BILL

### *Introduction and first reading*

**Mr HULLS** (Minister for Industrial Relations) introduced a bill for an act to amend the Outworkers (Improved Protection) Act 2003 and the Owner Drivers and Forestry Contractors Act 2005 and for other purposes.

**Read first time.**

## PETITIONS

**Following petitions presented to house:**

### **Women: reproductive rights**

To the Legislative Assembly of Victoria:

We the undersigned draw to the attention of the Assembly:

Terminating a pregnancy must be a woman's right alone. Abortion itself must be removed from Victoria's criminal code and made freely available through the health-care system. The denial of abortion on demand will force women into illegal backyard terminations, risking their health and their lives.

Access to assisted reproductive technology, including donor sperm and in-vitro fertilisation (IVF), must be an absolute right for all women.

Free 24-hour child care is a necessity for working parents. Women are particularly disadvantaged by the lack of available and affordable child care, which is forcing women out of the workforce. Approximately 160 000 mothers across Australia want to work but are unable to because of inadequate child care.

Your petitioners therefore request the Assembly to support:

Unconditional recognition of every woman's right to make her own reproductive choices: remove abortion from Victoria's Crimes Act 1958 and make abortion available safely, free of charge and on demand through the public health-care system; enforce the legal prohibition of sterilisation without consent.

Access to assisted reproductive technology for all women who seek it, regardless of marital status, sexuality, physical ability or age and make it available free of charge through the public health-care system.

Free, 24-hour child care: community and employee controlled; government funded in the communities and employer funded in large workplaces.

**By Mr CARLI (Brunswick) (622 signatures)**

**Nuclear energy: federal policy**

To the Legislative Assembly of Victoria:

The petition of residents of Victoria draws to the attention of the house the commonwealth government's promotion of a nuclear industry in Australia, and the strong likelihood that Victoria will be selected as a site for the construction of a nuclear power facility.

The petitioners therefore request that the Legislative Assembly of Victoria reaffirm the opposition of the Victorian government to the creation of a nuclear industry in Victoria, including the construction of a nuclear power plant.

**By Dr HARKNESS (Frankston) (70 signatures)**

**Agriculture: genetically modified crops**

To the Legislative Assembly of Victoria:

The undersigned citizens and residents of Victoria remind the Assembly that the government:

introduced a one-year moratorium on commercially growing genetically manipulated (GM) canola in May 2003;

passed the Control of Genetically Modified Crops Act 2004 to give the state general legislative power over planting GM crops, specifically to ban the commercial planting of GM canola until 2008;

but also gave the agriculture minister power to authorise GM crop 'trials' (to produce GM seed for export), in addition to trials licensed by the federal OGTR;

is required to review the act before 24 March 2008.

The petitioners therefore call on members of the Legislative Assembly to intercede with the Victorian government, state cabinet and health minister Bronwyn Pike to:

set up independent and participatory processes to review the act;

make a firm commitment to extending the bans on GM crops til 2013;

urge all the state, territory and federal ministers on the Gene Technology Ministerial Council (GTMC) to also extend their GM crop bans;

encourage GTMC to lower thresholds of GM canola contamination allowed, from 0.9 per cent in grain and 0.5 per cent in seed, to 0.1 per cent — as promised.

**By Ms LOBATO (Gembrook) (443 signatures)**

**Tabled.**

**Ordered that petition presented by honourable member for Gembrook be considered next day on motion of Ms LOBATO (Gembrook)**

**SCRUTINY OF ACTS AND REGULATIONS COMMITTEE**

***Alert Digest No. 6***

**Mr CARLI (Brunswick) presented *Alert Digest No. 6* of 2007 on:**

**Accident Towing Services Bill  
Appropriation (2007/2008) Bill  
Appropriation (Parliament 2007/2008) Bill  
Crimes Amendment (DNA Database) Bill  
Fair Trading and Consumer Acts Amendment Bill  
Health Professions Registration Amendment Bill  
State Taxation and Gambling Legislation Amendment (Budget Measures) Bill  
Water Acts Amendment (Enforcement and Other Matters) Bill**

**together with appendices.**

**Tabled.**

**Ordered to be printed.**

**DOCUMENTS**

**Tabled by Clerk:**

*Crown Land (Reserves) Act 1978* — Orders under s 17D granting leases over:

Albert Park Reserve (two orders)

Bridgewater Public Park and Public Recreation Reserve and part of the Loddon River Public Purposes Reserve

*Financial Management Act 1994* — Report from the Minister for Health that she had received the 2006 report of the Psychologists Registration Board of Victoria together with an explanation for the delay

*Parliamentary Committees Act 2003* — Government response to the Law Reform Committee's report on De Novo Appeals to the County Court

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

Ballarat — C96

Baw Baw — C41 Part 1

Golden Plains — C27

Greater Bendigo — C81, C86

Greater Geelong — C132  
 Hepburn — C28  
 Moreland — C30  
 Mornington Peninsula — C73 Part 2  
 Surf Coast — C36  
 Victoria Planning Provisions — VC30  
 Whittlesea — C100

Statutory Rules under the following Acts:

*Borrowing and Investment Powers Act 1987* — SR 29  
*Coroners Act 1985* — SR 28  
*Legal Profession Act 2004* — SR 31  
*Magistrates' Court Act 1989* — SR 30  
*Subordinate Legislation Act 1994* — SR 32  
*Supreme Court Act 1986* — SR 27

*Subordinate Legislation Act 1994:*

Minister's exception certificates in relation to Statutory Rules 24, 27, 30  
 Ministers' exemption certificates in relation to Statutory Rules 21, 31

*Victorian Renewable Energy Act 2006* — Victorian Renewable Energy Target Scheme Rules (in lieu of rules previously tabled on Tuesday 17 April 2007).

The following proclamation fixing an operative date was tabled by the Clerk in accordance with an order of the house dated 19 December 2006:

*Gambling Regulation Amendment (Review Panel) Act 2007* — Whole Act — 10 May 2007 (*Gazette G19*, 10 May 2007).

## ROYAL ASSENT

**Message read advising royal assent to:**

**8 May**

**Drugs, Poisons and Controlled Substances Amendment (Repeal of Part X) Bill**  
**Gambling Regulation Amendment (Review Panel) Bill**  
**Legal Profession Amendment Bill**  
**Major Events (Aerial Advertising) Bill**  
**Road Legislation Amendment Bill**

**15 May**

**Infertility Treatment Amendment Bill.**

## APPROPRIATION MESSAGE

**Message read recommending appropriation for State Taxation and Gambling Legislation Amendment (Budget Measures) Bill.**

## JOINT SITTING OF PARLIAMENT

### Victorian Health Promotion Foundation

**The SPEAKER** — Order! I have received the following communication from the Minister for Health:

The Victorian Health Promotion Foundation (VicHealth) is established under section 16 of the Tobacco Act 1987 (the act) to promote good health and disease prevention in the community.

Under section 21(1)(f) of the act, three (3) members of VicHealth are members of either the Legislative Assembly or the Legislative Council and elected by both houses jointly.

The previously elected members are:

The Hon. Bill Forwood, MLC

Ms Maxine Morand, MLA

Mr Hugh Delahunty

On leaving parliamentary office, irrespective of whether MPs are returned to Parliament, the positions are automatically vacated. Subsequently, VicHealth now requires the re-election of three new members.

I would be grateful if you could place this matter on the agenda for a joint sitting of both houses. In order to maintain the membership of VicHealth at the optimum number I would appreciate if this matter could be resolved quickly.

I have forwarded a similar request to the President of the Legislative Council.

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

That this house meets the Legislative Council for the purpose of sitting and voting together to elect three members of the Parliament to the Victorian Health Promotion Foundation and proposes that the time and place of such meeting be the Legislative Assembly chamber on Wednesday, 23 May 2007, at 6.15 p.m.

**Motion agreed to.**

**Ordered that message be sent to Council acquainting them with resolution.**

## BUSINESS OF THE HOUSE

### Program

**Mr BATCHELOR** (Minister for Victorian Communities) — I move:

That, under standing order 94(2), the orders of the day, government business, relating to the following bills be considered and completed by 4.00 p.m. on Thursday, 24 May 2007:

Appropriation (2007/2008) Bill

Appropriation (Parliament 2007/2008) Bill

State Taxation and Gambling Legislation Amendment (Budget Measures) Bill.

In moving this motion, which constitutes the government business program for this parliamentary week, I am clearly indicating that the government desires to provide time for members to deal with the Appropriation (Parliament 2007/2008) Bill and the Appropriation (2007/2008) Bill, together with the State Taxation and Gambling Legislation Amendment (Budget Measures) Bill. We have limited the business program this week to these three items to provide the maximum opportunity for members of this house to respond to a very well-received budget, and I expect lots of people will want to praise the government for such an all-embracing document. Accordingly, we intend to provide that time this week.

We have also heard notice given of a motion to be moved tomorrow by the Premier on climate change and the national emissions trading scheme. Accordingly, we have not added other bills to the government business program this week. The other bills on the notice paper will be dealt with in due course in subsequent parliamentary weeks.

This should enable us to achieve the objective of having the general budget, the parliamentary appropriation and the State Taxation and Gambling Legislation Amendment (Budget Measures) Bill dealt with this week. However, if extra time is needed because of the nature of the budget response and the desire of so many members of this house to congratulate the government on this budget, we foreshadow that we may sit later tonight and Wednesday night to accommodate the enthusiastic response of all members to the Treasurer's budget.

**Mr McINTOSH** (Kew) — The opposition will not be opposing the government business program. Having said that, while the Leader of the House is so enthusiastic about the budget, he will understand why opposition members will relish the opportunity to make

contributions on the budget. I note that every single member of the opposition wants to talk about the budget and of course raise very important issues relating to their portfolio responsibilities and their electorates. That includes their concerns about lack of policing and problems in relation to education, in relation to hospitals and most importantly in relation to the water issues that I would have thought would have been paramount, as well as the fact that this budget does not provide adequate coverage in relation to all those important matters and many others.

I understand that while there do not appear to be many members from the opposition side who will speak on the Appropriation (Parliament 2007/2008) Bill, a number of speakers want to speak on the State Taxation and Gambling Legislation Amendment (Budget Measures) Bill, which implements many aspects of the budget in a formal way. The opposition wants to raise, quite properly, the fact that this is a government which is overtaxing, overspending and wasteful in relation to some matters and which is not dealing with fundamental matters. All of these things need to be raised in a cogent way. I am not all that enthusiastic about the Leader of the House's enthusiasm for completing the budget debate in the allotted time.

An externality which has just come up today is the notice of motion given by the Premier in relation to a national emissions trading scheme, which will take debating time away from the house. It is very important that this matter is properly debated, as is the case with all the other bills before the house. More importantly I would like a guarantee from the Leader of the House that every single member of the opposition will be given the opportunity to speak for their full time — 15 minutes — on the Appropriation (2007/2008) Bill. Having said that, and having sought a guarantee that no opposition member will be prevented from making an appropriate contribution on the appropriation bill, the opposition does not oppose the government business program.

**Mr DELAHUNTY** (Lowan) — The Nationals will not be opposing the legislative program for this week. We had a good discussion with the Leader of the House over the past week in relation to this week's program. Following those discussions we agreed that the State Taxation and Gambling Legislation Amendment (Budget Measures) Bill would be the first one debated today. The Nationals will have two speakers on that. The next one was going to be the Appropriation (Parliament 2007/2008) Bill, and we have three speakers on that. Then we were to allow the rest of the week's debating time for the Appropriation (2007/2008) Bill, where we have eight speakers to go.

In discussions with me the Leader of the House gave a guarantee that all The Nationals will be able to get up and speak on the very important budget bill. There are a lot of things we want to cover in that, whether it be public housing concerns, mental health concerns, school maintenance concerns or, more importantly, the lack of policy on and lack of infrastructure for water, particularly in regional and rural Victoria. We were given a guarantee that we will be able to do that.

When I looked at the numbers I noted that 85 members still have the opportunity to speak on the budget. If every one of them takes 15 minutes, that will take approximately 21 hours. In a normal week we have 14 to 15 hours of debating time. We have the State Taxation and Gambling Legislation Amendment (Budget Measures) Bill, for which we will need an hour just for the lead speakers, and the Appropriation (Parliament 2007/2008) Bill, which will take another hour. When we take that away from the 14 to 15 hours, we end up with roughly 12 to 13 hours of debating time. On top of that we will now have the climate change debate, which we are looking forward to. The member for Swan Hill is our spokesman for climate change, and he is really looking forward to that debate. And that is on top of the matter of public importance, which is about water. We have some very important issues to be debated this week.

For that reason we members of The Nationals want to make sure that we get the opportunity not only to talk about matters important to the water debate on the matter of public importance but also to put forward our views on climate change.

**An honourable member** interjected.

**Mr DELAHUNTY** — That might be right. As the member highlights, there will not be too many speakers from the government on water — and they might go to water!

The reality is that we have some major concerns with the budget. It was highlighted the day or two after the budget came down in the state of Victoria when the headlines and the front page of one of the Melbourne newspapers asked: where is the budget for water? Water infrastructure has been a major issue for country Victorians for the last seven or eight years. It has now hit the radar for Melbourne and we are getting some action, but unfortunately there is nothing in the budget.

**An honourable member** — Made your point!

**Mr DELAHUNTY** — We made our point — yes, just add water. We will be doing plenty of that tomorrow.

The Nationals will not be opposing the government business program, but with the guarantee that members will get the opportunity particularly to speak on the appropriation bill — or, as we commonly know it, the budget. It is the first time, I think, that we have had only one week to discuss or debate the budget. The Nationals will not be opposing the program.

**Motion agreed to.**

## MEMBERS STATEMENTS

### Wingate Avenue Community Centre: volunteers

**Mr BATCHELOR** (Minister for Victorian Communities) — I rise to thank a very special team of people who have given their time to serve the local community in Ascot Vale through a community facility that has more than proved its worth over the years. I speak, of course, of the Wingate Avenue Community Centre. The Wingate Avenue Community Centre involves over 50 volunteers in various activities, including adult migrant education classes, art classes, health and wellbeing services, computer education and the operations of a trinkets opportunity shop. The centre also hosts community lunches for people experiencing financial hardship, an initiative which provides a gathering place for many people in the area, including newly arrived migrants, people experiencing drug and alcohol issues, and people suffering from mental illness.

I had the pleasure to visit Wingate a few weeks ago and was fortunate enough to see firsthand the incredible work that takes place there and the impact this work has on the lives of the people who utilise the centre's services. Given that we have just celebrated National Volunteer Week there is no better time to acknowledge the work of the many volunteers at Wingate and to showcase them as an example of the valuable contribution volunteers make to our community. So thank you to all the volunteers down at Wingate. Thank you for your selflessness and generosity. Thank you for providing a wonderful example of all that can be achieved by volunteering together. We ask these people to continue their excellent work for the people of Victoria.

### Ronald Hopkins

**Mr McINTOSH** (Kew) — It is a matter of profound regret that we have learnt in the past few days of the death of a dedicated State Emergency Service volunteer, Ronald Hopkins. Mr Hopkins has been a

dedicated volunteer with the Mildura SES for the past seven years and lost his life during an exercise on the Murray River. An SES spokesman, Allan Briggs, was reported in the press today noting that Mr Hopkins:

... was a very proud and passionate member of the local SES unit —

and that Mr Hopkins was:

... not only a colleague in volunteering but also a bloody good mate ...

Victoria is fortunate to have dedicated SES volunteers like Ronald Hopkins who at times of disaster respond to ensure the safety of Victorians and to protect their property. Victorian SES volunteers give freely of their time, as do other volunteers and, in many cases through their own resources, protect and support our communities. It is at times like these that it is important to reflect on and recognise the enormous amount of work that volunteers like Mr Hopkins carry out in our community. On behalf of the Liberal Party, and I am sure every member of this house, I extend our condolences and sympathy to Mr Hopkins's family and to his SES mates. Our thoughts are with you at this difficult time.

### **Stockland: community spirit grants**

**Ms BEATTIE** (Yuroke) — I was delighted to have recently participated in the Stockland community spirit grants program. This sponsorship program, which has been designed to encourage and support local community groups and individuals, is a true testament to Stockland's commitment to engage in building an inclusive and supportive community for local residents.

Ten local groups were selected for this year's grants and I congratulate each and every one of them. They are: Salvos 3064, with its Got Stuck Bus, which brings young people home at night; the Craigieburn Bowling Club, to improve its facilities; the Craigieburn Eagles basketball association, and I attended its games on Saturday night; the Friends of Woodlands Historic Park, which does a wonderful job; the Craigieburn Little Athletics Club; Sailability North, which conducts sailing for the disabled; the Craigieburn Historical Interest Group; the Hume district scouts; the Craigieburn scouts group; and Attwood House Community Centre.

Each of these organisations has been built on the hard work and effort of ordinary and dedicated people. Today I am given the opportunity to let them know that their time, their commitment and their passion is both valued and appreciated and I look forward to watching the success of their projects over the coming months.

At this point I would also like to extend my thanks to Brad Paddon and Stockland for their wonderful work.

### **Water: tank rebates**

**Mr JASPER** (Murray Valley) — The state government must immediately reconsider its policy on funding guidelines for the installation of rainwater tank rebates to include all property owners installing a tank. Members would be aware that the government rebate is available only to those people living in areas serviced by a reticulated water supply system, which is a totally unacceptable situation. This is blatant discrimination against those people in country areas who have to arrange for their own water supply and storage, unlike those in areas where they can just simply turn on a tap.

In response to my earlier representations, the Minister for Water, Environment and Climate Change has simply rejected the notion that the subsidy should be uniform for all Victorians, on the basis that this is an encouragement for those supplied with a reticulated water supply system to economically use their water, whereas those in country areas are used to being conservative in their water usage, according to the minister. This is an absolutely ridiculous proposition and totally illogical. It is penalising the very people who recognise that water management needs to be undertaken, as it must in these non-reticulated water areas, with the state government funding those who take water availability for granted.

It is imperative that the subsidy for the installation of water tanks be available to all Victorians, with support for those living in country areas who must have tanks for their water supply needs. I call on the Premier and the water minister to act immediately to review the subsidy system and approve the availability of funding support for all Victorians who wish to install a tank.

### **St Helena Secondary College: Cabaret**

**Mr HERBERT** (Eltham) — In 2007 performing arts have really come of age at St Helena Secondary College. On Thursday, 17 May, I attended a terrific performance of the musical *Cabaret* at St Helena Secondary College. *Cabaret* is the 21st student musical production to be held at St Helena and, like previous productions, this was an outstanding success. I have attended the past five musical productions at St Helena Secondary College and this show was certainly the best yet.

With over 70 students performing, the production was an extravaganza of music, costume and dance. St Helena Secondary College has earned a reputation

for spectacular performances and this year has done so again. All students delivered brilliant performances, to the delight of the many proud parents and teachers in the audience. It is very clear that the months of hard work and practice by the students, production coordinators and backstage staff paid off.

Director Glenda Evans, producer Kirsten Finlay, musical director Jo Parr and a host of other staff, students and parents who were responsible for the production are to be congratulated. Such a professional production is possible only with the support and enthusiasm of everyone involved. I thank the entire St Helena Secondary College community for once again delivering a great local musical production. I am sure we will be seeing a lot more of these young performers around Melbourne stages in the future.

### **Racing: Warrnambool carnival**

**Dr NAPHTHINE** (South-West Coast) — When the Bracks Labor government has lost \$63 million on the world swimming championships and is losing over \$30 million per year on the Melbourne grand prix, it is time the government backed a winner by investing in making a great rural event even more successful. The annual May carnival at Warrnambool is the biggest racing event outside Melbourne. Its feature event, the Grand Annual Steeplechase, attracts the best jumpers in Australasia. At over 5500 metres and with 33 jumps, it is the most exciting and spectacular jumping race in the Southern Hemisphere.

I call on the government to boost the prize money for this event to a guaranteed \$1 million per year for the next five years. This will attract the best jumpers from Europe and Japan to compete with our own best. It will internationalise this great regional event and bring an enormous economic boost to country Victoria. The \$1 million prize money on a guaranteed basis will bring international horses, international visitors, international television and media and international betting to the Warrnambool May racing carnival. This would be a great investment in regional Victoria and would be returned many times over in terms of economic benefit to Victoria as a whole. It would deliver real value for money for the state of Victoria.

The Premier was recently in Ireland, where he announced a \$500 000 bonus for those who could win the Irish St Leger Stakes and the Melbourne Cup. I think a better investment would be \$1 million a year for the next five years for the Warrnambool Grand Annual Steeplechase.

### **Cervical cancer: Gardasil vaccine**

**Ms LOBATO** (Gembrook) — Today my thoughts are with the schoolgirls who are currently in hospital after being vaccinated. Students from schools and families in my own electorate are among those who have reported, including to my office today, adverse reactions to the Gardasil vaccine.

Adverse outcomes had been documented overseas prior to the introduction of this vaccine into Australia. There were 385 reports in six months in the United States of America, and due to the nature of the reporting system the real figure is expected to be much higher. The majority of reactions occur within 24 hours of vaccination and include fainting, seizures, numbness, abnormal skin sensations and paralysis. These reactions may be due to high levels of aluminium in the vaccine.

My concern about this vaccine led me to raise this issue in Parliament on 14 February. My concern is so heartfelt that I took the step of compiling information packs to encourage my constituents to become informed before vaccinating their daughters with Gardasil. I have placed advertisements in local papers advising of the availability of the packs. I have been providing these information packs free on request to my constituents since 19 April, and they include material from a range of sources such as the national cervical cancer program.

My fears are numerous and well founded and include the fact that we are vaccinating against human papilloma virus, which in 98 per cent of cases clears by itself without any medication. Women themselves have reduced the rate of death to 1 in 100 000, with Australia having the second lowest rate of cervical cancer in the world — —

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

### **Cricket: Zimbabwe tour**

**Mr WELLS** (Scoresby) — This statement congratulates Prime Minister John Howard on taking decisive action in banning the Australian cricket team from playing in Zimbabwe. Generally I believe sport and politics should not mix. If we were ever to allow politics to run our sports, Australia would not be the great sporting nation it is today. However, I have to make an exception with regard to Zimbabwe.

Zimbabwe used to be a great African nation. It was a country where my wife and family spent many of their earlier years living on a Lutheran mission station, assisting communities to grow and prosper. To now see

relatives, friends and their families being chased off their farms after generations of growth in agricultural production and employment is shameful. The ongoing slaughter and the fear the Mugabe regime puts into its own people should be condemned by every single nation.

If the Australian cricket team had played in Zimbabwe, it would have given Mugabe the political prestige he so desperately craves. South Africa is a stabilising force in southern Africa, but it is time for South Africa to join Australia to condemn Zimbabwe and rid it of Mugabe so that its people can live without fear.

### **Drought: Mitchell sports grant**

**Mr HARDMAN** (Seymour) — I rise to congratulate the Minister for Sport, Recreation and Youth Affairs on the recent announcement of drought funding for sports facilities in the Shire of Mitchell. Funding of \$50 000 will enable the Harley Hammond reserve in Broadford to provide better grounds for the football club through water storage and desalination of their bore water. The funding will allow the Broadford Golf Club and the L. B. Davern Reserve at Wandong to install bores for their facilities and enable the Kilmore Golf Club to install drought-resistant turf for its greens. These facilities have suffered as a result of the drought leading to stage 4 water restrictions. These measures will also help take further pressure off the Sunday Creek Reservoir into the future.

I would also like to thank the Minister for Sport, Recreation and Youth Affairs for allowing me on the weekend, along with Cr Bill Melbourne, the mayor of Mitchell shire, to jointly open the R. B. Robson stadium extension at Wallan. I must congratulate the Mitchell shire, the committee of management and the various user groups on bringing about a great extension to the facility, the range of sports that can be offered and the number of people who can participate in those sports. The committee of management and the shire brought together netball clubs, basketball clubs, indoor cricket clubs and Birralee gymnastics as well as general fitness programs, a playgroup and family day care to enable a greater range of people — both older and younger — to participate in more competitions and sports. It was great to see the work that was done to create this regional facility, which will provide great benefits to the whole of southern Mitchell shire into the future.

### **Gas: Gippsland East supply**

**Mr INGRAM** (Gippsland East) — In 2004 the state government announced that Bairnsdale and Paynesville in my electorate would be provided with reticulated gas

supplies as part of a statewide rollout in regional areas. Whilst this announcement and the delivery of the supplies have been extremely welcome, particularly for businesses like Patties, there are many communities in my area that still do not have access to natural gas. Towns like Lakes Entrance, Orbost, Bruthen and Lindenow still do not have affordable access to heating provided by natural gas. Interim discussions with Envestra indicate that any further rollout is unlikely to occur unless financial incentives are provided by government.

The government must continue the Regional Infrastructure Development Fund program to further roll out natural gas, which brings me to my next point. There will be many cold homes in my electorate this winter due to the government's inaction and failure to resolve the issue preventing commercial firewood cutters from earning their living and providing firewood out of state forest coupes to my communities. This is due to government failure in the transfer of licences from the Department of Sustainability and Environment to VicForests. No further coupes will be made available, forcing many of these businesses to abandon their businesses.

Firewood is a common form of heating in many country areas. It is the only form in most of these towns other than liquefied petroleum gas, which is extremely expensive. These contractors must have access to firewood coupes. These areas will be burnt in slash burns anyway and it is just a waste of a valuable resource. Locking these people out and leaving old people cold without any access to firewood is a disgrace.

### **Afghan community: Mother's Day celebration**

**Ms GRALEY** (Narre Warren South) — Mother's Day is a special time for families, and in Hampton Park the local Afghan community celebrated with a special event organised by the Australian Afghan Philanthropic Association, led by Mr Dor Aschna. Nazifa Nader, group leader for the women, welcomed the hundreds of women and their families, presented gifts to a number of them and in her own language explained why these women were being acknowledged. Stories of families left behind, sons killed by the Taliban and adjusting to a new life were recounted. Most Afghan women in my electorate have faced many ordeals, but they are enthusiastically embracing the opportunity for a quality life, especially for their children, and they are being well supported by hardworking groups such as the Australian Afghan Philanthropic Association. Many of the, I must say, beautiful young women are making

headway in the worlds of law, commerce, health and education, and their families are justifiably proud.

I am happy they can do this in our cosmopolitan Victoria. The evening was compered by the expressive Mrs Fozia and featured poetry reading and the colourful Afghan traditional dance troupe who wore their glass and embroidered costumes with such elegance and danced with spirit. The evening was generally sponsored by the ANZ Bank, represented by the enthusiastic local chief executive officer, Veronica Tavares, and Fountain Gate branch staff members, Helen Mitrokli, Nandita Mathur and a local Afghan woman who is now a sales consultant with the bank, Sahar Aboucham. My Mother's Day gift to these remarkable women and their families was my wish for them to find peace in their new homeland and for there to be peace in their mother country.

### Children's Court: local reporting

**Mr TILLEY** (Benambra) — More than 10 years ago local media in Wodonga were able to report Children's Court matters on the understanding that the child was not identified, hence making the public aware of crime in their local area. The reporting was stopped due to enforcement of the Victorian legislation stipulating that the media cannot identify the court where the Children's Court matters are heard. Current legislation under the Children, Youth and Families Act 2005, in particular section 534, restricts the media from giving the community the opportunity to fully appreciate the extent to which our communities are continually evolving and changing with ever-increasing youth crime and antisocial behaviour.

There is an element of our youth today that knows they will not be held to account or do not need to take responsibility for their actions. Some of these kids have had official police cautions before coming before the court. Victims often withdraw their complaints simply because they are children. Therefore the statistics published are not representative of the true picture of youth crime.

Using a local Benambra example, the *Border Mail* is not able to report Children's Court matters from Wodonga but can do so for matters raised in Albury court as long as the child is not identified. Residents of Wodonga, in particular, end up with an ill-conceived perception that there is no youth crime in Wodonga. Media reports convey issues such as theft, burglary and criminal damage, leaving the overall picture that while Albury is reporting ever-increasing numbers of youth crime and antisocial behaviour, Wodonga, which is

separated from Albury by only 30 metres of water, the Murray River — —

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

### Frankston: press releases

**Dr HARKNESS** (Frankston) — Frankston Council's chief executive officer (CEO) needs to urgently review the use of ratepayers money to aid and abet partisan political campaigning in Frankston. I was contacted on Friday morning last by a local journalist for comment on two Frankston City Council press releases circulated on Tuesday, 15 May.

The first relates to a volunteer project which received substantial funding from the state government. Council issued a press release with extensive reference to the federal member for Dunkley, Bruce Billson, who merely attended the project launch and did not contribute any funding. The same day council issued a press alert outlining arrangements for a photo opportunity to promote Bruce Billson at a local school. This is the thin end of the wedge, and I am sure that Bruce Billson is as concerned as I am that ratepayers money is being used in such an inappropriate way. I expect that he will condemn council for this at his earliest opportunity. This is an absolute disgrace. Frankston ratepayers do not expect council's media department to be used to promote a member of Parliament, especially five months out from a federal election.

I am informed that the council's CEO signs off on every press release issued by council's media unit. In these two instances he has shown a disturbing lack of judgement, and I trust this will be the last occasion that the council media unit is used to actively campaign for the Liberal Party. This, of course, comes on top of the use of \$5000 of ratepayers money in the lead-up to the last federal election, which was used to run an overtly political campaign for the Liberal Party as well. In order to clarify matters, I have written to the CEO seeking his explanation of council's internal procedures for publicising events to which it has contributed no funding.

### Spiro Stamoulis

**Mr KOTSIRAS** (Bulleen) — Today I wish to pay tribute to Spiro Stamoulis who passed away on Friday, 11 May. Spiro was a good man with a great heart and compassion who directed his energy into serving the community. He was the type of person who was not afraid to reach out and help others without expecting

anything in return. His work in the community serves as inspiration to others and his projects will continue as an everlasting memorial to his vision and work.

He gave the Greek community a voice with the opening of 3XY Radio Hellas and TV Hellas and recently established the Hellenic Museum to showcase Hellenic history to the wider community. He was a proud Australian but also proud of his Greek heritage. Spiro always pursued his goals with passion and determination and achieved far more than most in a lifetime. As someone said:

He was a man we admired for his constant and relentless pursuit of his dreams and what he believed.

He was driven by an amazing passion for his Hellenic heritage for which he was immensely proud.

His energy was infectious, his vision inspirational and his belief in achieving the impossible truly inspiring.

He was his own man.

He was unconventional.

He was a competitor by nature who enjoyed a challenge.

He was a leader who was admired by his peers and feared by his competitors.

He was Spiro Stamoulis.

I extend my condolences to his wife Helen, and to his children, Harry and Valenti, Melina and Manuel.

### **Cr Marlene Kairouz**

**Mr SCOTT** (Preston) — I rise today to honour the contribution to the community of Cr Marlene Kairouz, the current mayor of the City of Darebin. Cr Kairouz has served her community since being elected as the James ward councillor in 1998. In addition to serving as the mayor now, she served in that role between 2001 and 2002.

She is a migrant of a proud Lebanese heritage, drawing on a family heritage that leads back to the town of Becharre in the Cedars area in the mountains of Lebanon. She has a strong sense of social justice based on her Catholic faith, which she holds dear. Her heritage and strong sense of social justice came together in her work for the Becharre Charitable Association, which for a long time operated a house in Thornbury which provided services to newly arrived refugees, particularly of Iraqi heritage. The refugees were often of Islamic background, but that made no difference to the charitable association, which served them without fear or favour. She currently works for the Shop, Distributive and Allied Employees Association, also known as SDA, helping to bring social justice by representing low-paid workers. She is a well-known dog lover and humanitarian.

I am honoured to recognise her work for the community in Parliament today, and I understand other members, such as the member for Pascoe Vale, also recognise her work in the community.

### **Murray River: campers**

**Mr WELLER** (Rodney) — Residents along the Murray River between Echuca and Torrumbarry are deeply concerned about an increasing level of unacceptable behaviour by some campers visiting the area. I share the concerns of my constituents and urge the state government to allocate more Parks Victoria rangers to patrol the Murray River between the Echuca boat ramp and Torrumbarry Weir to stamp out unruly behaviour. Residents are astounded, as I am, by the complete disregard shown by some campers to the Murray River and its environs. Disturbingly it is becoming a regular occurrence whereby campers are drawing graffiti on trees, painting tree stumps, using off-road bikes and four-wheel-drive vehicles to do wheelies through the bush, generally leaving the camping sites in a very poor state.

This type of behaviour shows a complete lack of respect for the environment and creates untold problems for others. It cannot be allowed to continue, and I strongly believe the best way to address the problem is for additional staffing resources to be invested on the ground. There is a very strong case for additional rangers to be allocated to the Murray River between Echuca and Torrumbarry, if not every weekend, then at least on long weekends and the very busy holiday periods. There is no doubt that additional Parks Victoria resources will significantly improve the behaviour of campers and achieve a much-improved environmental outcome at this very popular tourist destination.

### **Electoral roll: changes**

**Ms CAMPBELL** (Pascoe Vale) — As individual seats, indeed governments, can be decided by a handful of votes, the democratic process must be protected from cunning, ideologically and politically driven hurdles that disenfranchise citizens by taking them off the electoral roll.

Under the Howard government's Electoral and Referendum Amendment (Electoral Integrity and Other Measures) Act 2006 the new enrolment provisions, rather than enhancing our democratic system and encouraging people to vote, have in-built design faults that served as a disincentive to enrol. In future elections the roll will close on the day an election is called. Based on enrolments at the last federal election, we are

looking at disenfranchising half of Australia's 18-year-olds.

The new enrolment forms also require greater proof-of-identity compliance — for example, a drivers licence. Obviously people under 18 do not have drivers licences, so they will have difficulty getting on the roll. The new enrolment forms also require other significant proof, and it is not easy for people who have been admitted to nursing homes to obtain the kind of evidence and documentation required. If people such as 18-year-olds and the frail find it cumbersome, then many others will simply give up. We are looking at approximately 80 000 potential voters being disenfranchised by these moves, based upon the figures of the last election.

### **School buses: hearing-impaired students**

**Mrs FYFFE** (Evelyn) — On 1 March I raised in this house during the adjournment debate the difficulties facing deaf children travelling to the Eastwood and Forest Hill primary schools following the government's axing of the taxi service. The Minister for Education responded to me on 27 April, outlining the government's policy. Basically the letter said, 'This is what we have decided, and that's that'. Stiff luck if you have a deaf child who attends a mainstream school that has special provision for hearing-impaired children. They will have to go on a bus without a supervisor. That will add 4 hours travelling time to each school day, and they will miss out on at least half an hour of classes each day in order to catch the bus.

We now have the real issue that some of these children have a cochlear implant — a fantastic invention that is helping the children. However, cochlear implants can be damaged by corrosion if water dampness gets into the microphones or processor units. While implants are water resistant, children are encouraged not to get the components wet. They have to remove their implants for showering, swimming et cetera. However, this government not only has removed the taxi service but has pick-up points that are not protected from the weather. Children are having to stand and wait in the rain for the bus, risking water damage to hearing aids. Cochlear implants have to be sent interstate for repairs, and if that happens the children affected are left without hearing in the meantime. If parents enrolled these children in a special school, they would not only have better transport but also have a supervisor travelling with them. These children are being penalised.

### **Schools: Ballarat East electorate**

**Mr HOWARD** (Ballarat East) — Recently I was very pleased to attend Ballarat Secondary College's east campus along with the Minister for Education in the other place to formally announce that as part of the recent state budget the school would be receiving \$5.6 million towards a rebuild, which will be able to be undertaken in this financial year. Not surprisingly the members of the east campus school community are very excited, since they have been housed in a light timber construction building that was built in the 1960s. Having a new building is very exciting for this school community.

Earlier on I was able to attend the Trentham District Primary School to announce that the budget includes \$2.5 million to rebuild the school. Again the members of that school community are very excited about this prospect, as are the communities at Mount Clear College and all the other schools across my electorate that previous to the budget were also advised that they would be receiving substantial funding for maths and science and the purchasing of additional equipment. That means \$33 000 for Mount Clear College, \$26 168 for Ballarat Secondary College's east campus, and a minimum of \$1600 for all the primary schools across my electorate, of which there are many. These schools are receiving great support from the Bracks government. I am certainly pleased about that.

### **Schools: Kilsyth electorate**

**Mr HODGETT** (Kilsyth) — I thank the shadow Minister for Education in the other place for visiting a number of schools in the electorate of Kilsyth on Friday, 18 May, to see first hand the maintenance needs of those local schools. I call on the Minister for Education in the other place to come out and make a similar visit to see first hand the maintenance needs of local schools in the electorate of Kilsyth.

### **Budget: men's sheds**

**Mr PERERA** (Cranbourne) — The provision of \$2 million in the state budget for new men's sheds to create places for men to participate in recreation and physical activity and to connect with community services is a great initiative by the Bracks government. Sheds will be established in cooperation with existing community organisations such as local community health services and neighbourhood houses. This is a great opportunity for men to connect with older and younger men and to impart their knowledge and experience.

I have been lobbying for a men's shed for Cranbourne for a number of years, so this is great news for Cranbourne. Cranbourne men are very enthused about this initiative, and we are looking forward to establishing a men's shed in Cranbourne.

**The ACTING SPEAKER (Mr K. Smith)** — Order! The time for members statements has finished.

## STATE TAXATION AND GAMBLING LEGISLATION AMENDMENT (BUDGET MEASURES) BILL

*Second reading*

**Debate resumed from 2 May; motion of  
Mr BRUMBY (Treasurer).**

**Mr WELLS (Scoresby)** — I join the debate on the State Taxation and Gambling Legislation Amendment (Budget Measures) Bill 2007, the purpose of which is to give effect to the state budget measures involving taxes and gambling regulations. There are four main provisions in the bill relating to stamp duty reductions on new passenger vehicles, land tax reduction measures, congestion levy amendments, and gambling regulation amendments, which have two parts.

The bill amends the Duties Act 2000 to lower the rate of stamp duty applicable to the purchase and registration of new passenger cars and near-new demonstrator vehicles valued between \$35 000 and \$57 009, the latter being the commonwealth luxury car tax rate. Applicable from the budget day, 1 May 2007, the new rate of duty for passenger vehicles and demonstrator vehicles registered by motor dealers within the previous 60 days and valued between \$35 000 and \$57 009 will be 2.5 per cent. That is the same rate as the rate for passenger cars under \$35 000, which does not change. This compares to a rate of 4 per cent previously for cars valued between \$35 000 and \$45 000 and 5 per cent for cars valued between \$45 000 to \$57 009. The duty rate for cars above \$57 009 will remain at 5 per cent.

The second lot of provisions in this bill, the land tax reduction measures, amend the Land Tax Act 2005 to give effect to the budget land tax reduction initiatives. The three main land tax changes are: firstly, the reduction in land tax for general property owners and trusts; secondly, the abolition of special land tax for primary producers who own property that is wholly or partly in the metropolitan area and who either change the use of their land or sell land which is then used for another purpose; and thirdly, the abolition of a special

land tax where land is compulsorily acquired. The general land tax reductions are applicable to 2008 land tax assessments, with a commencement date of 1 January 2008. The provisions relating to the abolition of special land tax are applicable from 1 May 2007.

The third lot of provisions, the congestion levy amendments, affect the Congestion Levy Act 2005. The act will be amended to provide a temporary reduction in the congestion levy in the 2007 and 2008 calendar years for a small, defined section of the city of Melbourne containing parts of Southbank, the Docklands and Port Melbourne. The congestion levy is to remain at the 2006 level of \$400 per leviabale parking space.

The gambling regulation provisions of this bill have two parts. Firstly, they amend the Gambling Regulation Act 2003 to reform wagering commissions. The current cap of 16 per cent on wagering commissions from the total turnover of the wagering operator is to be abolished. Previously there had been an average cap of 16 per cent placed on wagering commissions from the combined total of each betting pool. The actual commission rates vary by type of wagering product and betting pool — that is, win/place, quadrella and trifecta. The amendments freeze the existing commission structure for each betting pool against any increases, with a maximum cap of 25 per cent on existing or new, so-called exotic, wagering products. The commissions can be lowered but not increased from the existing structure, and they must be approved by the Treasurer. The commissions must now be specified in the betting rules, which will be regulated by the act.

The second part of the provisions affecting the gambling regulation amendments amends the Gambling Regulation Act 2003 and the Casino Control Act 1991 to increase the annual health benefit levy on electronic gaming machines by \$1300, or 43 per cent, to \$4333.33 per machine. This will net the government an additional \$39 million per annum, taking the total revenue from the health benefit levy to \$130 million per annum.

It is interesting to note what we have actually learnt since budget day. One of the main things members of the Liberal Party were pushing on the day the budget papers were read was the supposed massive increase in debt. I draw the attention of the house to a press release put out on 31 October 2006 with the heading 'News from Steve Bracks and Labor' — and this was at the height of the campaign. Three-quarters of the way down the press release the Treasurer is quoted as saying:

Deloitte has concluded: recurrent expenditure commitment estimates have been prepared with due skill and diligence and

accurately in all material respects with appropriate supporting assumptions.

The press release goes on:

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

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

It was a very important and so-called powerful statement that the Treasurer made on 31 October. Just to recap, he said that all recurrent expenditure commitments had been prepared with skill and diligence, and we understand that. But he went on to say that the auditor, Deloitte, was satisfied that all our capital investment commitments were capable of being accommodated within the existing budget forward estimates and would not incur one extra dollar of debt. It is interesting to look at the details of that election commitment — and I am going to bring this back to the budget papers and to the bill — and at the summary of Labor’s 2006 election commitments. I am referring to page 6 of Labor’s 2006 financial statement, which details its capital investment. If you look at that, you see that total estimated investments, less allocated capital, came to \$3.277 billion.

We do not have a problem with that. That is what the government is committed to, and it has its infrastructure program set out. That is fine: the people of Victoria looked at that and voted accordingly, and they returned the Bracks government. But what we are now saying, based on the information we have from the Labor Party, is that what it said in its pre-election commitments and what is actually going to be delivered in the budget papers are worlds apart.

As I said, total capital investments came to \$3.27 billion, but if you look at chapter 2 on page 23 of the pre-election budget update, you find that the unallocated provision for future investments totals \$2.51 billion. So the previous shadow minister, the member for Box Hill, quite rightly pointed out that there was a shortfall of \$767 million from the press release to the pre-election budget update. The election promises did not stack up.

It is also interesting to note that when we look at debt level, already we see a shortage of \$767 million on capital infrastructure projects. Let us go back to Deloitte. Deloitte put out the first comment on 31 October, which I have already mentioned. Then on 21 November 2006 it put out another document, a letter to the state secretary of the Victorian branch of the

Australian Labor Party. It is interesting to note that that updated, audited document does not anywhere mention the capital programs. What it does state in the third paragraph is:

Based on the work performed, we have concluded that:

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

We accept that. The second point is:

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

We accept that. We do not have a problem with that, but why is it that when Deloitte was being asked to audit the Labor government promise it conveniently forgot about the capital programs? It mentioned them in the first letter, but when the pre-election budget update came out and Deloitte updated its recurrent audit, it conveniently left out capital works programs. The previous shadow minister was dead right — this was because there was a shortfall of \$767 million.

What is this doing to debt? We have noted that in this term of the Bracks government debt will skyrocket. We have had debt levels of around \$1.5 billion or \$1.8 billion. Debt will rise faster under this government than it did in the Cain and Kirner periods of government, when state debt tripled. The state government sector’s net debt — general government debt — is estimated to climb fivefold from 2005 to almost \$9 billion in 2010–11. By 2010 the Victorian government sector debt will be the highest of any state’s against gross state product, and continuing to climb.

Overall net public sector debt — and that includes the net debt of public non-financial corporations such as water authorities — is set to triple from \$4 billion in 2005 to \$15.3 billion in 2010–11. We are halfway back to the figure the Kennett government had to pick up when it came into government in 1992. We hear the rhetoric from the Labor government and the Treasurer. They say, ‘You are talking different dollars. You are talking 1992 dollars instead of 2007 dollars’. The fact remains that debt is on the increase. Let us look at expenditure. Spending is at a record level. It has grown at an unprecedented rate under Labor — from \$18.2 billion in 1999 to an estimated \$33.9 billion in 2007–08. That is an increase of over 86 per cent.

Let us look at revenue. Since 1999 revenue has grown by more than 80 per cent — from \$19 billion to an estimated \$34.3 billion in 2007–08. If you look at the GST and federal government grants, you see that combined they bring in to the state \$44 million a day; and if you look at state taxes and charges, you see they bring in about \$33 million a day.

Let us look at unfunded election promises — as we go through the forward estimates we see a long list of these unfunded promises. Of Labor promises for the period 2007–11, \$1.8 billion worth will look for funding at a future date. Of the \$476 million promised to tackle worsening capacity in emergency departments, \$264 million has been provided. Of the \$394 million promised to contend with deteriorating hospital surgery waiting lists, \$245 million has been provided. And of the \$36 million promised to improve ambulance bypass times, \$22 million has been provided.

Sunshine Hospital will only get \$20 million out of a promised \$184 million, Warrnambool hospital will only get \$16 million of the \$90 million Labor promised, and of the \$20 million that was promised for prevention and recovery care for the mentally ill only \$9.6 million has been delivered. Nowhere in the forward estimates can we find where the rest of this funding will come from. Sure, next year more funds will be allocated, but every time we ask a minister about this they say, ‘There is enough in the unallocated capital component’ — and I will come to that very shortly.

Regarding this unallocated capital, we are interested to know just how much will be funded. If you look at any road, hospital or education project, it seems that it will be funded from the unallocated part of the budget. Members should look at an interesting article on page 1 of the *Herald Sun* of the day after the budget. The headline screamed, ‘Just add water’. The government was under pressure about not funding any water infrastructure projects.

From my memory of the budget speech, when it came to the four projects that were actually being looked at — the desalination plant, the pipeline and the recycling projects — the government said it would look at studies, then further studies and then feasibility studies. There was nothing to fix our problems. In the article entitled ‘Just add water’, the Treasurer was reported as saying that:

... the government had \$2.9 billion available through ‘unallocated capital capacity’ to fund a major water project or contribute to the proposed deepening of the Port Phillip Bay shipping channel.

Not only do we have unallocated capital to fund all the school projects, the hospital projects, the ambulance bypass and the channel deepening, but we also have it to fund the proposed water infrastructure projects. There seems to be a bottomless pit when it comes to those particular projects. I notice that on 3AW the Treasurer continued the same line. He said that:

... over the next four years there is just under \$3 billion of what we call unallocated capital. It’s all paid for going forward. It’s all built in.

Page 45 of budget paper 2 shows very clearly that the total amount of unallocated provision for future allocations — that is, unallocated capital — totals \$1.6 billion. When the Treasurer continues to talk about \$2.9 billion, I think he is slightly misleading. The reason I say he is slightly misleading is that if you go on the Treasury’s figures, you see that it uses calculations of 28 per cent, 28 per cent, 28 per cent and 16 per cent to work out its forward estimates on capital works. What you have to do to get to the \$2.9 billion that the Treasurer is speaking about is assume that equal amounts will be contributed up to 2014.

If we are looking for \$2.9 billion of unallocated capital, we have to make the assumption that we will not have that \$2.9 billion in this term of government but that we will have to rely on funding up to 2014. What the Treasurer said on 3AW and in the *Herald Sun* is not the same as what we see when we look at the matrix of the Treasury’s calculation based on the 28 per cent, 28 per cent, 28 per cent and 16 per cent ruling for future capital allocations, especially in the area of unallocated capital.

We support the issue of tax cuts on the value of new cars. We think this is a positive step: it is good for jobs, it is good for car safety and it is certainly good for the environment. As the Treasurer has quite rightly pointed out, Australia has one of the oldest car fleets in the world, and by that he means that we are pumping more unhealthy gases into the environment. Getting people into new cars will mean we will have cleaner cars on our roads. It will also mean we will have safer cars because of the safety devices that are in new cars these days. One of the reasons why I think we have a lower road toll, apart from the campaigns constantly being run by Victoria Police, is that we also have safer cars. I think that is a very important measure.

The stamp duty tax cuts were brought down on 1 May. As I mentioned earlier, they will amount to 2.5 per cent for cars valued between \$35 000 and \$45 000 and 2.5 per cent for cars valued between \$45 000 and the luxury car value of \$57 009.

I also want to mention the special land tax. I note that a colleague in the upper house, Mr Rich-Phillips, has on numerous occasions also mentioned the special land tax that affects properties on the border of metropolitan Melbourne. We welcome the fact that this particular tax will be abolished. We think it is a very positive step, because you can have situations where the metropolitan line catches up with families that for a number of years have had farms on the metropolitan border. We appreciate the fact that this is a positive step forward.

I also mention the congestion levy, which is an interesting tax. We say it is an inefficient tax, because if you are going to have a tax you must have a goal or objective at the end of it. The congestion levy was supposedly all about reducing congestion in the central business district, but it has not done that. There are no indicators that this tax has fixed that problem. It is costing businesses thousands and thousands of dollars to administer. It has to be an inefficient tax if it is costing businesses so much to administer. Staff and resources are being tied up in administering the tax, yet we are still not getting a result. That means something is desperately wrong with the tax. It is my understanding that, around a small section of the Port Melbourne and Southbank areas, the \$400 levy is being kept because of the encouragement it provides to put parking spaces in those areas. I know people in the industry are talking about the congestion levy. Wilson Parking is affected by this. Its chief executive is reported as saying:

... there was no evidence that the levy had tackled congestion in the inner city.

It is a blunt, poorly targeted measure, which will not ease congestion but will have a detrimental impact on Melbourne's CBD property values.

'Clock ticking on parking tax' screamed the headline on page 4 of the *Herald Sun* of 21 February. We have identified it as an inefficient tax and we will continue to do that. Again in the *Herald Sun* an article under the heading 'City congestion slug a dead end' goes on to say:

And despite the government's best intention there is no objective evidence that the levy has reduced traffic flows or congestion around the CBD or any evidence that it has encouraged more people to use public transport.

What is happening along St Kilda Road? It has meant a higher vacancy level. According to the Property Council of Australia's submission regarding the congestion levy, people are moving away from the area. The council blames the congestion levy for that.

Finally, we have the gambling tax. The government likes to call it a health benefit levy, but clearly it is another tax and another grab for tax revenue. It will increase the annual levy on each of Victoria's 30 000 poker machines from \$3033 to \$4333, which will bring in another \$39 million in what the government says is a health benefit levy. We are not convinced that it will go into the health budget — and if it does, we are not so sure that other funds will not be extracted out of the health budget to try and fix the hospital waiting list.

The second part of the gambling tax amendments concerns the issue of wagering. The racing industry and Tabcorp will benefit from this change. In the past there was a 16 per cent cap on the wagering commissions which Tabcorp was entitled to, but under this new system each wagering product will have a different allocation of commission, whether it is a win/place bet, a quadrella or a trifecta. Obviously there will be a greater incentive for Tabcorp to run out exotic bets, from which it can get commissions up to 25 per cent.

We have serious doubts about the budget. I know the government is very keen to try to convince Victorians that it is good for them, but on our side we are very clear on a number of points. The first is that debt is on the increase — this is the Labor of old. There are no water projects that will fix our water problems by drought-proofing Melbourne and drought-proofing most parts of Victoria.

We keep on hearing about the unallocated capital provisions, but they cannot fund all the future infrastructure projects that have been laid out. There is not enough money to fix the water projects, to fix our schools, to fix the waiting lists or to fix the road projects. The Liberal Party will not oppose this bill.

**Mr RYAN** (Leader of The Nationals) — The Nationals do not oppose this legislation.

**Mr Nardella** — Hear, hear!

**Mr RYAN** — But I do want to make some observations on it that I think are worthy of consideration. I am pleased to have the member for Melton here on behalf of the Labor Party to exhort me to even higher endeavours. There are some interesting statistics underpinning this whole budget. They are principally twofold and are best exemplified by looking at budget paper 2, which I still believe is the best document to consider insofar as a snapshot of this budget is concerned and what the portents are for the future during the course of its operation.

The first of those elements is the figure with regard to GST payments. What the budget papers set out is that

26 per cent of the \$34 billion budget for the state of Victoria, as detailed in documentation produced by the Treasurer, comes from GST payments. It is about \$8.5 billion a year, or about \$700 million a month. This is for simply teeing up, as Tiger Woods would say; he just has to turn up and be there and \$700 million a month comes rolling in the door. It is an absolutely staggering amount of money.

The other particularly interesting statistical feature in the budget is that on top of the 26 per cent of the income which is dedicated to the GST there is a further 20 per cent for special purpose payments which come from the commonwealth. That 20 per cent of the \$34 billion budget equates therefore to about another \$7 billion in round figures and that is about another \$560 million a month on average that comes rolling in the door simply because the Victorian government happens to be the Victorian government. A total of about 46 per cent of its \$34 billion income, a figure of about \$15.5 billion, is now derived from commonwealth payments. It is a truly remarkable amount of money, not only in its own right, of course, but equally and perhaps even more so because of the extent to which the commonwealth is now contributing to the fortunes of the Victorian public.

What do we see in the face of this vast Aladdin's cave of cash that is flowing down the highway from Canberra to Melbourne? We see a state government which continues to lift its taxation regime in the state of Victoria, a state government which, despite all the protestations it makes, simply cannot control its own spending, and a state government which over a period of about eight years now has blown its own budget every year without fail and fortuitously has been propped up because the budgeted income has also been exceeded. So it is that right now, after that period of about eight years, the Victorian government is something of the order of \$3 billion to \$4 billion ahead, simply because its budgeted income has been exceeded by a vast amount of money whereas the budgeted expenditure has also been exceeded by a vast amount of money but thankfully not quite as vast.

The summary of the position with regard to the performance of the state of Victoria is palpably poor. When one examines the essence of the budget you cannot help but come to that conclusion. The fatal flaw, of course, with all Labor governments is that they cannot manage money. It is a position whereby they simply do not have the fiscal discipline to be able to manage money. The track record absolutely speaks for itself. This budget speaks for itself. I am afraid that for as long as we have a Labor government in Victoria we will see the same thing happen, as is the case in other

jurisdictions around Australia and, heaven forbid, should it be that Australia is left rudderless later this year and Labor wins the election, we will see the same thing inevitably occur as we have seen before because it is just a basic flaw that the Labor Party has — its governments cannot manage money. When you look at this particular piece of legislation, it has to be viewed in that context.

There are various elements to the bill. It makes amendments to the Duties Act 2000 that will see a reduction of duty on new passenger cars valued at between \$35 000 and \$57 009 to 2.5 per cent, which is the same rate as for new passenger cars valued at less than \$35 000. I am pleased to see this initiative, if for no other reason than that it will stop the member for Murray Valley campaigning on this issue at our party meetings, which he has done for the best part of three decades, starting long before I ever got to this place. This is something that the member for Murray Valley has constantly harped about — in a constructive sense, of course, as is his wont. He has been very anxious to see this initiative adopted. I know that he will come in here later and applaud the government for this initiative and we are also pleased to see it happen.

A further initiative is that special land tax will no longer be applied to primary production land in the metropolitan area. That again is a worthy initiative. A further aspect of it is that the rates have also been reduced for trusts land tax scales. That again is something we support. A further initiative is that the Land Tax Act 2005 has been amended in various respects. The four primary amendments will apply for the 2008 land tax year. They include increasing the tax-free threshold by 12.5 per cent from \$200 000 to \$225 000 and the three other initiatives that are set out in the second-reading speech. I do not need to go through them; they are there.

People need not be fooled though about the actual practical effect of what the government is proposing to do under the terms of the so-called reductions in land tax. You only need view the budget papers to consider what in fact is the position. The budgeted income from land tax for 2006–07 was \$747.6 million. What happened inevitably was that the amount the government actually received from land tax was well in excess of the budgeted figure. Indeed the government, on the revised figures, received an amount of \$890 million, an extra \$150 million. What is happening under the course of this so-called land tax cut is that the budgeted income from land tax for the next financial year is \$765.4 million.

To put that in context, the budgeted income for land tax in the next financial year is to be around about \$20 million-odd in excess of what the budgeted income was for the previous financial year. In fact, when you get down to it, what the government is doing, as is its wont again, is its renowned pea and thimble trick because inevitably we are going to see that the revised estimates for land tax will be, similarly as happened last year, about an extra \$150 million-odd and the government will end up in net terms in a far stronger position than it ever hoped to be in relation to its income from land tax. That is an aspect which needs to be applied across the way in which the government recites its so-called cuts to taxation in all spheres, because you see the same thing happen.

You have a set of figures that were the subject of the budget for a previous year, you then have the revised figures which inevitably are in excess of what the initial budgeted income was supposed to be and then you have the so-called cuts which do no more than return the figure which the government is budgeting to receive to being a figure in excess of what its original anticipated income was. Of course the new revised figures will come out, up it will go again and the same chain of events will occur. I do not think anybody in the public really is fooled by what it is that the Treasurer keeps trotting out because it is a well-worn road of which we are all very well aware. All of this, as I say, is in an environment in which this absolutely huge amount of cash is coming to this government, particularly as a result of the income from the GST — as I say, about 26 per cent of what the government is now budgeting to receive.

We still have this rhetoric being run out about the government having satisfied the terms of the intergovernmental agreement and about the taxes that it was supposed to abolish having been abolished — yadda, yadda, yadda. I accept that if you look at the strict letter of what the intergovernmental agreement contains, if you look at it absolutely strictly by word, the government can claim with some degree of veracity to have done what the agreement contemplated. But on the other hand, clearly what the tenor of the agreement contemplated was that, as the GST payments grew, the governments around Australia, including the government here in Victoria, were going to be obliged to offset the massive increases coming from GST by then considering a range of other taxation incomes such as those from property taxes. That is a fair reading of the document. It is a position which is consistently and very legitimately put, and I think this government really does need to conduct itself in a manner which has appropriate regard and respect for the fact that a huge amount of money is coming in from the GST.

There are three particular elements of this legislation and the budget generally to which I want to direct some further comments. In the face of the intergovernmental agreement, and the proposal that specified taxes would be abolished and in the face of the content of that agreement, which carried, by tenor if not otherwise, the notion that the government would at least review the other forms of taxation it was imposing, what has this government done? Here I am again doing a Kevin Rudd; I am interrogating myself. But the answer to my own question is this: what the government has done is supplant some of those old taxes with some new taxes. It is a case of out with the old and in with the new, and we do have a couple of absolute classics.

I suppose amongst them my favourite is the tax on electronic gaming machines. I think this is just a little ripper. This is Labor at its best. What the government has done is pick an industry where it knows the public at large will not squeal, and it has snipped them for another \$39 million, which is supposed to go — —

**Mr Delahunty** — How much?

**Mr RYAN** — Thirty-nine million dollars — I say in answer to that interjection — is supposed to go to the hospitals and charities enterprises for the good of all Victorians' health. Remember that when they did this about three or four budgets ago 'one-off' was the term used by the Treasurer — it was a one-off. I grant that he did not say, 'We will not do it again', but the general expression was that it was a one-off. Again the tenor of that could fairly have been taken to be that it was going to be a one-off visitation, with no coming back. Not only have they come back, they have come back again and they have come back again. Look out, because we all know, like a train in a tunnel, what is going to happen next year. Bang! The gaming industry is going to get cleaned up.

As I said in the course of making my budget response, I am not here to speak on behalf of the gaming industry — they are big boys, and they can look after themselves — but I do speak on behalf of Victorian business when I say Victorian business should expect better from the Victorian government. To think that the government can just quietly do this in the budget, tell the operators after the event, in the sense of the decision having been taken, and the operators have to just grin and bear it and get on with things, is palpably disgraceful.

In the context of the GST payments it is again a disgraceful thing to do, and it is more particularly so with regard to the way in which the clubs in Victoria are obliged under the legislation to pay out dividends

from what they receive by way of community grants. The proposition now embodied in this legislation flies in the face of the obligation upon the clubs. Where are they supposed to get the extra money if they are inevitably going to be billed by the operators, or however it might happen? That obviously is happening. The money has to come from somewhere, and of course in the end result the clubs have to bear the cost of it. Indeed the pubs have to as well, but at least one might say the contribution of the pubs is coming out through the Community Support Fund.

That in turn reminds me of another aspect of all this. The way in which this money is being used is reflective of the way in which money is being raised by the government and then misused through the operations of the Community Support Fund. Time after time we see line items in the Community Support Fund that are being used to replace money that should be being drawn out of the budgetary process per se, yet the Community Support Fund is used for that purpose — for example, this additional money on electronic gaming machines or EGMs. You could call it easy grab money or easy to get money or whatever you like. That is how the government sees its capacity to plunder this industry, and again we see it happening.

The other classic that appears here is the so-called congestion levy. Today in question time the Attorney-General was talking about ducks. Here we go again. This is a proper context, if you like, to talk about — —

**Mr Donnellan** — Skunks.

**Mr RYAN** — Skunks, was it? I prefer ducks. I say ducks, because if it does not walk like a duck and it does not quack like a duck and it does not look like a duck, then you do not call it a duck. This is not a congestion levy. There is no way in the world this is a congestion levy. This is a second-hand, underhanded, typical Labor Party pea and thimble trick intended to raise another \$40 million-odd in tax. That is what it is. It was never, ever going to work. They knew it would not work, and indeed as I remember I think the Premier even flew out of the country and let the Treasurer or someone else announce it. It might have been the poor, hapless Acting Premier, the Minister for Water, Environment and Climate Change, who seems to cop these things every now and then. He might have had the task of announcing it to the world. However it was done, here is another \$40 million in what they call a congestion tax.

If they are going to have a congestion tax, they should do what is done in London and Singapore and other

places around the world, where they have in fact constructed a congestion tax as such. You have a zone of the city which is dedicated to the operation of that tax, and vehicles going in there during the course of the working week are subject to payments in accordance with whatever is the amount to be paid. The money that is raised is in turn hypothecated straight back into the transport system, and you therefore have a means of doing something constructive about the actual congestion. That is how that tax should work, and that is how, if the government were serious about this, it should be applied in Melbourne as well. We have, after all, about one-third of Melbourne traffic driving around looking for somewhere to park. That is the figure from the Melbourne City Council. About a third of them are driving around the town trying to get somewhere to pull up. If you want to have a congestion tax — that is, a congestion tax as such — then at least do the honest thing by Victorians: bite the bullet and introduce the tax.

I might say that an important rider on any such initiative is that you have got a public transport system which can convey people to and from the city during the periods of operation of the congestion charge. That immediately represents a problem for this government, which is busily out there buying back second-hand train carriages — do you mind! — as a way of trying to make its public transport system operate. I saw an article in the paper the other day showing some poor bloke who takes his own stool to sit on in the course of making his daily trip to and from work by public transport. What have we been reduced to? Really and truly, what have we been reduced to? He is like Little Miss Muppet sitting in the corner on his stool, yet he is supposed to be using public transport. Goodness gracious me, it is Third World stuff. That is the second element I wanted to speak about particularly.

The third element is the issue of increasing debt that Victoria now sees itself raising. We are going down the same path. We should have paid out the debt with the money we had available. We should be following the clear path which has been set out for us by the federal coalition government of establishing a future fund and even establishing a second future fund in relation to our educational needs. That is the responsible way to manage money on behalf of the state of Victoria, but unfortunately and inevitably Labor cannot manage money, so we see it again taking us down the path of increasing debt and leading Victorians back whence they came those few dark years ago.

It must be remembered that the present government has been in government for longer than was the former government. The current government has to learn to

stand on its own two feet in relation to these important issues. The critical thing is that in demonstrating that aspect of things it is a palpable shock to Victorians to find that they are going down the same path that we all know so well happens with Labor governments. Labor simply cannot manage money. These budgetary measures as set out in this bill do nothing at all to still the concerns which Victorians, both metropolitan Victorians and those in the country parts of the state, have about Labor trying to run Victoria.

**Mr DONNELLAN** (Narre Warren North) — It is an honour to speak on the State Taxation and Gambling Legislation Amendment (Budget Measures) Bill 2007. In doing so it is worth revisiting some of the comments made by the member for Scoresby and shadow Treasurer and by the Leader of The Nationals.

The shadow Treasurer seemed to suggest that debt is skyrocketing and out of control and that this is being done in an underhand way, being done secretly and so forth. First and foremost this is in the budget papers; it is a very public document. Secondly, if you look at the basic figures for the income required to cover debt, you find that when we came to power 10 per cent of total income was required to cover all the debt and superannuation liabilities. The figure today is 6 per cent. So realistically we have a greater capacity to cover the debt, and we are looking to use that debt to invest in capital infrastructure — things like investing \$555 million in rebuilding schools. To me that seems like a very good investment in the future of this state. But somehow or other that seems to be evil, out of control and so forth. No-one else seems to agree with the shadow Treasurer, including the economic commentators in most of the newspapers. But somehow or other the opposition seems to think that is the way the cookie crumbles. God help us!

We also heard comments about unallocated capital. It seems that members of the opposition continue to get the total estimated investment (TEI) in a particular project confused with unallocated capital. The total estimated investment is the total amount that will be invested in building a project over the life of that project, which may take several years and go well beyond the forward estimates for four years. Unallocated capital only refers to the next four years. You cannot use the unallocated capital cash flow to estimate whether you have actually got the funding to cover the TEI. Opposition members continue to get this wrong. They continue to show a lack of understanding about how to read the budget papers. I believe it has been explained to them by people in the Treasury and by the Treasurer, but they go on with this moronic interpretation of the budget papers.

The Leader of The Nationals talked about the incredible generosity of a federal government which keeps giving us all the GST money. The simple facts of life are that we get back 87 cents for every dollar we give to the commonwealth in GST. We fund Queensland, and we fund Western Australia. We get diddled on a continuing basis. We have a Victorian commonwealth Treasurer who continues to dud the lot of us. We have an opposition that does not stand up for Victoria. It will not tell the federal Treasurer that we require this money because we put it there in the first place. So we continue to send money south, north, east and west — everywhere — to fund everyone else bar Victorians.

We are being criticised because somehow or other we are not grateful enough for the generosity of the federal Treasurer in giving us money we would have collected in the first place. I find that incredible. The federal Treasurer is very generous with bribes, as we all know. There is \$500 just because you are alive; then \$500 for this and \$500 for that; and \$1000 if you are an apprentice. He can throw bribes around everywhere, but we do not get our GST money back, and that is a major problem.

The Leader of The Nationals also mentioned the health benefit levy. The money is actually hypothecated directly to the hospitals and charities — —

**The ACTING SPEAKER (Ms Munt)** — Order! Would the member for Narre Warren North turn off his phone.

**Ms Asher** — It's a promotion.

**Mr DONNELLAN** — It is a promotion.

**Ms Asher** interjected.

**Mr DONNELLAN** — Exactly, it is a promotion for Telstra! The Leader of The Nationals seems to think that future funds are the saviour of everything. To me it suggests that you have no idea what to do with the money, so you throw it into a future fund. What other things would we cover with a future fund? Salaries for future members of Parliament? You might as well put aside money for that. We might as well put money aside for everything that might happen in the future. By the time we have finished doing that we will find we have no money to cover recurrent costs. It is a funny way to manage money, which the federal Treasurer continues to do every time he has no idea what to do. Education? Bang — he finds \$5 billion just to hand out.

With the education future fund, or whatever we might like to call it — it is an endowment, I guess — \$5 billion has been set aside and there is \$300 million

coming out of it. There are 38 universities, so they might all get a small portion of \$8 million or \$9 million each year to spend on capital. That is not going to go a long way, and the federal government knows it. This is all part of the smoke and mirrors special of handing over money to put into a future fund, hoping that everybody thinks it is a marvellous proposition.

This last budget was an absolutely marvellous proposition, and comments confirming that came from far and wide, including from my own electorate. I went out either last week or the week before and did my mobile office run, as I do every month. One of the comments made to me was about the generosity of the cut in duty on new cars, because I had a couple of constituents who were buying new cars. What we have done in this budget is reduce the rate of duty on cars valued up to \$57 009 to 2.5 per cent, with a 5 per cent levy above that. That will provide savings over about four years of \$177 million. It will be very good for the community out in Casey, a lot of whom drive because they have to go a long way. At the end of the day it will save people about \$540 on a brand-new XT Ford Falcon. On a Holden Commodore it will save about \$549.

Let me look at what the executive director of the Victorian Automobile Chamber of Commerce said about this budget, specifically in relation to this duty. It is important to remind the house of that, because the rantings and ravings of the Liberal Party and The Nationals would suggest that this budget is a dog. No-one else thinks that; only they do. Let me read what David Purchase said:

'This is a very good budget for business and a good budget for Victoria', VACC executive director, David Purchase, said.

'It is evidence of a strong state economy and a strongly performing Treasurer who has been prepared to listen to small business'.

I do not know if I have ever seen that said about any Victorian Liberal Party treasurer.

This budget is also very good for those of my punters who have investments. We have reduced land tax, and I think over the next four years the savings to the community will be about \$508 million. We have increased the land-tax-free threshold from \$200 000 to \$225 000. That means that 28 000 former land tax payers will no longer pay it, and 44 000 land tax payers will have the rate at which they pay land tax reduced. We have cut the current 1.2 per cent rate to 0.8 per cent, thereby allowing the threshold to cover land holdings valued between \$900 000 and \$1.62 million.

We have cut the current 1.8 per cent rate to 1.3 per cent. We have cut the top rate of 3 per cent to 2.5 per cent, which was 5 per cent when we came in. We have foregone \$2.5 billion worth of tax. It would have been extraordinary if we had not done anything about land tax rates. We have reduced the rates for special trusts. We have abolished the special land tax on primary production, and I note that the Leader of The Nationals supported that. That will improve the fairness of the special land tax provisions.

As a result of these changes, businesses with land valued between \$0.4 million and \$4.5 million will now pay the second lowest land tax in Australia. Let me quickly give a comparison. If you have an investment worth \$2 million in New South Wales, you pay land tax of \$28 116; in Queensland you pay \$30 000; and in Victoria under the old method you paid \$17 000, which in comparative terms was great. Under the new tax scales you pay \$13 380. So we have done a marvellous job of reducing the costs.

It is probably timely to look at what the Property Council of Australia has said. It said it is very pleased with this result. What did it say about land tax specifically? It said this is a significant drop and one that should allow Victoria to compete fairly for our fair share of jobs and investment. I could not see anything more positive coming out of the property council. I think that is a very good result. Further it said:

Improving Victoria's competitiveness will help the state tap into billions of dollars worth of superannuation funds, drive economic prosperity and deliver jobs and security. Middle-bracket relief is another step in the right direction ...

There we go!

**Ms ASHER** (Brighton) — I also wish to make a few observations about the State Taxation and Gambling Legislation Amendment (Budget Measures) Bill, which, of course, is the accompanying piece of taxation legislation to implement the government's budget changes.

The first thing I want to comment on very briefly is the changes to the Duties Act in relation to cars. Other speakers have articulated the specific reduction in duty on new cars with a rate adjustment to 2.5 per cent on cars in the \$35 000 to \$57 000 bracket, which is the same rate as for cars under \$35 000 at the moment. While I understand the argument that new cars being made cheaper and more available to people will have an environmental impact, I would draw the government's attention to the fact that this is not a completely environmental measure and smaller cars have missed out on a cut.

I appreciate that they will be at the same level, but people wishing to drive smaller cars for environmental or indeed financial reasons have not had a cut from the previous situation. Indeed the government has still not addressed the issue of hybrid cars. I am well aware of what the Victorian manufacturing capacity is, but the government is always talking about its environmental credentials. While cost savings are particularly welcome — more than anyone I am pleased to see the government reducing taxation and duties — there are other measures the government could have taken on an environmental basis.

In that context I also want to look at the government's congestion levy. This was a particularly controversial tax. We, of course, voted against it and thought the whole tax should never have been introduced and indeed should be abolished. However, in this bill the Treasurer has outlined a special concession for people who live in Southbank and Port Melbourne — in other words, for people who reside in the Deputy Premier's electorate. There will be a concession for them, to use the Treasurer's terminology, for the years 2007 and 2008. Originally under this proposal the so-called congestion levy was going to be raised to \$800. This bill will keep it at \$400 — the initial taxation point when this tax was first introduced.

However, I want to remind members of the reasons the government gave on 5 October 2005 when it introduced this bill into this place. In the second-reading speech for the Congestion Levy Bill — it was actually read by the Attorney-General for the Treasurer — the Attorney-General said:

Around Australia and across the globe, governments are grappling with how best to maintain a city's accessibility, while reducing levels of traffic congestion and related environmental impacts.

Road traffic significantly contributes to greenhouse gas emissions and pollutants entering our atmosphere.

For Victoria to continue its record of strong economic growth and for Melbourne to remain one of the world's most livable cities, we need to recognise the challenges posed by increasing traffic congestion and take action to combat it.

He went on to make the extraordinary assertion that this was not about revenue raising at all, it was about reducing congestion. He then went on to say where the revenue would go.

I make the point that at the time it introduced this levy the government made much of its so-called environmental motivation for bringing in this tax. While I am happy to see taxes or potential tax increases reduced in their severity, on the government's rationale why is this not as environmentally important now as it

was on 5 October 2005? The answer is very simple: this tax had nothing to do with environmental issues or the government's desire to address environmental issues; it was simply a tax, and in this case a tax levied on business.

I want to refer to the budget documents in relation to this particular levy. In last year's budget the levy was anticipated to raise \$38.8 million in the 2006–07 year. That was at page 134 of budget paper 4. However, in the pre-election budget what we saw for the congestion levy was that in the 2006–07 year the anticipated revenue was again \$38.8 million but in the estimate for 2007–08 the government estimated that this tax revenue would increase to \$39.7 million, rising to \$41.5 million in 2009–10. It is very clear that the government's revenue estimates on this tax showed it increasing over time. In this year's budget — budget paper 4 at page 135 — we can see the congestion levy for 2007–08 goes back to \$38.7 million. Again, I make the point that if at the time it introduced this levy the government wanted to argue it was for an environmental purpose, then the government is not being consistent in its argument. I also make the point that this levy was unwarranted and should not have been introduced in the first place, because it was simply another tax by the Bracks Labor government.

I want to make a couple of comments in relation to land tax. Other speakers have articulated the changes to land tax in relation to the threshold, some rate cuts and some lessening of the surcharge for land tax levied on trusts. I see in the budget that the amount to be budgeted for land tax is \$747.6 million in 2006–07 and the government has budgeted an increase in 2007–08 to \$765 million. These land tax cuts are not enough at all. The government's own documents show that it has in fact budgeted for an increase in the collection of land tax, which is a disincentive to business investment. This is a very punitive tax on self-funded retirees, businesses and people wishing to invest for their futures.

I want to conclude by referring to what is missing from the amendments to the Duties Act. I note that the previous speaker from the Labor Party chose to make an interstate comparison in relation to land tax. I would like to make an interstate comparison in relation to stamp duty, where there are no cuts in this budget. I wish to remind the house that on a median-value property in Brighton the stamp duty paid is \$74 525. If that property were located in New South Wales, the stamp duty would be \$60 000, and the stamp duty in Queensland would be \$48 000. You can see by this example that the government is voracious in its stamp duty. In terms of Brighton East, Victorian stamp duty is over \$44 000. If that property were in New South Wales, there would be stamp duty of just under

\$32 000. Were that property located in Queensland, the stamp duty would be \$27 600.

*Honourable members interjecting.*

**Ms ASHER** — I note that the stamp duty impost in the electorate of Brighton seems to be amusing the Labor Party. I am sure my constituents will be most interested to hear of that result.

I move on to the suburb of Hampton where stamp duty on a median-price house is \$55 000. If the same value property were located in New South Wales, the stamp duty would be \$40 490. In Queensland the stamp duty would be \$34 725. I can go through Elsternwick and Elwood with the same point being made: that the rate of stamp duty levied by this voracious government on an equivalent-value, median-price property — not something on the foreshore here but a median-price property — in the suburbs that I represent is far more than in other states.

Even the Queensland and New South Wales Labor governments do not tax as harshly as Victorian Labor. One of the great deficiencies of this budget bill before the house is that whilst some changes have been made to the Duties Act, very important changes in relation to stamp duty have not been made to the Duties Act. Again, I call on the government for stamp duty relief for Victorian homebuyers.

**Mr HULLS** (Attorney-General) — This bill does a number of things. It deals with motor vehicle duty and land tax, and it also deals with gambling legislation and the health benefit levy. The last two are the issues that I am keen to touch on. It reforms the regulation of wagering commissions, and it also increases the health benefit levy payable by gaming operators and the casino operator.

The current system in relation to wagering commissions was introduced in 1994 as part of the privatisation of the old Victorian TAB, and it needs reform to remain competitive in today's international racing and wagering environment. As we know, currently Tabcorp can deduct a commission of up to 25 per cent from any particular type of bet, but its overall deduction averaged across all bets cannot exceed 16 per cent a year. So there is a cap of 16 per cent.

This bill removes that 16 per cent annual cap and allows Tabcorp to fix the commissions on each individual bet type. The commission on each bet type will be fixed at their current levels, which range from 14.25 per cent for place bets to 25 per cent for a mystery 6. The racing industry, I might say, has argued

very strongly for these reforms which it says will improve the viability of all three racing codes in this state and ensure that the state maintains its position as a national leader in relation to those three codes of racing.

Over time revenue will increase as more exotic betting products become more popular, giving the industry more funds to invest in infrastructure, in prize money and in other improvements. The Victorian racing industry strongly supports the reforms. I quote from its media release put out at the time:

The Victorian racing industry ... has roundly welcomed the Bracks government's 2007 budget and the announcement by Minister for Racing, Rob Hulls, detailing new funding support measures for Victorian racing.

The Victorian —

government's decision to modernise Tabcorp's wagering commission structure will mean the VRI —

Victorian racing industry —

is well placed to benefit from new revenue opportunities through its joint venture with Tabcorp.

The improved capacity for Tabcorp to compete and co-pool with the international and national wagering marketplace is expected to generate additional revenue that will be invested in key industry priorities including racecourse infrastructure improvements and minimum prize money increases.

The media release goes on to say:

'The budget outcomes could not have come at a better time for thoroughbred racing' said chairman of Racing Victoria Ltd, Graham Duff. 'The industry is facing challenging financial pressures across a number of fronts and this substantial assistance package will ensure Victorian racing can sustain its pre-eminent position both nationally and internationally'.

It then goes on to say:

Thanks to the Bracks government's support we will have a greater capacity to address a range of critical areas including drought-proofing initiatives, occupational health and safety improvement measures and increasing returns-to-owners and industry participants — particularly throughout country racing.

So that is certainly supported by the industry. The punters will not miss out, because the commissions charged on existing bets will remain the same and Tabcorp will still be able to conduct promotional sales on things like power plays and fat quaddies. It appears that this has been welcomed right throughout the industry, except, I might say, by the opposition. There was a media release put out by the opposition when these reforms were announced in relation to racing. The release put out on 4 May by the member for Malvern says:

This government's greedy attack will leave punters around \$14 million worse off in the next financial year alone ... Instead of tackling problem gambling, this government is working on ways to squeeze even more money out of punters.

That is certainly not the view of the industry. It is certainly not the view of the racing industry, it is certainly not the view of all stakeholders in the industry, and in fact these reforms will ensure that Victoria is well positioned to take advantage of future pooling opportunities.

**Mr McIntosh** interjected.

**Mr HULLS** — What is the member now? The member is the shadow Minister for Police and Emergency Services — and he is loving that, too. Obviously the member knows nothing about racing. And he knows less about the police portfolio than he does about racing. But can I say in relation to racing that this will ensure we can take advantage of pooling opportunities, especially in international jurisdictions. As we know, bigger pools greatly benefit punters, as they can bet into a pool with confidence that their odds will not be reduced.

In fact as a direct result of these reforms there has been a recent announcement that Tabcorp has reached agreement with the New Zealand TAB to co-mingle their pools. I was fortunate enough to be in Wellington recently to make this announcement with Winston Peters, who is my counterpart in the racing portfolio across the Tasman, and these proposed reforms certainly provide Tabcorp with the confidence to approach overseas totalisators and to explore new pooling opportunities.

This is certainly welcome, and of course these reforms are really part of a number of initiatives the Bracks government has introduced to benefit the racing industry, which, as we know, is one of Victoria's most significant industries. It generates over \$2 billion annually for the state; it employs over 70 000 people, two-thirds of whom live in regional and rural Victoria.

Amongst the initiatives introduced by the government is of course the racing industry development program (RIDP). Introduced in 2006, this program will benefit the industry to the tune of some \$18.6 million over two years. It is designed to support the provision of major capital improvements at rural and regional racing and training venues, as well as non-capital projects that contribute to industry development. I was pleased to announce recently an additional \$2 million for the RIDP.

**Dr Napthine** interjected.

**Mr HULLS** — That additional funding, as the opposition spokesperson knows, will go towards improving community facilities at racecourses, further developing drought-proofing strategies, implementing important occupational health and safety measures and the like. This is a very important piece of legislation.

The bill also increases the health benefit levy payable by gaming operators and the casino operator. The additional revenue from this amendment will result in substantial benefits to the Victorian community through the Hospital and Charities Fund. This will be used to fund new equipment, renovations and upgrades to our hospital system.

I want to conclude on this note: the racing industry fully supports this package. It is well aware that it will be of enormous benefit to the industry, and together with the extra \$2 million I have already announced it will be of great benefit to country racing. I would be absolutely surprised if The Nationals, who I understand say they support country racing, were to oppose this legislation. This will be of great benefit to the racing industry, but in particular to country clubs and country racing. I would also be astounded if the shadow Minister for Racing got up and opposed this aspect of the legislation, because he knows it is fully supported by the racing industry. He knows it is going to be of great benefit to the industry and that punters are not going to miss out. He knows full well that this is going to be of great benefit to the infrastructure of race clubs right around the state.

I have no hesitation as the Minister for Racing in supporting these initiatives. I join with all three codes of the Victorian racing industry in applauding this aspect of the legislation because it really, as Graham Duff, the chairman of Racing Victoria Ltd, has said, could not have come at a better time for the racing industry and will be of great benefit to the industry. I notice that the chairman of Harness Racing Victoria has said that Victorian racing is pleased with the budget outcome. I also notice that Greyhound Racing Victoria has said that it is a tremendous boost to greyhound racing and can accelerate the development of that great industry. This is a win-win-win measure, and I hope it has the support of all members of this house.

**Dr NAPHTHINE** (South-West Coast) — I rise to speak on the State Taxation and Gambling Legislation Amendment (Budget Measures) Bill. It is a pleasure to follow the Minister for Racing, because I wish to focus on the same area of the bill, part 5, which makes two major changes to the gambling legislation. Firstly, it changes the commission's dividends from wagering, both on and off course, through the totalisator, which is

the TAB; and secondly, it increases the state tax on each electronic gaming machine from \$3033.33 to \$4333.33, which is a 43 per cent increase in that tax.

Let me first talk about wagering through the totalisator, or TAB. The current rules, which the minister outlined, are in sections 4.4.8 and 4.6.1 of the Gambling Regulation Act 2003. They are in two parts, and they say that under the current legislation the maximum commission that the totalisator can take out of the system is 25 per cent of any particular bet. It is a pity that the Minister for Racing is not going to stay and listen to this.

**Mr Hulls** interjected.

**Dr NAPHTHINE** — The licensee — in other words, Tabcorp — cannot take an amount exceeding 16 per cent each year. That means that for every \$100 invested over a year \$84 goes to the winnings pool, or dividend, and \$16 comes out in commission. Of that commission, the racing industry gets \$6.72, or 42 per cent; the government gets \$4.48, or 28 per cent; and Tabcorp gets \$4.80, or 30 per cent. But the bill proposes to abolish the 16 per cent rule and replace it with the percentages in the table on page 16 of the bill, which gives the specified deductions for each bet type. It is interesting that win and place bets are below 16 per cent but that above 16 per cent are the exactas, 16.5 per cent; doubles, 17 per cent; quaddies, 20 per cent; trifectas, 20 per cent; first 4s, 22.5 per cent; and mystery 6s, 25 per cent.

The first question you need to ask is who will benefit from these changes. Who will win? Who will get extra money as a result of these changes? The answer is on page 347 of budget paper 3:

Increased wagering on bet types currently paying commissions above 16 per cent is expected to increase wagering tax revenue by \$4 million a year.

On page 345 of that budget paper it says that in the first year, 2007–08, it will be \$3.9 million, rising to \$4.3 million in 2010–11.

The government is admitting in its own budget papers that it will be a winner under this system because it will get approximately an extra \$4 million a year. Tabcorp will get an extra \$4 million-plus a year, so it will get extra money. Tabcorp wins and the government wins. Guess who loses? The punters. I would have thought the Minister for Racing would have stood up for the punters of Victoria and said, 'Let's not take any more money out of the punters pockets'. But the Minister for Racing is not only aiding and abetting that, he is supporting the legislation. He is a part of a government

that is introducing legislation that is going to rip more money off the punters of Victoria. The people who will lose out under this legislation are the ordinary punters who have a bet through the TAB on the horses, harness racing or the dogs.

The reason they will lose is the increasing popularity of exotic bet types, which include the first 4, the trifecta and the quaddie, especially with a thing called flexi-betting, where people can bet a portion of the pool. With flexi-betting and the heavy promotion of these exotic bet types, and with higher takes for the government and Tabcorp of 22.5 per cent, 20 per cent and 20 per cent for first 4, the trifecta and the quaddie respectively, Tabcorp is going to make a lot more money and the government is going to make a lot more money — but the punters of Victoria are going to lose. That is what the government is perpetrating here.

These bet types have been so popular that they have well exceeded the 16 per cent limit the government has put in place. What Tabcorp has had to do to get down to the 16 per cent over the average is introduce power plays and fat quaddies to provide additional dividends to punters. Now what is happening under this legislation is that the Bracks Labor government — the Labor Party that is supposed to care about the working person, supposed to care about the punters — is ripping that 16 per cent safety net away, so punters will be out of pocket through this legislation under the Bracks Labor government. I would have the thought the member for Melton and the Minister for Racing would be standing up for and protecting punters, but they are the ones who are perpetrating this taking of money from punters.

Clauses 12 and 14 of the bill increase the government tax — the gaming machine levy — from \$3000 to \$4333.33. It is a 43 per cent increase in one year — an extra \$39 million per year to state revenue. It is interesting: the Labor Party introduced this tax in 1999 at \$333 per machine. It is now \$4333 per machine. Since the government introduced it in 1999, there has been a 1200 per cent increase in this tax. Under the Victorian racing industry joint venture with Tabcorp, the racing industry received a 25 per cent share of all Tabcorp's Victorian gaming business profit. As the electronic gaming machine levy directly affects the bottom line, the racing industry bears 25 per cent of this cost. Tabcorp has 13 750 machines at \$4333 per machine. That is \$60 million, so the racing industry's share of that is \$15 million.

This budget will mean that the racing industry is out of pocket \$4.5 million a year just through this increase; yet the minister in his press release and his comments today

boasts that the government is going to give the industry an extra \$2 million. It takes \$4.5 million in this tax, gives the industry an extra \$2 million and tells the industry that it ought to be happy with that. There is a shortfall in this. The racing industry is being duded by the Bracks Labor government through the electronic gaming machine tax. An amount of \$15 million is taken from the industry through this tax, but only \$11.3 million is given back to the industry in compensation: it is duded by \$3.7 million, or nearly \$4 million, a year.

The racing industry across the three codes is a major employer. It is a major contributor to the state economy. It is a major driver of special events. But it has been killed off by the greedy Bracks Labor government, which is taking more and more money out of the racing industry and failing to compensate for that take through electronic gaming machines. Punters are being hurt by this, the racing industry is being hurt by this, and the Bracks Labor government and the Minister for Racing try to tell Victorians that it is good for racing and good for punters. The minister is misleading the people of Victoria because this is bad for racing. The racing industry is being duded and punters are being duded.

This legislation also has some other changes which dud Victorians. There are Claytons land tax cuts. Let me give you an example of a small regional manufacturer in Warrnambool making high-quality floats for the fishing industry, employing three people full time and two part time. Five years ago this manufacturer paid zero land tax. Even with the supposed cuts, which are Claytons cuts, this year he will pay \$1000 in land tax, which means he has to sell an extra \$30 000 worth of product just to pay the land tax. This is driving him out of business.

**Mr Nardella** interjected.

**Dr NAPTHINE** — And he is finding it more and more difficult to compete against international imports.

**Mr Nardella** interjected.

**Dr NAPTHINE** — The member for Melton says the manufacturer is making it up. The manufacturer is real. I will quote an example regarding cars.

B. J. K. Johnson said in the *Herald Sun* of 12 May:

Bracks is making a gift of \$1425 to people who buy \$57 000 cars. Yet he still won't return the \$80 motor registration concession he took from our poorest citizens. Whatever happened to true ALP values?

I echo that. Where are the true ALP values when you take money off punters and you will not give money to pensioners?

Finally, in the brief seconds I have left, we are supposed to give money out of the electronic gaming machine levy to health, but all we see are increasing public dental waiting lists and headlines saying, 'Painful dental waiting lists'. Country Victorians have to wait three to five years for public dental services. It is simply not good enough.

**Mr NARDELLA** (Melton) — It is really hard being in opposition when you have a booming economy and when you have a government that is economically responsible, that frames a budget bill like this that keeps Victoria as the great economic powerhouse that it is, that keeps the budget in surplus and that is delivering with hospitals, schools, public transport, the housing needs of ordinary Victorians and the other areas that the government is responsible for. The rhetoric just flows.

Earlier we heard the shadow Treasurer, the honourable member for Scoresby. We have just heard the honourable member for South-West Coast, whose electorate is a beneficiary of the extra money that is going into health because of the upgrade to one of his hospitals — I think at Warrnambool — through the taxes that are raised by these budget measures.

There was discussion about the \$2.9 billion unallocated capital for major projects. That capital will go into the things we need within our community: the schools. Every electorate within Victoria over the next four years will get school upgrades, every single one, unlike the situation with the Kennett government, which closed 326 schools — I will keep on reminding the honourable members on the other side. They closed the railway lines; we have upgraded them. They closed down the bus services; we have upgraded them. That is where the money raised by these budget measures is going: in increasing those services to the residents and the communities we represent.

I can go through the 326 schools that the previous government closed, yet opposition members have the gall to come in here and say that we are overtaxing people. 'You should not be taxing people', they say, yet all they are putting to the house is that we should go back to the bad old days of the Kennett government when they closed schools, when they closed hospitals, when they shut down railway lines. In 1993 they cut services down to the summer timetable, and then kept them there. The Honourable Alan Brown, when he was minister for public transport, sold off our rolling stock. This bill maintains the budget surplus while carrying on

the government's policies to meet the needs of the Victorian community.

The health benefit levy is absolutely critical for the running of our hospitals. It is hypothecated — honourable members on the other side can read 'hypothecated' in *Hansard* and can then go into the parliamentary library and actually read what it means — specifically for health needs to our hospitals, to our accident and emergency departments, to our doctors and to our dental services, which we have been upgrading. We have not been closing them down; we have been upgrading them in all the electorates within Victoria.

Yet again members of the opposition have the gall to come in here, as the honourable member for South-West Coast did, and talk about the lack of dental services. The people who shut down dental services in Victoria, I again remind honourable members on the other side of the house, were John Howard and Michael Wooldridge. In 1996 the first thing they did was to cut out the dental concessions for people in Victoria. They cut \$100 million from the funding, and the Honourable Rob Knowles, who was Minister for Health at the time, was upset over that cut, yet members of the opposition come in here today and want to be critical of those services, even though this bill will assist them.

Opposition members talk about the congestion tax. The congestion tax is about public transport. It is about providing the extra services, and I will finish on this point. They said, 'What is the measure for a congestion tax, because it is not working?'. The measure is this: a 20 per cent increase in patronage for public transport within Victoria over the last 12 months. That is where it is working. Honourable members on the other side cannot understand that. That is where it is working. It is one measure. I advise honourable members to go into the parliamentary library and to have a look at what hypothecation actually means.

**Mr CLARK** (Box Hill) — This is a bill that continues the tax slugs on Victorian taxpayers, but at the same time as the tax slugs continue we have services deteriorating, we have accountability for performance being gutted in the budget papers and we have a rapidly rising level of debt. When this government came to office total state revenue was around \$19 billion, the bulk of that coming from state taxes and commonwealth government grants. Now state revenue is about \$34 billion, the bulk of which again comes from state taxes and from the GST. So this government is swimming in money, but debt is continuing to blow out dramatically. The Treasurer is fair and square in breach of a fundamental election

promise. I refer to his media release of 31 October 2006 where he was talking about the review being conducted by Deloitte. He said:

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

Having promised not a single additional dollar of debt what do we see in this budget paper? We see about a \$900 million increase in debt to try to pay for some of the unaffordable and overcommitted election promises made by his party during last year's election campaign.

If you look at the 2006–07 budget papers, the projected level of government sector net debt for 2009–10 was \$7112 million; if you look at the projected net debt in this year's budget papers for 2009–10, it stands at \$8035 million set out at budget paper 4, page 89 — an increase of \$923 million in debt from one budget to the next in a context where the Treasurer told the people of Victoria during the course of the election campaign that his policies would be funded without a single additional dollar of debt. And that is not the worst of it. If you look at the figures that have been brought into the budget papers for the first time, the figures for 2010–11, you see that in 2010–11 it is forecast to reach \$8759 million — a further substantial increase. This rate of increase is just unsustainable. As we pointed out during the election campaign, and as the member for Scoresby pointed out earlier in his contribution to this debate, the only way in which the Treasurer has the slightest hope of making his numbers add up is to defer his election promises well out of this term of government and well into the next term.

Despite this ballooning debt we have had during the course of the Bracks government's term in office a long list of new and extended taxes and charges. We have the gaming machine levy, and there is a further slug on that in the bill before the house. We have payroll tax extended to fringe benefits and to eligible termination and leave payments. We have a payroll tax imposed on the wages of apprentices and trainees. We have stamp duty extended on mortgage-backed debentures. We have the annual indexation of fines, fees and charges. We have the new tax on transit cities. We have stamp duty extensions on land-holding bodies. We have the new payroll tax regime on employment agencies. We have the 5 per cent hidden water levy. We have the so-called congestion levy, which is also being modified in this bill. We have land tax extended to trusts. We have a new levy on outer urban development. Then we have by administrative fiat an extension of stamp duty to inbound international airlines. Wherever you look we find further increases and further ways in which Labor is increasing the tax slugs on Victorians.

Perhaps worst of all is the increases in property taxes. If you look at stamp duty in 1998–99, collection of revenue from stamp duty was \$1006 million. For 2006–07 in last year's budget there was a budgeted figure of \$2424.4 million. The budget is now expecting revenue of \$2849.6 million for 2006–07 and is budgeting for that high level to continue at \$2854.3 million for 2007–08 — a figure that is almost certain to go higher than the current budget estimates given the strong property market flowing from the strong national economy provided by the Howard government.

If you look at land tax, time and again we have had the Treasurer come into this house and say that land tax is being cut, but time and again he has ignored the fact that rising land values are clawing back the cuts that he is purporting to give. The raw figures from revenue tell the story plainly. In 1998–99 land tax collections were \$378 million; for 2006–07 they were budgeted last year at \$747.6 million and are now expected to be \$890 million — about a \$140 million increase. The budget papers say the forecast for 2007–08 is \$765.4 million, but if you take the reliability of Treasury and the accuracy of the budget paper forecasts of recent years you can be almost certain that the figure is going to go even higher than that.

While there can be variability in the forecast of stamp duty because of fluctuations in transactions levels, there is no such excuse here for Treasury getting the figures so wrong; there is no excuse for the government getting the figures so wrong when it comes to land tax. It has either got to be massive incompetence or massive dishonesty. If a Treasurer genuinely wanted accurate forecasts of land tax revenue in his budget, he would be putting a bomb under whoever was responsible for the land tax forecasts that we have been getting. The only conclusion is that the Treasurer is perfectly happy to go along with, or is conniving in, these wildly inaccurate figures.

The government has progressively reduced the amount of information being made public about land tax, including regular publication of the number of land tax payers, but the figures that are available tell the story. In 1999 under the Kennett government when these figures were regularly published there were 123 500 land tax payers. That number has risen to the point where an SRO (State Revenue Office) officer let slip at a gathering last year that for 2006 there were 185 000 land tax assessments. Despite every now and then the government saying how wonderful it is because many thousands of people have been removed from land tax liability because of the raising of the threshold, we have around a 50 per cent increase in the total number of land tax payers in Victoria.

If we look at the motor vehicle duty changes that are made in this budget and implemented in this bill, the raising of the threshold level at which so-called luxury vehicle duty kicks in to a more realistic level of \$57 000 is long overdue, and I congratulate the Victorian Automobile Chamber of Commerce on the success of its sustained campaign to get some basic equity at last for family car buyers. However, what the government gives with one hand it takes away with the other. Page 346 of budget paper 3 shows that there is only a net \$13.1 million reduction in revenue over the forward estimates period when you allow for the fact that the fuel subsidy that is currently being paid for Victorian motorists is being removed, and that is going to add about 0.429 cents per litre to the price of petrol and 0.751 cents per litre to the price of on-road diesel, according to the information on the State Revenue Office website where it says:

These subsidies are paid to the major oil wholesalers operating within Victoria on the understanding that the subsidy will be passed on through the price they charge for the products.

If the SRO is to be believed, Victorian motorists are going to be paying that much extra in costs for petrol and for diesel with the subsidy being removed. This measure is a classic case of the Treasurer seeking political credit for a concentrated advantage and at the same time imposing a diffuse disadvantage on Victorian motorists generally.

Let me endorse the remarks of the member for South-West Coast about the fiddle with the racing pool. In relation to the gaming machine levy, a real sovereign risk is being created there, and as *Age* journalist Stephen Bartholomeusz pointed out when this levy was last increased, what is it going to do to the willingness of bidders when the licence renewal comes up? The Treasurer is potentially selling future generations short in order to scrape up a few more dollars to help patch up his current budget.

For all of the marvellous economic situation created by the Howard government, Victorians are continuing to be slugged by the Bracks government.

**Mr HOWARD** (Ballarat East) — I am pleased to speak on the State Taxation and Gambling Legislation Amendment (Budget Measures) Bill before us today. It comes as one of the bills to follow on from the recently announced state budget, which is a fantastic budget for this state and a fantastic budget for my constituents in the Ballarat East electorate. I will certainly be pleased to speak on the appropriation bill in due course and to outline the many benefits that the overall budget has provided to my electorate.

This bill relates to the state taxation measures that have come out of the budget. Essentially they are about reductions in a number of taxes, responding to issues that have been raised by different elements across the state. The first, as we have heard, relates to reductions in land tax, and I will not go into detail because they have been covered earlier. The second relates to the congestion levy, which, of course, is a very sound levy brought forward by this government to address congestion within the central business area of Melbourne. This legislation provides for a part of the city south of the Yarra River to revert to the \$400-per-year levy per parking space that was the rate in 2006 but has since been raised in other parts of Melbourne. This particular part of Melbourne will be exempt for the next two years.

The other parts of the bill worth noting relate to the duties on motor vehicles. We have reduced the duties payable on new vehicles purchased after 1 May, and this does a number of things. It helps people to purchase new vehicles which will be safer and have better fuel efficiency savings, so that is a great thing. It also supports jobs within the car industry in this state and in other parts of Australia, so I think this measure is very sound in the direction it is taking in both supporting the car manufacturing industry across the state and in providing for more efficient fuel usage.

The other part of the bill that has been talked about does not relate to a reduction in taxes but to an increase in the health benefit levy coming out of the gaming industry, and that is a very sound levy that again provides for support within the health area in this state.

The savings in taxes overall come on the back of a significant number of taxes that have been reduced since the Bracks government came to office. There have been significant cuts in payroll tax, land tax, stamp duty on property, and also motor vehicle duty, which we have talked about in this budget. There are also the duties on non-residential leases, which have been abolished. Financial institutions duty has been abolished, the duty on quoted and unquoted marketable securities has been abolished, as has the duty on mortgages, bank accounts debits tax and the business rental duties. These are all taxes that have been reduced or abolished under our government.

I support this bill. It shows that this government continues to try to show that it is competitive in terms of its taxes. It tries to do the right thing by constituents across the state, whilst showing a vision for the state's future. I commend this bill to the house.

**Mr DIXON** (Nepean) — Some of the taxation measures mentioned in this bill are ones we can support because they amount to a reduction in taxation. The stamp duty reduction on new passenger vehicles is good. In particular it is good for the Victorian manufacturing industry. We have some great car makers in Victoria, and they need to be supported. There are good environmental reasons to do so, considering the age of the fleet of Victorian and Australian cars.

The land tax reductions that are mentioned in this bill are reductions, but the actual land tax take is increasing. In fact the forecast for the 2006–07 period is that the land tax take will be \$890 million, which is \$108 million more than was stated in the budget update released in December last year. This government has been in power since 1999, and the take has gone up 130 per cent since then. As far as the electors in the community are concerned, it is the amount of money they are paying that counts, not the rate. As the value of land goes up, they are paying more money. That is the bottom line, and that is where Victoria stacks up quite badly when compared to the other states. The member for Brighton pointed that out significantly earlier today. Even with the land tax reductions which were announced in the budget and which we are discussing today, there will still be \$17.8 million more in land tax taken in the 2007–08 budget than was budgeted for in 2006–07. These are the government's own figures. They show the government is raking in money hand over fist.

I am pleased to see the bill mention that the special land tax rates for caravan parks will remain in place. When I had responsibility for the tourism portfolio this was a huge issue for caravan parks. Because of the incredible levels of land tax, caravan parks were going under very quickly, and for many Victorians affordable holidays were under threat. Very belatedly this government announced some special measures for caravan parks — and not before time, because they were under real pressure. We need to retain these measures and treat caravan parks quite differently from other sorts of businesses.

Land tax reform has been dabbled with, but it certainly does not go far enough. When you look at bracket creep and the increasing value of properties, you see we are not keeping up. We need real reform to land tax, and it is just not happening. All we see, as I said, is tinkering around the edges. It is about putting out nice little press releases. The government can say, 'We are reducing land tax. Aren't we wonderful!', but those who receive the bills have another view. And they are the ones who have a realistic view on the rates of land tax.

Before I move on to other areas I will discuss one other issue regarding land tax — that is, the best-use principle. I think it discriminates against a lot of small and medium-sized businesses in Victoria, because the best use is not about reality. It is Utopian; it is about what you might want to happen in the best case scenario. It is about multimillion-dollar high-rise developments. That is the best use, but that is not the reality — and that is not happening with every block of land that is owned by a small or medium-sized business in Victoria. It is all about the realistic use of land and how the land is being used now. That is the sort of long-term reform I think this government should be tackling as far as land tax is concerned.

I will move on to the gambling regulation amendments made by this bill, which I heard the Minister for Racing discuss earlier. He said, ‘This is great for the racing industry’. The racing industry is also made up of punters. The only person who will not benefit from the change in this legislation is the everyday punter. He will end up paying more money. He will be handing over more money to the government, some of which will go to the racing industry, which is good. But it will be the poor old gambler who cops it. Sometimes it is the drinker — for example, someone who appreciates a fine Scotch — who cops it; this time in this budget it will be the gambler. The person who likes to have a bit of a flutter at the races and to try some of the more exotic bets will cop it this time, and I do not think that is very fair. We have not heard the punter mentioned by this government. It is all about the industry take and the government take, not about the punter.

Finally I would like to mention the health benefit levy that is imposed on gaming machines, which has increased by 43 per cent. The government insists on calling this tax a health benefit levy, as if that were a nicer or more acceptable name. A tax is a tax. Whenever governments take money from people, it is called a tax — and this is a tax. This tax — another of the 14 new taxes this government has introduced or expanded since 1999 — is all about taking money out of gaming machines and putting it into hospitals. That is fine, but it is something the government should be doing out of its regular revenue instead of imposing a new tax on the gambler because it thinks it can get away with it. It is a source of revenue that the government should not be relying on, yet it is increasingly doing so. The everyday income and revenue from taxes the government receives should be used to address the problems in our health system.

I hope — I notice the Minister for Health is here — that if this bill goes through, which I am sure it will, some of this new tax revenue will actually go to Rosebud

Hospital in my electorate, for example, where birthing services have been taken away and some services have been reduced, despite the fact that the area’s population is increasing and its health needs are becoming more complex. We need services to meet those needs. If this tax is going to be imposed on the people of the Mornington Peninsula who like to have a flutter and play the gaming machines, I hope some of the revenue goes towards Rosebud Hospital.

Opposition members are not opposing this legislation, but we know it is all about spin. It is all about covering up the fact that the government will be taking in more money. The rates might seem to be lower, but the government is addicted to the income from these taxes and — my goodness me! — it will keep at it.

**Mr HUDSON (Bentleigh)** — It is a great pleasure to speak on the State Taxation and Gambling Legislation Amendment (Budget Measures) Bill. In the short time available to me I want to focus on the health benefit levy and in particular take up some of the issues raised by the member for Nepean.

Basically what this bill does in relation to the health benefit levy is to ensure that some of the super-profits that are enjoyed by Tabcorp, Tattersall’s and Crown are shared with the broader Victorian community. That is highly appropriate. In Victoria we have 30 000 gaming machines, a limited market in terms of access to them and special and privileged arrangements in terms of the licensing of the owners and operators of those machines. Those operators are making very significant profits out of gaming machines in Victoria. The government has taken a sensible and reasoned decision to increase the levy placed on the owners of those machines.

If we go back to February 2001 and look at the independent review of state business taxes chaired by John Harvey, we see that he recommended that the health benefit levy could be increased to \$4333.33 ‘while preserving a superior rate of return for electronic gaming machine owners on their gaming machine assets’. What John Harvey was saying is that it would be more than feasible for the government to raise the levy to this amount while at the same time the owners of the machines would still be making a reasonable rate of return, certainly compared with other businesses. That is what the government has found. Since the government came into office it has progressively raised this levy by increments, and in this budget we raised it from \$3033.33 to \$4333.33 on every gaming machine. What that will do is increase the revenue to the state government by \$39 million a year.

Overall the levy will now raise about \$130 million a year. The important thing to note about that is that every dollar will go into the Hospital and Charities Fund. The vast majority of that funding will go towards our hospitals. When the member for Nepean says, 'I would like to see more money going into hospitals', that is precisely what is happening with this health benefits levy. The money is going towards reducing waiting lists; it is going towards treating our patients more quickly and more effectively; it is going towards better hospitals; and it is going towards better hospital equipment. It is going towards making up the shortfall in hospital funding provided by the federal government.

It seems to me that members of the opposition want to have it both ways. They want to see increases in funding for hospitals, and they are very quick to complain about the level of funding for hospitals, despite the fact that this government has increased hospital funding by 96 per cent since it has been in office — a significant real increase in hospital funding over and above the rate of inflation. The member for Nepean says that what we are doing is taking the money out of the pockets of punters. That is a complete misreading both of the legislation and of the requirement that 87 per cent of all money that is put into gaming machines has to be returned to punters. That is not affected by this bill. The same percentage will be returned to punters who put their money into gaming machines.

**Mr Wells** interjected.

**Mr HUDSON** — If the member for Nepean was talking about that, I accept that explanation. In relation to the gaming levy, the point is that it only hits the owners of those machines. It is only an impost on those owners.

The member for Box Hill talked about future sovereign risk in terms of the tendering arrangements for these gaming machines. I can tell you this: the owners will still be lining up to tender for the privilege of operating the 30 000 gaming machines in Victoria because they know there is a very good rate of return that applies to these gaming machines; they will continue to make a good rate of return out of them; and this increase in the levy will have little or no impact on the kinds of returns they are going to get. This money is going into hospitals, and the measure is consistent with the Harvey review recommendations. I commend the bill to the house.

**Mr WAKELING** (Ferntree Gully) — It gives me pleasure to speak on the State Taxation and Gambling Legislation Amendment (Budget Measures) Bill. There

is nothing this government likes more than legislation that increases taxes and charges on Victorians. This government has turned taxation into an art form. We have seen over the recent years of this government 14 new taxes and charges being imposed on Victorians. We have seen government expenditure — —

**Mr Kotsiras** interjected.

**Mr WAKELING** — Eight dark years; thank you very much. Those opposite obviously agree with me. We have seen expenditure by this government — —

**Ms Beattie** interjected.

**Mr WAKELING** — I thank the member for Yuroke for her support. We have seen expenditure by this government increase from almost \$19 billion in 1999 to nearly \$34 billion. That is an 86 per cent increase.

**Ms Pike** interjected.

**Mr WAKELING** — I am glad that the Minister for Health is pleased to defend the increases in taxes and charges. Not only is the government, as was pointed out by the member for Scoresby, receiving \$44 million a day in the form of GST and federal government revenue — that is \$44 million today, and tomorrow morning it will receive another \$44 million cheque — but it will also receive an additional \$33 million in the form of state taxes and charges. That is \$77 million every day: it will wake up tomorrow morning to an additional \$77 million.

My community could understand that if we had a hospital and a school on every street corner, but we do not. In fact I had to laugh, because the member for Melton said that this government does not close schools. I invite the member for Melton and the education minister to Ferntree Gully, because the Ferntree Gully Primary School and the secondary college have cyclone wire fences around them. On the watch of this government we have seen the closure of those two schools in my electorate. Two schools were closed on the one street in the same suburb.

I highlight that not only has expenditure increased but state debt — this government is not concerned about state debt — will increase to almost \$15 billion by 2010–11. The Minister for Health is not concerned about that, and those opposite are not concerned about that, but members on this side of the house are concerned about an increase in debt. I can tell the house that the people of Ferntree Gully are concerned about a government increasing its debt to almost \$15 billion. One can only be reminded that when the previous Cain

and Kirner governments were in power they had debt levels of \$32 billion, and the previous Kennett government was charged by the Victorian community with helping to eradicate that debt level.

This government loves bills dealing with taxation. This government purports to be providing relief on land tax. I would like members opposite to talk to the people in my community and to the people throughout Victoria and tell them that they are actually providing real relief in land tax. The government puts on a song and dance — the Treasurer may choose to jump up and down as he does in the house — and professes to be reducing the burden, but despite the rhetoric government figures paint a very different figure. The budget papers reveal that land tax revenue in 2006–07 is forecast to be \$890 million. That is \$180 million more than in the government's own budget update released in December last year. Despite the rhetoric of the government listening to the community, that figure of \$890 million will still be 130 per cent higher than when this government was elected in 1999.

Members of this government should hang their heads in shame. This government is doing little to provide relief. Its members talk a lot and jump up and down, but when it comes to the crunch Victorians are paying more, and the government's own figures tell that story. Even with the land tax reductions in the budget the Bracks government is still budgeting for \$17.8 million more in 2007–08 than in the 2006–07 budgeted figures. So much for the claimed cuts!

The land tax reductions do not go far enough. As the member for Nepean has pointed out, the valuations do not take into account individual circumstances, particularly for small businesses and those in inner metropolitan areas, because of the fact that they adopt the best use or capital improved value approach. This discriminates against small and medium-sized business. I am unashamedly supportive of small and medium-sized businesses. We on this side of the house are supportive of small and medium-sized businesses, and that is why we stand up for a reduction of the regulatory burden on those businesses in our community.

I draw attention to the congestion levy amendments. The government talks about reducing the impact. It is in fact reducing the impact for those living and operating around the Mirvac Yarra's Edge development. What sort of relief is that? Those opposite tell us that the congestion tax is about encouraging people to use public transport. That is fantastic, if you have public transport. They should come out to Rowville or Lysterfield. How are people in that area actually meant

to get to the central business district by public transport when we do not have efficient public transport there? Those people are forced to get into their motor vehicles and drive into the city, and then they are slugged with a congestion tax for not using public transport because the government has failed to provide a service for them.

One very concerned business owner in Queens Road has approached me about the fact that he is slugged with this tax that he has to pay on behalf of his staff who do not have access to public transport. So he is hit with a double whammy: not only does he have to pay the congestion tax but his staff are feeling guilty because of the fact that they reside in areas in which they do not have public transport accessible to them. It is ridiculous and it is shameful.

**Mr Kotsiras** interjected.

**Mr WAKELING** — This government should own up to the fact that the levy has nothing to do with public transport or with reducing car usage and has everything to do with increasing revenue. As the member for Bulleen rightly pointed out, he wants more infrastructure in his community, as do we out in the east.

Finally, with regard to gambling regulation, I just love it when the government wants to increase taxes and government members think that, if they change the word 'tax' to 'levy', nobody will actually think they are being slugged by a tax.

**Ms Beattie** interjected.

**Mr WAKELING** — As I and other members on this side of the house have already pointed out, this is a government that is addicted to taxation. Again, I thank the member for Yuroke for agreeing with me. We will see a 40 per cent increase with this new tax. I think the Attorney-General actually has said, 'If it looks like a tax, it smells like a tax and it acts like a tax, it is a tax'. I think that what we have here is a tax. Again, this government is just addicted.

The irony is that it is meant to be improving the health system. I can tell members one thing about the residents in my electorate. Today I have had a resident contact my office. He suffers from sleep apnoea and has been told by the health authority that he will be without the necessary equipment to assist him because he does not live in the Monash Medical Centre catchment. But do you know what? No other hospital will take ownership of him because they do not have the necessary equipment. So he is stuck with not being able to use the equipment of the Monash Medical Centre because he supposedly lives outside its region, but if he goes to the

other services, whether they are at the Angliss or Maroondah hospitals, they cannot provide the facility, so he just goes without. So much for this government providing the necessary funding for adequate health services.

I am glad that the Minister for Health is in the house because these are the people we represent, people who are suffering under the shocking blight of this government. I call upon members of the government to start putting their money where their mouth is by providing adequate services that people need. As I said, government expenditure has gone from \$19 billion to \$34 billion and we are still not getting the necessary health services.

**Mr STENSHOLT** (Burwood) — I am delighted to speak on the State Taxation and Gambling Legislation Amendment (Budget Measures) Bill because it is a part of the budget for this year, and a very good budget it is indeed. It is recognised by all economic commentators as being a very good budget. The only ones who are carping, whining and whingeing are the ones who are Liberals first and Victorians second.

Let me just talk about taxation, because that is what this bill is about. The Bracks government has a proud record in terms of taxation. Since coming to office we have cut taxation by \$4 billion. I know that the member for Ferntree Gully needs a bit of education in this regard. He said, 'It's about more and more tax'. Let me tell members what the cuts are: \$4 billion. We have abolished more taxes under the GST agreement than any other state. In the Kennett era we had the second highest number of taxes; we now have the second lowest number of taxes in Australia. What did those opposite do during the seven dark years of the Kennett government? We remember them. They cut out one tax. How much was it worth — \$1 billion, \$4 billion? No, it was \$1 million. There is a bit of a difference between \$4 billion and \$1 million.

We have an outstanding record of tax reform in Victoria. As I said, we have gone from having the second highest number of taxes to having the second lowest number of taxes. What are they? Payroll tax: cut, to the second lowest in Australia. It has been cut from 5.75 per cent to 5.05 per cent and will be reduced further to 5 per cent from 1 July 2008. Yes, we have to pay attention to land tax. I am proud to stand up in Parliament for small and medium-sized business. I have done it again and again, and I have advocated on their behalf on land tax. We have slashed the top rate of land tax from 5 per cent to 2.5 per cent. If that is not a cut, I do not know what a cut is — it has been cut in half! We have increased the threshold from \$85 000. The former

Minister for Small Business has come in here and bleated about land tax. When she was the responsible minister she lowered the tax threshold to \$85 000, which caught tens of thousands of small businesses in land tax. It has now been increased again to \$225 000, and we have made significant cuts to the middle rates.

Members have quoted figures applying to business owners in their electorates. I can also refer to a business owner who used to have a land tax bill of \$20 000, and now it is \$8500. Many such examples are replicated right around Victoria. We have also cut stamp duty on property. Motor vehicle duty has been cut in this budget. Financial institutions duty has been abolished. Duty on non-residential leases has been abolished. Duty on quoted marketable securities has been abolished and so has duty on unquoted marketable securities. Duty on mortgages has been abolished. We led the way in that regard; we were the ones right out in front. The bank account debits tax has been abolished. We have also abolished business rental duty. Who led the way? Victoria led the way in abolishing business rental duty. We have abolished more taxes under the intergovernmental agreement than any other state.

The GST revenue was talked about by the member for Ferntree Gully and other members who have said that we get so much in tax every day. We do, but do we get our fair share? No, we do not. What do we get? We are getting 88 cents in the dollar. For every time you put your hand in your pocket and pay the GST, we do not get the full dollar back, we get only 88 cents. We do not mind supporting South Australia and Tasmania and places like that. We are a little bit disturbed, though, when Queensland, which has multibillion-dollar surpluses, still gets more than 100 per cent of its GST. We pay \$10.37 billion in GST and receive \$9.14 billion in general purpose payments, so we are subsidising other states \$232 for every man, woman and child here in Victoria. That is a pretty large subsidy, let me tell you.

We have had some discussion on land tax, and I will talk a little bit more about it, because I played a bit of a role with some of my colleagues in changing the land tax thresholds. I have said to the Treasurer again and again, 'We have to keep moving this in order to help small business and property owners', and he has brought land tax down again. The threshold has gone from \$85 000 in 1999 to \$225 000 in 2008. That is a 164 per cent increase. As I mentioned before, we have decreased the top rate. We have cut it in half. A cut is a cut, and that is a big cut. We have made major adjustments to the middle brackets and introduced exemptions for aged-care facilities, exemptions for caravan parks and exemptions for rooming houses.

I also played a bit of a role on rooming houses. Certainly in my area there are a number of rooming houses, and one is looking like being sold in the near future. We led the way on this. I said to the local council, 'We will cut the land tax. You cut the rates'. Guess who cut first. The state government. We cut land tax for rooming houses, and I was glad to see that in my area Boroondara council came along and cut some of the rates for rooming houses in order to provide housing for the homeless. That is what this government is doing. This is a government that cares for the weak in our community and supports them. Taxation is very important in doing that. It is a matter of the revenue being well spent, and it has been well spent on our hospitals. I see the Minister for Health is here. There is a 96 per cent increase in the amount of money going to hospitals.

**Mr Andrews** — Two for one.

**Mr STENSHOLT** — Two for one, is it? As has been said, we picked up the recommendations of the Harvey committee on the health benefit levy — although we did not pick up every recommendation. We did not pick up the recommendation on land tax. I am not sure whether the shadow Treasurer supports a flat tax, as did his predecessor, the member for Box Hill, who is a real flat-earther. I am not sure whether the member for Scoresby is also a flat-earther. We rejected the flat-earth proposal by the Harvey committee in about 2 seconds flat. Why? Because we listen to small business, and small business in my community was saying that a flat land tax was not appropriate and that it wanted a graduated scale.

One thing that was recommended was that the levy be increased to \$4333.33 while preserving the superior rate of return which goes to the operators. What is happening in this budget and this bill is that the levy is being increased, as we have not increased it in the past. The current levy is \$3033.33, and it raises about \$91 million. The new levy, as we have said, will go to \$4333.33 and raise about \$130 million. Where does the money go? It goes to our Hospitals and Charities Fund. I could not think of a better use for it — for stage 1 of Box Hill Hospital, for example, for the Royal Children's Hospital, for the Royal Women's Hospital and for all the hospitals right around Victoria.

The Minister for Health may correct me, but from memory we have modernised and rebuilt not just 1 or 2 but at least 50 hospitals right around the state in the last seven years. That is where the money is going. I reckon this is really good legislation in that regard. We make no apology to the operators for raising this particular levy, because we know it has the solid recommendation

of the Harvey committee behind it. We also know that the money will be well spent and will go to our hospitals.

This bill will tax the super-profits earned by the owners of Victoria's 30 000 gaming machines. The current owners are Tabcorp, Tattersall's and Crown Casino. This is a restricted market — there are only three operators — and therefore we are quite happy to put on this levy in terms of the profits they receive.

The Minister for Racing has already talked about the wagering commission rates and the adjustments this bill will make in raising some extra revenue. The commissions from wagering and the returns to the industry will provide increased revenue, particularly for the racing, coursing and trotting fraternity, and they welcome that. It will provide wagering licensees with greater flexibility to merge betting pools internationally. As we know, bigger pools are good for the punter. We do not favour people having gambling problems, but we are happy to support the great Australian pastime of having a punt. Indeed as we all know, the captain of the Australian cricket team has the nickname 'Punter'.

This state taxation bill continues the proud record of the Bracks government in terms of outstanding tax reform. It provides surety in terms of income, and it provides more money for our hospitals.

**Mrs VICTORIA** (Bayswater) — I would like to start by correcting something that the member for Burwood said. He said that the Liberals — —

**Mr Hodgett** — He yelled it, he did not say it.

**Mrs VICTORIA** — He did not say, he yelled that we Liberals were Liberals first and Victorians second. I would like to inform him that this particular Liberal is Victoria by name and Victorian by nature, and I am very happy to stand here and say that parts of this bill are quite good. I am going to go through this proposed legislation bit by bit and tell the house what is good and what is not so good.

The stamp duty reductions on new passenger vehicles can only be good. They are good because obviously there are going to be more people who are able to replace cars. If we are looking to the environment, then we can see that some of the pollution-creating old models might come off the road. That is obviously very good. It is good not only for local car manufacturers like Ford, Toyota, Holden and Mitsubishi but also for all the members of families who work for those companies and for the dealers who sell those cars. That is not such a bad part of what is being proposed.

But let us have a look at some of the other bits and pieces. If we have a look at land tax reduction measures, we find that they are good. Primary producers who own property that is wholly or partially in a metropolitan area and who choose to change the use of their land are going to find the abolition of special land tax very helpful. The abolition of the special land tax where the compulsory acquisition of land occurs is not so bad. That is similar to what happened in *The Castle* — and I see a lot of that happening with this government!

There is also a reduction in land tax for general property owners and trusts, and you have got to be happy with that. That is all well and good, but land tax revenue is still up 130 per cent since 1999. We are not seeing an awful lot for our money here. If we look at the congestion levy amendments, we are talking about a temporary reduction in a congestion levy which probably should never have been put on in the first place — in fact I would say it should not have been put on in the first place. It was introduced by Labor and has now doubled to \$800 in all areas except Southbank, Docklands and Port Melbourne. If you talk to the people who live along St Kilda Road, they are going to say, ‘We do not actually experience this sort of congestion’.

The people who live down the St Kilda Junction end of St Kilda Road cannot understand why their long-term car parks are slugged with an \$800 levy — as Labor so fondly calls it — every year. What I do not understand is why people do not understand that this is a tax. You can call it by any other name, but it is still a tax. It is all very well and good to say, ‘While we are building precincts such as Docklands or the areas around Port Melbourne or around Southbank we need somewhere for people to be able to park their cars and for workers to be able to park their cars, but we will keep it to a minimum’, but why have we got this at all?

I challenge the government to point to studies that show the efficacy in curbing traffic congestion. I do not believe there is anything to prove that this has in fact occurred. If you look at population growth in Victoria you see that it is growing by 1.4 per cent per annum — that is an average. However, if you look at VicRoads statistics you see that traffic is growing by 2.5 per cent per annum. Perhaps this is due to the record number of people employed, and perhaps it is due to the initiatives of the Howard government that mean we have more people employed and therefore more people can afford cars and can afford to take extra trips for pleasure. That is all well and good, but what has that got to do with the congestion tax imposed around the central business district?

One fantastic initiative of this government — I have to say it was a long time coming — was to follow the Liberal Party’s policy of abolishing zone 3. I can tell members that out in the east we are very thrilled because we were the only ones affected by zone 3. So the fact that zone 2 was extended and zone 3 was abolished is a very good thing, and if anything that will cut congestion. We know for a fact from rail travel statistics that have been coming out over the last few months that more people are using rail. But as my colleague from Ferntree Gully and other colleagues on this side of the house have pointed out, not every area has the luxury of having public transport. We would be much better off worrying about public transport than trying to slug people for something that really is not going to make a big difference to congestion. This is just one of 14 new or extended taxes which have been introduced since 1999 by this money-grabbing government.

If we look at gambling regulations and the amendments proposed there, I understand the wagering operators want to be in line with other states and nearby nations such as New Zealand. It certainly allows for much freer trade, for want of a better word, but the increase in the annual levy on each electronic gaming machine is going to be 43 per cent. That is an awful lot of money. That is not money going back to the gamblers, and we have already said that nobody in here condones gamblers who go well over their limits, but the fact of the matter is that they gamble because of the thrill of the chase. But the government is taking away even more. There is even less chance of these people taking home a dollar. There is no hiding that this is an increase in yet another tax. Again I do not care whether you call it a levy or you call it a fine or whatever else you call it, it is all coming back to extra revenue, usually — and I would say probably in this case — very much extracted by stealth.

What I would like to see is proof that all this money is in fact going back into health. We see that the waiting lists are full and that those waiting lists are blowing out — for example, in dental care. Last week in the news we saw it can take over four years for Victorians on the public dental waiting list to receive dental care and attention. I do not get it. Why are we not injecting money into this area? Less dividends for gamblers but no increases for sick Victorians.

A lady contacted me before the election last year — Mrs Hart. We got a lot of publicity on the fact that Mrs Hart is in her 80s and is an extremely feisty and wonderful woman who has worked extremely hard all her life. She is very independent. She has two very bad knees that need replacing. I have to say that very

happily the bit of publicity bumped her up the waiting list, but she has now been told that it is probably going to be a couple of years before she gets her knee replacement. In the last 12 months this lady has gone from being slow in her walking and being able to get out probably once a week — she goes to church up at the Salvation Army — to now not being able to leave the house. She is a broken woman, and as her daughter and granddaughter both said to me — they rang me — ‘We have the saddest feeling that mum is going to die before she gets medical attention’.

What I would like to see is this money going into health to reduce waiting lists. I would like to see the money that is coming in by stealth being given to the right sectors, and all Victorians being taken care of. We are not going to oppose this bill, but I hope the government looks at the other ways in which the money can be spent. When so much money is being extracted from the Victorian people, it needs to be injected back in a way that is constructive and meaningful.

**Ms BEATTIE** (Yuroke) — It gives me pleasure to rise to speak on the State Taxation and Gambling Legislation Amendment (Budget Measures) Bill. In my contribution to the debate I just want to lay before this house what the Bracks government has done since coming to office. What we have done since coming to office in 1999 is to introduce tax cuts worth \$4 billion — that is billion, not million. This Bracks government, under the guidance of the Premier and the Treasurer, has an outstanding tax reform record. Who says that? Do I just stand here and say that or pull it out of the air? No. Every sector, every industry, talks about how well Labor manages the economy. Certainly in the headlines after the budget there was testimony to that because there was absolutely no criticism of the budget. Indeed big business loved the budget, but I will go into more detail about that in my budget reply.

We have gone from having the second highest number of taxes in Australia to the second lowest. Normally in football parlance it is not a good thing when you drop down the league ladder, but we are certainly proud of the fact that we have gone down the league ladder since the bad old days of the Kennett government being the second highest taxing state to now being the second lowest taxing state.

We have abolished more taxes under the GST agreement than any other state in Australia, and I would just like to go through a bit of a checklist if I may. We have cut payroll tax, and we now have the second lowest payroll tax in Australia. Land tax has been cut too. Stamp duty on property has been cut. Motor vehicle duty has again been cut. Duty on

non-residential leases has been completely abolished. Financial institutions duty — the old FID tax that people hated — has been abolished. Duty on quotable marketable securities has been abolished. Duty on unquoted marketable securities has been abolished. Duty on mortgagees — helpful for all of us — has been abolished. Bank accounts debits tax has been abolished. Business rental duty has been abolished.

We have cut taxes. We have cut payroll tax from 5.75 per cent to 5.05 per cent, and it will be reduced again, as honourable members know, to 5 per cent as from 1 July 2008.

We have heard a bit about land tax. We have slashed the top rate of land tax from 5 per cent to 2.5 per cent. For those on the opposite side who do not seem to get it, that is half the rate. We have increased the threshold from \$85 000 to \$225 000, and we have made significant cuts in that middle range. We have cut stamp duty for homes priced between \$115 000 and \$500 000 — I would like to take a little bit of time on this — for houses purchased as a principal place of residence, saving the buyer of a median-price home about \$2600. That is a 14 per cent cut in stamp duty.

I know in my electorate we do not have a lot of homes that are worth over \$500 000. Unlike the member for Brighton who was bemoaning the situation in her electorate, where I think just about all the houses are over \$1 million, not very many houses in my electorate are over \$500 000. I have a population of people who aspire to own their own homes. I have a multicultural electorate — people who come to this country and want to get into the market. We have certainly helped those people get into their first homes, raise families and become great citizens and contribute to this country. I might add, because I need to speak on behalf of the communities who come to make Australia home, that they do not need to know who the cricket captain is or words to a song to be great Australians. They come here, they contribute to the community, they pay their taxes and they do make great Australian citizens. At every citizenship ceremony they talk about providing a better life for their children. I know that people here think it is pretty smart to know the cricket captain or something or other, but they are great contributors to their communities and I want to speak on their behalf.

I want to say that we have abolished more taxes under the intergovernmental agreement than any other state. I want to talk about the GST revenue for a moment. For every \$1 of the GST we pay out to the federal government we get 88 cents back. We lose 12 cents in every dollar, but where does it go? People on the opposite side of the house have talked about the roads

on their side of town. Give us back some of that money. I say to those people that they should put the acid on their federal colleagues and get some of those taxes back in roads, get some of that petrol tax back. But no, they just kowtow and bend down to their federal colleagues. I have to say while they are kowtowing to their federal colleagues, this state is getting screwed. It is a terrible state of affairs that we are losing that money. In 2008 Victorians will pay about \$1.2 billion more in GST than we will receive. We are subsidising other states at a rate of \$232 for every man, woman and child.

I want to talk about land tax. We are witnessing an unprecedented property boom. However, land tax revenue has not grown as fast as property values. We all talk about how much our houses are worth, but the truth is that land tax has not grown in proportion to property values. Since 2000–01, which was our first budget, land tax revenue has increased by 70 per cent compared to an increase in valuation of taxable property of 120 per cent. We are very proud of our record. I am going to talk more about the WorkCover tax cuts when I contribute to the budget debate, because we have a very proud record there too. This government has a great, proud record. In 2008 we are abolishing special land tax on primary production land that is wholly or partly in the metropolitan area. We have improved fairness in that area.

In the short time I have I want to talk about the health benefit levy. It is designed to ensure that the community shares in the super-profits enjoyed by the owners of the 30 000 gaming machines in Victoria — Tabcorp, Tattersall's and Crown. That money will go directly into health. Indeed it is going directly into health. It is going to slash hospital waiting lists. I know that we are seeing more and more people in our hospitals. The emergency departments are reporting greater numbers, and this money will go directly to helping those areas.

In my budget reply I will talk about many of the other great things we have done. I will talk about fixing the mess at the Tullamarine–Calder interchange that was left by the previous government, but we will do more of that later. This is a great bill. I hope we do not see the opposition oppose it. I hope the other parties do not oppose it, because to oppose this bill would be to oppose more tax cuts, and those tax cuts will benefit the people of Victoria, who have benefited from a reduction in land taxes under this government.

**Mr HODGETT** (Kilsyth) — I rise to add to the debate on the State Taxation and Gambling Legislation Amendment (Budget Measures) Bill. I wish to make a few observations. We all know that the Bracks

government is the highest taxing, most inefficient and antibusiness government. In handing down the 2007–08 budget on 1 May the Treasurer made claims that the focus was on removing business costs. While I welcome any reduction in taxes and the cost of doing business in Victoria, I urge the Treasurer to quicken the pace. After seven years under a Labor government many people are doing it hard in business. They are suffering and they are questioning whether they have chosen the right place to live, work and raise a family because of this greedy, high-taxing, irresponsible government.

The reduction in duty on new passenger cars and near-new passenger cars is a good start. It is a welcome and positive step. It is good for jobs, good for motor vehicle safety and good for the environment. If the outcome is getting modern cars on our roads with up-to-date safety features and more efficient vehicles, then there is no doubt that that is a good outcome. But revenue under the Bracks government has gone from \$19 billion when it came to office to \$34 billion. The question you have to ask yourself is: what do we have to show for it? Nothing, absolutely nothing but failure — failure to maintain our schools, failure to fix public health care, failure to ensure our trains run on time, failure to reduce road congestion, failure to properly expand public transport and failure to invest in public utilities.

What does Labor do? Labor turns to debt in an attempt to play catch-up. The story is all too familiar. Debt is on the increase. It is the Labor of old: Labor cannot manage money. Whether it is state Labor or federal Labor, it is the same old historical story. It cannot manage money. At the federal level under the previous Labor government interest rates were between 17 and 18 per cent. We all remember that every five years as you were paying off your house you paid not one dollar off your principal. The debt still existed. After five years all your money had gone to paying off the interest and not one dollar had been paid off the principal on your house.

At the state level Labor slowly but surely stuffs it up. It gets into debt, and then it relies on the Liberal Party, the good economic manager, to fix it. This government should give Victorians a fighting chance. It should do the honourable thing and resign now. It should hand power over to us so we can get on with the fair dinkum job of raising standards and making Victoria no. 1. The government cannot manage money, and it cannot manage the economy.

In relation to the congestion tax, as was said earlier in the debate, it does not work and it achieves nothing. Business is stuck with the burden of administering it,

and it certainly does not encourage people onto our public transport system. The Liberal Party, as always, has led the way in showing these government clowns how to get people onto public transport. The government implemented our excellent policy and abolished zone 3. Having lobbied hard for this I am pleased to see it delivering savings for the hardworking families in my electorate of Kilsyth.

If the government wants some more good policy ideas, it should just sing out. I am happy to help, and I will give it a tip: it could start by working with local authorities to provide more all-day parking facilities at railway stations. So get on with the job and deliver a safe, clean public transport system that runs on time — because we all know that the Lilydale line, which runs through my electorate, has the most cancellations and delays. The government should give us a safe, clean public transport system that runs on time. It should give people adequate parking facilities — in my case at the Croydon, Mooroolbark and Ringwood East railway stations.

**Mr Kotsiras** interjected.

**Mr HODGETT** — No, get them down there and get them onto public transport. There is no better opportunity, and in the lead-up to the next election the government might like to have a look at some of our other policies, like making public transport free for all students, delivering real benefits to families, including the decent, honest, hardworking families of Kilsyth.

In relation to the change to the health benefits levy — sorry, the health benefits tax — this is clearly an extra revenue grab by the greedy Bracks government. It is a \$39 million increase, and what is worse, the government cannot be trusted to put it into the health budget.

**Ms Pike** interjected.

**Mr HODGETT** — The minister should prove us wrong. The government cannot be trusted to place it into the health budget.

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

**Mr HODGETT** — Just before the break I was talking about the health benefit tax, which is clearly an extra revenue grab by the greedy Bracks government. It is a \$39 million increase, and what is worse, as I said, the government cannot be trusted to place it into the health budget. Rest assured, we will be watching very closely in Kilsyth to see if the increase in this tax will be used to fund vital improvements to Victoria's public

health system and in particular the Maroondah Hospital, which is located in my electorate of Kilsyth.

In closing, I say that the land tax reductions do not go far enough — —

*Honourable members interjecting.*

**The ACTING SPEAKER (Ms Campbell)** — Order! I draw members' attention to the fact that the member for Kilsyth is speaking, and I would appreciate being able to hear him. Conversations should take place outside.

**Mr HODGETT** — I am happy to send them a copy of *Hansard*. In closing, I say that the land tax reductions do not go far enough. It is disgraceful that there are no water projects in this budget. It is the dehydrated budget — just add water. What do the Premier and the Treasurer do straight after the budget? They run off overseas. The Treasurer we are told was in Dubai looking at a desalination plant. His mates could have told him that he could have gone to Perth where they have actually announced a second desalination plant which is going to be built. As Brendan Donohoe wrote in the *Herald Sun* on 20 May:

With Western Australia announcing a second desalination plant will be built, there is now even more pressure on the Bracks government to make a decision —

a new experience for it —

on water, allocate funds and start building.

Mr Bracks when he was in London apparently described the Western Australia government's decision as a 'very positive outcome' and added:

We obviously have desalination as one of the key projects we want to undertake in Victoria and we are waiting on technical advice.

To interpret that for members, it means 'We are still looking into it'. When the government finally makes a decision on desalination plants it will be another one of our great Liberal policies that is pinched.

Labor cannot manage money. It cannot manage the economy. The previous government inherited a debt of \$31.5 billion from Labor and was charged by Victorians to bring this down, reducing the debt burden to \$5.2 billion. Stay tuned — watch this space! Watch the Bracks government stuff it up again!

**Mr JASPER (Murray Valley)** — I am pleased to join the debate on the State Taxation and Gambling Legislation Amendment (Budget Measures) Bill. I strongly support the comments made by the Leader of

The Nationals, who covered a lot of areas in relation to the legislation. But before I move on to dealing with the legislation I want to declare at the outset that I have an indirect interest in a family General Motors Holden franchise at Rutherglen and Corowa. I declare that indirect interest at the start of my contribution to the debate on this bill.

The Leader of The Nationals commented extensively — —

**The ACTING SPEAKER (Ms Campbell)** — Order! Before the member for Murray Valley continues, I ask that the conversations going on take place outside.

**Mr JASPER** — Acting Speaker, I think they will find my comments interesting if they listen, because I am going back into history.

The Leader of The Nationals commented on a range of issues contained in this legislation and referred particularly to the continuation of the congestion levy and the fact that it is called a temporary concession — in fact it will be revised in 2009. He also commented on the increase in charges imposed through the gambling regulations and the fact that an extra \$1300 per machine has been imposed on gambling operators in the state of Victoria. He was not defending the gambling organisations but rather indicating that this is a grab for money. This is the second increase in the levy on gambling machine operators within the state of Victoria. We think it is iniquitous that the industry is looking at this continuing increase in the funding of the budget being provided to the state government.

The issue I want to particularly refer to concerns the reduction in stamp duty on motor vehicle registrations and transfers. I want to go back in history because in the early 1980s the then Treasurer of Victoria, Lindsay Thompson, introduced a bill to impose a 4 per cent stamp duty on new and used motor vehicles. I opposed this strongly, and in fact the then National Party opposed the issue strongly and negotiated with the government at the time, and the Treasurer decided that he would reduce the charge on new motor vehicles to 2 per cent but leave 4 per cent on used cars. I argued in our party room that this was still wrong and that they should not have a 4 per cent stamp duty charge on used cars because the people buying used cars would be in a worse position than those buying new cars.

The Liberal government at the time did not accept that and I got an exemption from the party to cross the floor and vote with Labor in relation to that legislation.

Unfortunately we did not have the numbers to be able to — —

**The ACTING SPEAKER (Ms Campbell)** — Order! I interrupt the member again. There are far too many individual conversations. Would people like to continue them outside.

**Mr K. Smith** interjected.

**Mr JASPER** — The opposition member indicated that I should declare a pecuniary interest. I said from the outset — and I repeat it again — that I have an indirect interest in a family General Motors Holden dealership operating at Rutherglen and Corowa, and I have done that on occasions ever since I entered the Parliament, and I will continue to do that.

**Mr K. Smith** interjected.

**Mr JASPER** — I want to make sure you know where I stand.

**Mr K. Smith** interjected.

**Mr JASPER** — It is okay. Let's get on with it: my time is ticking away. That is what happened in the early 1980s. In 1989 the Labor government then revised the stamp duties and increased the charges on new cars to 2.5 per cent for cars up to \$35 000; \$35 000 to \$45 000, 4 per cent; and over \$45 000, 5 per cent. Those changes have remained. It has remained 4 per cent on used cars since 1989 — for 17 years — and I have been arguing consistently in the Parliament that it should be reduced because of the bracket creep and the increase in the price of motor vehicles. At that time \$35 000 would have purchased an average high-priced motor car, but it would now purchase only an average motor car.

Most motor vehicles are over that price anyway, unless you go to a smaller four-cylinder car. I want to make sure that people understand the increase in revenue that has flowed to the government. In 1988–1989 the actual stamp duty collected by the state government was \$219 million. In 1993–94 it went up to \$260 million. We go forward to 1997–98, where it was \$390 million, and then stamp duty in 2003–04 amounted to \$544 million. In 2004–05 it was \$556 million, in 2005–06, \$547 million — a small reduction — and in the current financial year it is an estimated \$555.5 million. The Treasurer has said that with stamp duty we are going to see a \$170 million reduction over about a five-year period, but the estimate of revenue from stamp duty on the registration of new vehicles and transfers is estimated in the next financial year to rise to \$569.3 million, so it is going from \$555.5 million in this financial year and

rising to \$569.3 million. So what the government is giving with one hand it is taking back with the other.

We need to understand that back in 1988–89, \$219 million was the revenue from stamp duty. It rose in this financial year to an estimated \$555.5 million. There is no doubt, as far as I am concerned, that the government needed to review the stamp duty charges on motor vehicles. The motor industry has been looked at as a milking cow by governments of all political persuasions in raising funds for the government. There is no doubt in my mind that stamp duty needed to be reviewed, and I applaud the fact that the government has recognised that the duty needed to be reviewed because of the escalation of the price of motor vehicles.

To give the government its due, it has at last realised this after extensive representations from the Victorian Automobile Chamber of Commerce and other people within the motor industry. I repeat: over many years I have raised in the Parliament the need for a review of these charges because of the bracket creep in relation to the price of motor vehicles. This certainly brings the charges into line with the imposition of stamp duty on new motor vehicles. But I say to the government it should look again at the stamp duty imposition of 4 per cent on used cars.

Some would say that used cars are generally cheaper than most new cars, but in fact a lot of used cars are in a higher price bracket than many new small cars. Indeed I believe many people buying a used car are not in the position to buy a new car, so they buy a used car instead. I think the government should consider reducing the stamp duty from the 4 per cent which was imposed in about 1980. It has remained at that level right up until now. Whilst I applaud the government's action in relation to new cars and near new demonstrator vehicles, the fact is we need to look at the 4 per cent stamp duty charge which is currently on used cars and review that in the future. There is no doubt that the motor industry is a major industry for the state of Victoria.

The government needs to keep in mind the importance of the motor industry, not only because of the manufacturers but indeed because of the people who are involved in the motor industry within the state of Victoria. The Victorian Automobile Chamber of Commerce is a great representative of the motor industry and those associated with the motor industry generally. The government should consult with the VACC in looking at the issues which are of concern to the motor industry and it should remember that there are a lot of small business people in the motor industry right across Victoria.

The motor industry is a very difficult industry at present to be profitable in. It is a difficult industry because of small margins. Many motor vehicle dealers are struggling for survival purely and simply because of the current situation, and that has been made even worse in country Victoria where motor vehicle sales have dropped dramatically because of the drought. Most dealers are trying to hold on to the experienced staff they have, but they really need to review their staffing in the future. Fortunately the rains we have had in the past week have taken the pressure off to a large extent. The drought is not over, make no mistake, but it has heartened people generally — not only in the farming community but in many small businesses across country Victoria, including businesses in our small towns and cities. The motor industry is a difficult industry. I support the fact that we have made changes to stamp duty, but looking at it further, the motor industry is still in difficulty.

**Mr ROBINSON** (Mitcham) — I will make some brief comments in support of the State Taxation and Gambling Legislation Amendment (Budget Measures) Bill. I want to confine my remarks to that part of the bill which amends section 7 of the Gambling Regulation Act 2003 and in particular to the amounts of commission on totalisator products. The schedule at the back of the act refers to particular wagering types and the maximum commissions which will now be applicable.

This is a significant change from the previous arrangements where one fixed commission rate was applied to all bet products and it was averaged out. What has been happening in recent years in Victoria is that Tabcorp has replicated the very successful approach of the New South Wales TAB to offer punters the opportunity to place what is called a flexi-bet, which allows them to take quite exotic quadrella or trifecta combinations for a percentage of the total cost. Whereas it once upon a time might have cost a professional punter several hundred dollars to take an exotic multi-legged trifecta or a multi-legged quadrella, punters are now able to take that type of bet for a much lower percentage, which might only cost them \$5 or \$10. That is a great innovation for punters because it offers up far more in the way of opportunity.

What the legislation does is give effect to the recognition that more and more people wish to take quadrellas and trifectas and it for the first time anchors the maximum commission rate which will be applied to those types of bets. That is a positive development. Interestingly the changes do not prevent the wagering operator from at some point in the future offering a lower-than-prescribed commission rate. This is very

important for the major wagering types of win and place bets, because other wagering operators may at some point in time decide, for competitive advantage, to lower those rates. They might lower them by 1 or 2 per cent, and there are a small number of very large wagerers or punters who will seek to take advantage of that taxation or commission regime wherever it may operate. It is important to note that, by virtue of this bill, the Victorian wagering operator has the ability to compete. Certainly by virtue of our only prescribing a maximum, the wagering operator has that opportunity by determining at some later point in time that the commission rate should be lower.

I take up the statement of the member for Murray Valley, who said that he had a pecuniary interest. I suppose it stands to reason that I do as well, because I am a TAB phone account holder. In fact I am a racehorse owner. I have very modest interests in very modest racehorses — they go together!

**Mr Hodgett** interjected.

**Mr ROBINSON** — No, I am a short-term money market investor, not a gambler, and there are very important distinctions. At some stage I will try to apprise the member for Kilsyth of them — and I hope they are not lost on him. Having said that, I conclude by saying I fully support the State Taxation and Gambling Legislation Amendment (Budget Measures) Bill.

**Mr THOMPSON** (Sandringham) — A former Labor federal Treasurer described himself as the Placido Domingo of Australian politics. This is a man who said Australia was on the dawn of a new economic golden age; this is a man who once said of his budget that it would bring home the bacon; and this is a man who said that with him at the economic levers Australia would have a soft economic landing. At a time when Australian unemployment rose to over 11 per cent, when small business people were paying over 20 per cent in interest rates and when migrants to this country were sending their kids back overseas to get a job, he said, 'This is the recession that we had to have'. Just as a previous speaker could not keep to his 2 minutes, so the Labor Party cannot manage its resources and cannot manage its budgets.

In the eight years since the Labor Party came to office we have seen a trebling of stamp duty — —

**Mr Donnellan** — On a point of order, Acting Speaker, this is not on the bill. It relates to the history of the federal Treasury and so forth. It has no relationship to the bill before the house.

**The ACTING SPEAKER (Ms Campbell)** — Order! I appreciate the member's advice. The member for Sandringham has just started, but I remind him to direct his attention to the bill a little more.

**Mr THOMPSON** — If the member for Narre Warren North had been quicker on the draw, he may have been able to make a substantive point of order. But if he reads *Hansard* he will know that I was just turning to the trebling of stamp duty in Victoria since the Labor Party came to office. Just as the self-styled Placido Domingo sang more like Billy Ray Cyrus, Victorians have been suffering for decades under erroneous ALP policies.

During the 1980s Labor's so-called new economic management led Victoria to a stage where the state debt was \$33 billion. As a candidate back in the 1992 state election I spent 12 months or so doorknocking the electorate. I saw the pain on the faces of the people of Victoria as they suffered under Labor's methods of financial management. What are we seeing now? We are seeing a trebling in stamp duty. We are seeing more than a doubling of land tax. We are seeing massive increases in payroll tax. Police fines have quadrupled and are budgeted to increase even more.

In relation to land tax, the increases led to the closure of one of the prime businesses in the Sandringham electorate. We have spoken about obesity and about the need for younger people to develop a good level of fitness. The owners of one of the major recreational facilities in the Sandringham area closed down, and the catalyst for the closure was the imposition of the Bracks government's land tax increases. I have a letter from Mr Ian Armstrong, who was a Victorian of the Year during the 1980s. Headed 'Land tax lies', his letter states:

It makes me sick to hear John Brumby, Acting Premier and Treasurer, on 3AW (Neil Mitchell) say land tax has been reduced (fixed).

Two years ago we sold five factories to reduce the land tax burden, only to receive a 27 per cent increase. This year on exactly the same basket of properties we received our bill, which was increased 107.78 per cent. How is this a reduction? What costs have gone up this much? Even one-tenth of this is a large increase, with inflation below 4 per cent. A reduction is a reduction, not an horrendous increase. To say otherwise in press and radio is a lie.

It will be very interesting to see, as I make further contributions on land tax over the next three or four years, what the impact of the current land tax reduction measures will be. Even with the reductions in the budget, in 2007–08 the Bracks government is budgeting for \$17.8 million more than the 2006–07 budgeted figure. So much for the claimed land tax cut.

The Labor Party has proved itself incompetent to manage the budget and the finances of the state of Victoria. That is demonstrated by its failure at the federal level under the former Placido Domingo — or Billy Ray Cyrus — of Australian politics. With the increase in state debt we are today moving to that position.

The final comment I would make is that Liberal governments try to work towards savings to overcome inefficiencies and improve outcomes. The index for all Victoria's state taxes and charges is also a disgrace, because it does not have the objective of improving the output of government departments. Instead the automatic increases serve to prop up the Labor Party and its fiscal incompetence.

**Mr TREZISE** (Geelong) — I am also very pleased to stand and support the State Taxation and Gambling Legislation Amendment (Budget Measures) Bill before us. This bill really reflects the commitment of the Bracks government to the financial wellbeing of this state. I therefore congratulate the Premier and the Treasurer on once again presenting a magnificent budget.

I am pleased to be speaking on this bill for a number of reasons. First of all, as a number of speakers have said, we have reduced land tax again. Very importantly for the community of Geelong we have also reduced the duty on new cars. When I talk about the community of Geelong I also talk about Ford Australia. We as a community welcomed the initiatives on the duty on new cars that the Treasurer introduced in 2006–07, because they truly supported the motor industry and Ford Australia in Geelong.

As a member of the Road Safety Committee I also support this, because it will mean that people can begin to afford new cars, and with new cars we are also talking about new and safer technologies such as automatic braking systems. This will bring new cars into our state fleet, and as these cars get handed down we finish up with a safer car fleet throughout Victoria, so I am happy to be supporting this bill.

Earlier the member for Northcote talked about the initiatives and benefits the new measures in this bill provide for the average punter, especially in the flexi-bet area of quaddies and trifectas because it makes these bets far more affordable. This is because Tabcorp has taken a leaf out of the system used by the New South Wales TAB and reduced the cost of bets by using a lower average percentage.

I am pleased to be supporting this bill, and I again congratulate the Bracks government on handing down a magnificent 2006–07 budget.

**Ms WOOLDRIDGE** (Doncaster) — I am pleased to speak on the State Taxation and Gambling Legislation Amendment (Budget Measures) Bill, which amends a number of different acts to meet the 2007 budget commitments. I would like to briefly go through each of the four areas.

Firstly, this bill reduces stamp duty on new passenger vehicles valued at between \$35 000 and \$57 009 to essentially the same level as the duty on cars that are valued below that amount. This is effectively a 40 per cent decrease in duties on new cars, which is an important measure. It represents a saving of about \$500 for members of the community who are purchasing cars, and perhaps a reduction of up to \$1350. I am a big supporter of the local manufacturing industry, and I have spoken to a number of the car companies. They tell me that this will assist in the purchase of locally produced vehicles such as those manufactured by Ford, Toyota, Holden and Mitsubishi, which largely fall into the range in which stamp duty reduces. It will also help mum and dad buyers to purchase new cars and result in many more new cars being on the road. While this may not translate overall into more cars being on the road, hopefully it will translate into those cars on the road being safer and greener.

The reason this is important to the community of Doncaster is that residents of Doncaster and the city of Manningham have an unusually high reliance on private car travel, with 87 per cent relying on private car travel to get around, significantly higher than Melbourne's average of 76 per cent. Average car ownership in Manningham is at 2 cars per household, well above the 1.57 cars per household in the Melbourne district. One in five households in Doncaster owns more than 3 cars. Information supplied by the City of Manningham indicates that older people are more likely to use private transport because of its convenience, flexibility and ease of access. They are also more likely to give up public transport before they give up private travel. Most residents have to use their car as their predominant form of transport in Manningham because of the lack of public transport and because public transport is unreliable. While these are important measures to the people of Manningham, it is critical that we also increase public transport infrastructure so that Manningham residents have such a choice.

Not everyone is happy with the changes in stamp duty on cars. Older members of our community — who

come under my shadow portfolio of aged care — who do not have \$35 000 to spend on a car and want smaller cars due to petrol prices are among groups that I have heard from. A 65-year-old East Doncaster constituent wrote to me saying:

I would like to make a comment about the government's media release today regarding the proposed reduction of stamp duty for those purchasing new cars valued at around and over \$35 000. We have decided to downsize our current vehicle and purchase a smaller car which, if purchased new, would be well under the \$35 000 mentioned above. Now, what is our incentive for doing so ... it appears absolutely nothing. Again the Bracks government is disregarding the wants and needs of those wishing, for whatever reason, to purchase a smaller/lower cost vehicle. One becomes bemused and disenchanted.

The government must in its decision making take into account the needs of older Victorians.

In terms of the land tax measures, the land tax threshold covered by the Land Tax Act is being increased. There is a cut in rates for higher value properties and reduced rates for trusts which include land tax. The budget papers show us that land tax revenue in 2006–07 is forecast to be \$890 million. That is \$108 million more than in the budget update released in 2006 and is up 130 per cent since 1999. Even with the tax reductions in the budget the Bracks government is still expecting \$17.8 million more in 2007–08 than in 2006–07. So much for the cuts. Rising land values and prices also offset any benefit from this tax-free threshold. Genuine land tax reform is not included in these measures.

Many Doncaster residents have complained to me about the rising level of land tax and how it would affect them, even if it is the absolute that increases, not just the percentage. These individuals are not wealthy. Often they are migrants who have arrived in Australia with little but have built businesses and subsequently bought property, believing it would give them security in their old age. They are proud of their achievements. They have never relied on the government for handouts, and nor do they want to. Some of them have been badly affected by the huge grabs in land tax. Not only are they hit with large tax bills in their senior years, but it also raises a sense of uncertainty about the future. This is another concern that older Victorians have about the Bracks government's approach to land tax.

In terms of the congestion levy amendments, essentially the Southbank and Port Melbourne areas will temporarily retain the 2006 levy of \$400 per space, rather than \$800. The congestion levy remains problematic and achieves nothing. It is just another new tax imposed by the Bracks government. It is one of the

14 new or extended taxes introduced since 1999. The Liberal Party policy at the last election was to abolish the parking tax. Small measures to reduce the amount of the tax in specific areas do not go far enough. Many businesses will pay tens of thousands of dollars extra in taxes just for this central business district levy. The tax also applies on weekends, despite reduced public transport options, another issue for the residents of Doncaster.

Finally, I will touch on the gambling regulation amendments, which amend wagering commissions and increase the tax on gaming machines. The budget reveals the Bracks government's plans to adjust the rates of commission on wagering through totalisator pools. Previously when the net commissions received by wagering operators were in excess of 16 per cent, any surplus was required to be returned to punters. The Bracks government now proposes to remove this safeguard and pocket that share of the profits, which is over \$4 million annually. The government is clearly addicted to the dollars raised by gambling. Instead of focusing on how to take more money out of the pockets of problem gamblers in particular, the government should be focusing on how to help problem gamblers resolve their addiction, even if it cannot break its addiction.

I am very concerned about the tax approach of the Bracks government. While I will not be opposing this bill, I think there are many more measures — both for the general community and, in particular, for older Victorians — that the government needs to undertake.

**Mr MORRIS** (Mornington) — I am pleased to make a contribution to the debate on the State Taxation and Gambling Legislation Amendment (Budget Measures) Bill, which is quite a mouthful in itself. But I would be much more pleased if the proposed legislation went a lot further.

I listened with a great deal of interest to the second-reading speech and particularly to the claim, which was repeated in the speech, that the Bracks government was focused on cutting business costs. There was also what I felt was a rather gratuitous remark suggesting that self-funded retirees would benefit significantly from the changes that were being made. That really is a joke. Like every financial measure that has been introduced under this government right back to 1999, this will add to the taxation burden on Victorians.

If we have a look at the budget papers for this year, we see that the total tax take estimated for the 2006–07 budget was \$10 971 million. The total tax take

proposed in the estimates before us is \$11 589 million. That is an increase of 5.6 per cent, which is not bad when you consider that the consumer price index listed in the same budget is only 3.1 per cent! In other words, what is proposed is an increase in taxation 80 per cent higher than the CPI. Someone is paying for that. If businesses and self-funded retirees are getting a cut, who is paying? Someone certainly is.

I want to look at a couple of the specific provisions in the bill before us. Clause 3 amends the Congestion Levy Act 2005. If we look at the words that are proposed, we see that the bill sets the congestion levy at the 2006 level — in other words, \$400 per space — for two years. Had this legislation not been introduced, we would have had a 100 per cent increase in the congestion levy from 2006 to 2007. Of course, before 2006 there was no congestion levy, so we would have gone from zero dollars per year to \$800 per year.

If this measure did anything about congestion, you might say it was worthwhile. Unfortunately it only impacts on a relatively small section of the city of Melbourne, parts of Port Melbourne, part of South Melbourne and part of the Docklands. It impacts not on the central business district (CBD), the area that people need to go to, but only on a very small, relatively close area of the city of Melbourne. The reality is that it is just a tax. Unfortunately it is a tax not on those who can most afford it but on those who can least afford it — in other words, those who do not have the option of a decent public transport system to get them to the city in the first place.

If you look at the electorate of Mornington, you see that there is effectively no alternative to travelling by car. If I were to come here by public transport, I would have to walk at least 1.5 kilometres to get to a bus. Then I would have to catch the bus into Frankston and then, if I could fit onto it, I would have to catch a train into the city.

**Mr Burgess** — You can come with me.

**Mr MORRIS** — I thank the member for Hastings, but I am quite capable of getting here under my own steam. We do not have any cross-peninsula transport, so there would be no way of getting to Hastings in the first place. The reality is that I am slightly better off than the majority of my electorate, and if I wanted to come in by public transport it would take me at least 2½ hours. People on the peninsula do not have a viable alternative, but they are getting slugged to the tune of \$800 a year simply to park their cars in the CBD. It is, as I said earlier, a tax on ordinary Victorians.

I will briefly touch on clauses 4 and 5, which amend the Duties Act. In effect the amendments reduce stamp duty on passenger vehicles in the \$35 000 to \$57 000 category. That is a welcome measure. In some small way it will certainly help the local vehicle production industry, which is a very important part of industry in this state. Sadly this is the only initiative in this area, and we will not see serious cuts to stamp duty in other areas. Once again there is no real concession in this. It is in effect being paid for by a cut to the current fuel subsidy. While it is a decent, good measure, it simply does not go far enough.

I will also briefly comment on the land tax provisions. Part 4 of the bill amends the rates and thresholds for the 2008 tax year and onwards. Land tax has to be the subject of some of this government's greatest spin. An unkind person might say it is its greatest manipulation, but I might say it is a misrepresentation of the facts. In the last couple of years we have had claim after claim of tax cuts. The reality is that they are not cuts but are simply rises that are not quite as high as they would be if the scales had not been amended. If the scales were tied to the consumer price index or, in an even fairer fashion, tied to increases in the asset value, the take on land tax would be considerably lower.

As the budget papers indicate, the government is proposing to take an extra \$17.8 million out of land tax. It is not a cut, it is an increase. It might not be as bad as it would otherwise have been, but it is still an increase. It is an adjustment that barely covers bracket creep. What we need in this area is genuine reform, and until we get genuine reform we will, year after year, go through this process where the government is dragged kicking and screaming to make token cuts.

The final point I want to make is that one of the earlier government speakers in talking about the revenue measures — possibly in response to numerous speakers who raised the issue of the rivers of gold flowing from the federal coffers into this state through the GST — referred to the break-up of the transfer payments to the states. We keep hearing, and we have been hearing it for years, the claim that Victoria is duded, that Victoria pays more tax than it gets back. We all know that is correct if we look at it on a per capita basis; we also know that the grants are divvied up by the Commonwealth Grants Commission. The federal Treasurer has repeatedly invited the state premiers to get together and agree on an alternative formula that could be implemented. If the government could do it, I would be the first one to support it, I really would. Let us not perpetuate the myth that we are getting duded by the federal government when Labor premiers will

not agree on a reasonable formula that will guarantee a reasonable return rate to Victoria.

I obviously support the bill, as my colleagues have indicated earlier. Unfortunately, while it has some very good parts, it does not go anywhere near far enough and is yet another lost opportunity.

**Mr O'BRIEN** (Malvern) — Another day, another bill and another Bracks government tax hike. Despite the booming GST revenues, courtesy of the strong national economy and tax reform implemented by a federal coalition government, despite the opposition of the federal Labor Party, including its current leader Mr Rudd, the state Labor government still feels the need to increase taxes. This is Responsible Gambling Awareness Week, which runs from 21 May to 27 May. That is ironic, because the biggest problem gambler in Victoria is the Bracks government. The 2007–08 budget forecasts the tax take from poker machines alone to be over \$940 million. This is behind only payroll tax at \$3.6 billion and stamp duty on land transfers at \$2.85 billion. Poker machine taxes are the third-highest source of tax revenue in this budget. This government takes in more money from poker machines than it does from vehicle registration fees, \$779 million, or land tax, \$765 million. That is despite having the biggest property boom in living memory.

What does this bill do in relation to gambling? Does it reduce the number of poker machines in Victoria? No. Are there measures to reduce the number of problem gamblers in Victoria? No. Will it reduce the government's tax take from gambling? No. Will it increase taxes that come directly or indirectly from the pockets of Victorian gamblers? Yes, it will. The bill proposes to abolish the 16 per cent ceiling on wagering commissions. At present totalisators can only charge 16 per cent on average in relation to commissions. They can charge more than 16 per cent on particular bet types as long as the overall take is no more than 16 per cent over the relevant period, and any collection in excess of that 16 per cent figure must be returned to punters. This is the punters commission safety net, and the government is taking it away through this bill.

I contrast that with the pious cant we often hear from the other side about safety nets. Government members are all in favour of their version of safety nets for some matters, but when it comes to the safety nets for punters on commissions they are quite happy to take them away. Totalisators have been limited to 16 per cent for commissions, and anything above that is being returned to punters in the form of fat quaddies, happy hour on greyhounds and power pays. We are very likely to see the end of these forms of bonus returns to punters.

Under this legislation the surplus no longer has to be returned to punters but will go to the totalisator, and the government is more than happy to take its share on the way through — \$4 million of additional tax to the Bracks government by abolishing the ceiling on commissions and over \$14 million out of the pockets of punters overall as a result as of this so-called reform.

There is no benefit to punters in this measure whatsoever. This is just a straight tax grab from a greedy state government. The fact that it is included in this bill is testimony to the fact that the government seems to be completely incapable of simple tax reform that benefits Victorians. We have heard from the government about the measures to reduce the sales tax on certain new cars, and that is certainly welcomed. We have heard about some of the minor measures to reform land tax, and they are welcomed, but why can the government not introduce a simple bill into the house that cuts tax. Why does it always take with the one hand what it gives with the other? That is what this bill does.

I now turn to the amendments to what has euphemistically been termed the health benefit levy on poker machines. Let us be frank, it is just another government tax. The existing levy on each of Victoria's 30 000 gaming machines will increase by \$1300 per annum under this measure — a 43 per cent tax increase in one hit. This levy was \$333 per machine in Labor's first year in government. It will now be \$4333 per machine — a tax increase of over 1300 per cent during this government's term of office. Labor says, 'It is all right if we impose an extra tax on poker machines because the people who are paying it are the poker machine operators — Tabcorp, Tattersall's and Crown'. This is Labor's world where a tax increase on a company is never passed on to consumers.

Apparently in Labor's world companies are happy to suffer this blow to their bottom line and will not seek to recoup the tax increase from their customers along the way. That is Labor's world, but we in the opposition operate in the real world. In the real world we know that tax increases on companies get passed on to consumers. We know tax increases on companies will be passed on to consumers, and when it comes to tax increases on poker machines, we know how they will be recouped. As sure as night follows day, Labor's tax grab will be recouped and gaming machines will be worked even harder. Gamblers will be encouraged to spend even more to cover the shortfall.

Thanks to the Productivity Commission's landmark 1999 report we know, and it is common sense in many ways, that problem gamblers account for a

disproportionate level of expenditure on gaming machines. We know that, when the gaming machines work harder and the punters are encouraged to spend more on gaming machines to recoup this huge tax increase, it will be coming out of the pockets of punters and disproportionately out of the pockets of problem gamblers — the people least able to afford it. This measure is being brought in by this government during Responsible Gambling Awareness Week. Meanwhile members of this government will shed crocodile tears over the extent of problem gambling in this state.

This government has already been caught out in its misleading figures about its efforts to reduce the incidence of problem gambling in this state. Recently an article in the *Age* quoting Dr James Doughney of Victoria University demonstrated that the government's claim to have halved the incidence of problem gambling in this state is just absolute nonsense. Unfortunately these tax measures, which will increase the taxes on gaming machines, will increase the propensity of gaming machine operators to work them harder and will only exacerbate the issues facing problem gamblers.

The last point I would like to make about this bill is that the so-called health benefit levy is just another example of how this government is increasingly reliant on gaming machines to fund basic levels of services. We should not be funding our hospital beds out of gaming machines. Hospital beds should be funded of their own accord and because we need them. They should not be tied to the number of poker machines in this state. Yet in the Treasurer's press release announcing this tax increase he referred to the extra amount of money which will be going into the Hospitals and Charities Fund. It is no wonder that the Labor Party opposed the Liberal Party's proposal at the last election to cut the number of poker machines in this state by 5500. Labor's policy is to have regional caps. Labor wants to move the machines, we want to remove the machines — and that is the difference between that side of the house and this side of the house when it comes to tackling problem gambling. This is just a further example of Labor's poor economic management and its reliance on increasing taxes to prop its ever-falling bottom line.

**Mr BURGESS** (Hastings) — I rise to speak on the State Taxation and Gambling Legislation Amendment (Budget Measures) Bill. While I will not be opposing it, it is incumbent upon me to take this opportunity to point out to the people of Victoria and to this house just another one of the money-grabbing ways of this Labor government — land tax. There are many critical issues about land tax, but the most important is the massive

increase in the burden that this land tax animal is actually putting on the Victorian public. Land tax is a selective tax and it primarily punishes those who work hardest to make our community flourish.

The previous government adjusted land tax rates to reduce this burden as property prices rose. The Bracks government policy has been to make no changes and then, when it is pushed, it makes small changes at the edges as rising prices push the rates of taxes up, and the taxes just keep on pouring into the coffers of this state government. Then members of the government make some changes at the edge and they expect accolades for those minor changes. This strategy has seen the Bracks government suck ever-increasing amounts of money out of Victorians' pockets to fund its uncontrolled spending and the blow-outs of its major projects. Members on the other side jump up and go with their mantra that the problem is that property prices have gone up and therefore land tax has gone up.

It is enlightening to go back to the figures. Members opposite say that they have actually cut land tax. Let us look at the figures. In the last three years of the Cain and Kirner governments land tax was \$416 million, \$465 million and \$481 million. From 1993–94 it went sequentially from \$409 million to \$396 million, \$393 million, \$437 million, \$264 million and then \$369 million in the last year of the Kennett government. Then guess who was back? In the first year of the Bracks government land tax was \$410 million. Then it was \$525 million, \$515 million, \$655 million, \$837 million, \$848 million, \$780 million, \$890 million. Yes, members opposite have cut taxes all right!

These figures make members of the Bracks government very uncomfortable. Again you get the mantra that property prices have gone up. Property prices went up between 1992 and 1999 as well, but during that period land tax was cut. In roughly the same length of time the Bracks government has more than doubled land tax, and that is a disgrace.

More than the straight figures or the increase in the land tax, there is the flawed basis upon which this has happened. Members opposite say that just because property values have gone up, land tax must go up. Why? We must ask ourselves why that is happening. Why is it that members of the Labor Party hate to see people doing well? Why do they consider that if the property value has gone up, the owner should be automatically punished? It is the politics of greed and envy. It is because basically members of the Labor Party believe that no-one should be rewarded on merit, that no-one who works hard should benefit, that no-one

who takes risks with their capital should profit and that no-one should be able to increase the value of what they own. Everything should go back to the father state for redistribution. That is what it is with closet socialists.

However, members of the Labor Party are not even true to their own basic philosophy. To see that you only have to look at the way they favour their mates, with secret little cleaning tender deals all over the place, and if that does not work, there is intimidation. You only have to ask our friends at Bruck Mills in Wangaratta what happens, to be told about the strongarm tactics if you do not toe the line. It seems that in a Labor Victoria everybody is equal. It is just that some are more equal than others.

As with most Australians, Victorians are very good natured and believe in a fair go. Even with very close to double the tax take in this state, from \$19 billion up to \$34 billion, Victorians still look around and say, 'Okay, we're paying a lot more tax, but that's all right as long as we're getting good value for what we're spending'. They look around and say, 'Our schools must be getting better, waiting lists must be getting shorter and, of course, our infrastructure must be being upgraded'. Unfortunately Victorians are looking around and seeing that schools are in decay, waiting lists are expanding dramatically and infrastructure — what infrastructure? Let us not even talk about water.

**Mr O'Brien** — They don't.

**Mr BURGESS** — That is certainly right. Members should look around and see what infrastructure is going in with twice the tax take in this state. The one thing that stands out is that there is one piece of infrastructure going in, and that is the Scoresby toll road. That is a pretty interesting thing in itself. With all the tax that it is ripping out of Victorians pockets, the government is not even paying for it. It is being paid for with an extra tax — a toll. This government must start delivering good value for money. It has not done so thus far. If it cannot do so, it must take its hands out of Victorians' pockets. Members of the government should stop tinkering at the edges of land tax. They should make some meaningful changes, take the pressure off Victorians and help this state become what it should be.

**Mr BLACKWOOD** (Narracan) — It is with pleasure that I rise to speak on the State Taxation and Gambling Legislation Amendment (Budget Measures) Bill. The changes that this bill introduces are quite a mixed bag. Some changes benefit sections of the community and other changes will impose further increases in taxation by a government absolutely

hooked on taxing Victorians like never before. A positive is the lowering of the stamp duty for passenger vehicles, which will provide a much-needed boost for local manufacturers and local jobs. Examples of the reduction are a saving of more than \$500 on a Holden Commodore, a Ford Falcon and a Toyota Aurion and a saving of \$250 on a Holden Calais and a Ford Fairmont Ghia.

The downside of this initiative is that it is intended to be funded with the removal of the current fuel subsidy paid to fuel companies: 0.43 cents a litre on petrol and 0.75 cents a litre on diesel. These amounts may seem insignificant, but once again country people, who rely heavily on road transport — road vehicles for personal travel and delivery of goods — will be hit hard if the oil companies pass on these costs to the consumer. There is no reason to suggest that they will have a change of heart in this instance. Once again country families and businesses will be hit unfairly as a direct result of this government's failure to look beyond the tram tracks when developing policy that will affect all Victorians. In fact it is country Victorians who will be hit hardest once again.

The land tax reduction measures do not go far enough. With increases in land tax of more than 130 per cent during the record taxing regime of the Bracks government, this threshold increase will barely cover inflationary bracket creep. Land tax is a direct negative for the bottom lines of businesses, and coupled with the increases in municipal rates it is creating genuine hardship and forcing the closure of many businesses.

It is very interesting to note that the current municipal rate rises around the state are about 7 per cent. This is a direct reflection of the battle local government is having with the constant cost shifting by this government to local councils, especially rural shires. These shires are forever trying to cope with their failing local road networks. They are trying to keep up with the maintenance and upgrade of road infrastructure while this government continues to reduce funding in real terms. For example, the Baw Baw shire in my electorate will receive only a 1.5 per cent increase in its special purpose and rural road grants in the 2007–08 budget, which will nowhere near keep pace with the consumer price index. Of course it is going backwards, and once again the people of Narracan will suffer.

Another example of the unfair treatment of rural people involves Forest Road at Labertouche in my electorate. This road qualified for timber roads funding three years ago and was budgeted to be upgraded in 2005–06 and 2006–07, but in both these years it dropped off the radar. Still the residents along that road are subjected to

having to deal with dust in their water tanks and an extremely dangerous road that provides the only access to their properties. The timber roads funding allocation has again been pulled this year, leaving Baw Baw shire with no option but to try to manage the situation on its own very tight budget.

I would like to touch on the gambling regulation amendments, which appear to be nothing more than another opportunistic grab for extra cash by the Bracks government. The amendments propose to adjust the rate of commission on wagering through totalisator pools. Previously when net commissions in excess of 16 per cent were received by wagering operators the surplus was returned to punters. The amendments remove that safeguard and allow the government to pocket a share of the extra profits. The amendments also seek to increase the annual health benefit tax — and I say ‘tax’ — on every electronic gaming machine by 43 per cent. This will net the government an extra \$39 million a year, bringing total revenue from the health benefit tax to \$130 million a year.

I will not be opposing this bill, as I, like many country Victorians, live in the hope that the Bracks government will lift its sights beyond the tram tracks. I hope the government will use this extra income to fund the delivery of services in Narracan for hospitals, roads, schools, extra police, those with special needs and their carers, and water infrastructure. I call on the Minister for Health to act immediately on the funding shortfall currently being experienced by the West Gippsland Healthcare Group. One of the reasons the West Gippsland Healthcare Group has been able to continue delivering high-quality health care over recent years despite being ignored in funding allocations is the continuing generosity of the West Gippsland community. The number of bequests and donations has been exceptional over many years. The minister needs to stop bludging off the people of Narracan and address the funding shortfall in line with the support that has been made available to other hospitals in our region.

I remind this house that the health benefit tax can only be used for public health purposes. The people of Narracan are sick and tired of being ignored. We have people in Moe having to wait 67 months to get access to public dental health, as reported in the *Herald Sun* in recent days. How can a government that continues to raise record revenue deny basic dental health services to the people of Moe and many other communities?

As I said, I will not be opposing this bill, but I plead with the government to start using the extra revenue that will be collected as a result of the amendments to this legislation in a more equitable manner, to stop

ignoring country Victorians and to give my electorate of Narracan a fair go.

**Mr HOLDING** (Minister for Finance, WorkCover and the Transport Accident Commission) — I would firstly like to thank all those members who have contributed to this important debate on the state taxation legislation. In particular I thank the member for Scoresby, the Leader of The Nationals, the member for Narre Warren North, the member for Brighton, the Attorney-General, the member for South-West Coast and the members for Melton, Box Hill, Ballarat East, Nepean, Bentleigh, Ferntree Gully, Burwood, Bayswater, Yuroke, Kilsyth, Murray Valley, Mitcham, Sandringham, Geelong, Doncaster, Mornington, Malvern, Hastings and Narracan. I understand that all members are supporting this important piece of legislation, and I wish it a speedy passage through the Parliament.

**Motion agreed to.**

**Read second time.**

*Remaining stages*

**Passed remaining stages.**

## JOINT SITTING OF PARLIAMENT

### Victorian Health Promotion Foundation

**The SPEAKER** — Order! I have received the following communication:

The Legislative Council acquaint the Legislative Assembly that they have agreed to meet the Assembly for the purpose of sitting and voting together to elect three members of the Parliament to the Victorian Health Promotion Foundation and as proposed by the Assembly concur that the place and time of such a meeting be the Legislative Assembly chamber on Wednesday, 23 May 2007, at 6.15 p.m.

## STATUTE LAW REVISION BILL

*Introduction and first reading*

**Received from Council.**

**Read first time on motion of Mr BRACKS (Premier).**

## APPROPRIATION (PARLIAMENT 2007/2008) BILL

### *Second reading*

#### **Debate resumed from 1 May; motion of Mr BRACKS (Premier).**

**Mr WELLS** (Scoresby) — The Parliament of Victoria is a democratic institution by which Victorians, through their elected representatives, have a direct say on the operation and accountability of the state government and in the making of laws to regulate the behaviour and protect the rights, freedom and liberty of all individuals in our complex and diverse society. The Appropriation (Parliament 2007/2008) Bill provides the necessary funds from consolidated revenue to operate Parliament for the next financial year. We all agree that Parliament must be properly resourced and managed to allow democracy to work for all Victorians.

Some initiatives for Parliament which are to be funded by this bill are welcome, including an increase in electorate staff for Legislative Council members to better service constituents in their now much-enlarged electorates and an improved wide-area IT network for electorate offices. Some upper house members now have 11 lower house seats to look after. For example, in the South Eastern Metropolitan Region there are 11 lower house seats, with no Liberal members of Parliament in any of them. The workload for the two upper house members of the Liberal Party is quite significant, and the extra staff will be very much appreciated.

In the Liberal Party we still question the resources available to the opposition rooms because to ensure a good, strong democracy you must have a very effective opposition which ensures the democratic process. That the Liberal Party is able to operate as effectively as it does in opposition to hold the government to account, with the limited budget and resource constraints imposed on it, is more a reflection on the dedicated, hardworking staff that members of Parliament have. In terms of the way Parliament is managed we must never lose sight of the fact that the focus of how Parliament goes about its business must always be on how best it can deliver services to constituents. Continuous improvement in timely and effective service delivery to constituents should be paramount.

We the elected representatives of all Victorians have a duty to ensure that Parliament remains a worthy, effective and respected institution, but that cannot be achieved without an appropriate level of resources being provided. The Liberal Party certainly appreciates

the professional duties that are carried out by our catering staff ably led by Luke Jordan. At times I know it is easy for the media to criticise our catering services but I think they do an outstanding job. Whether it be for a luncheon or a large function, or whether we have school students in, as I did today, I am sure the experience of people attending these functions is a memorable one. The gardens surrounding Parliament are kept in immaculate condition, and we are proud to show our visitors around them. Some members of Parliament have bowling tournaments on the greens which, of course, are appreciated by constituents.

The attendants are always helpful and give great advice when needed, no matter what time of night it may be. Hansard does an incredible job. It produces consistent, high-quality work and its staff are always keen to assist with the school groups, for example, that come in. The library staff can find any fact or figure that you wish and they go to extraordinary lengths to satisfy requests. We appreciate the work done by Bill, our parking attendant, the cleaning staff and the clerks to make sure that the Parliament works as efficiently and effectively as possible.

I would just like to turn to the financial details resulting from this bill's appropriation to Parliament. I note that the bill provides for an estimated appropriation in 2007–08 of \$92.138 million, which is an increase of 4.7 per cent compared to the 2006–07 budget. The bill also provides for the carry forward of actual unapplied appropriations from 2006–07 which are estimated to be \$8.9 million, and that is shown on page 132 of budget paper 4. Including receipts credited to appropriations of \$15.5 million and special appropriations of \$19.5 million, the total parliamentary authority for 2007–08 is \$136 million, up 10 per cent on 2006–07, as shown on page 132 of budget paper 4. It is worth noting that on page 252 of budget paper 3 the total output summary for Parliament in 2007–08 is \$124.3 million, or 7.2 per cent up on the 2006–07 budget. The total output cost for parliamentary services will increase by 13.2 per cent in 2007–08 compared to 2006–07, and accounts for 67 per cent of the total output costs for Parliament, excluding the allocation for the Auditor-General's office.

It is noted that much of this increase is due to the relocation and refurbishment of electorate offices following the changes to the Legislative Council last election, and for upgrading the wide area IT network for electorate offices. These expenditures are welcome because they will improve actual service delivery for constituents. Improved IT network speed to electorate offices will increase productivity and assist in more

timely responses to constituent inquiries, and I am sure that will be welcomed by every single member here.

In contrast, the Auditor-General's office, the primary body of accountability and review of the state government's financial management and performance, has only been afforded a small increase in its appropriation. The output cost in 2007–08 for the Auditor-General will only increase by 1.1 per cent, which I am sure will be of great interest to the chair of the Public Accounts and Estimates Committee. However, there would be an expectation that if the Auditor-General feels there is a need for additional resources it would be a given that he would be able to come to Parliament, to the Treasurer or to the Premier to ensure that appropriate funds are added to his office.

As deputy chair of the Public Accounts and Estimates Committee I note with special interest that the output cost for the parliamentary investigative committees will increase by 8.8 per cent in 2007–08, largely due to the additional researchers and operational costs of the Public Accounts and Estimates Committee. That was also mentioned by the Premier when he came before the committee a couple of weeks ago. This additional funding is welcome as a means of improving the Public Accounts and Estimates Committee's role in holding the government accountable for its actions.

While not ignoring the importance of this bill in the context of ensuring that the Parliament of Victoria can operate effectively for another 12 months, the bill also provides a timely opportunity for us all to take stock and assess our collective and individual performances and to determine whether Victorians are receiving the necessary services and essential infrastructure, competent financial management and dynamic leadership expected from a state Parliament and government operating in a modern, diverse and compassionate society.

On this side of Parliament, we obviously have concerns about the way the freedom of information system is working and the way it restricts the opposition from getting information which it believes it has a right to obtain. I also remind the government that in 1999 the election platform of the Bracks government was that it was going to be open, transparent and accountable. It is an issue that we still battle here today. Parliament still provides the most appropriate platform for opposition parties to hold the state government to account. Despite our concerns about the lack of resources for the opposition rooms, the Liberal Party opposition will continue to represent all Victorians to ensure the government is held to account.

**Dr SYKES (Benalla)** — I rise to join the debate on the Appropriation (Parliament 2007/2008) Bill. As the member for Scoresby has said, the purpose of this bill is to provide the Parliament with the appropriate level of funding to undertake the parliamentary activities for the forthcoming financial year.

According to schedule 1 of the bill there is a total allocation of \$92.138 million which as the member for Scoresby indicated is up from just under \$88 million last year, with the greatest increase being in the parliamentary services budget. In spite of what appears to be a clear-cut figure in schedule 1 there seems to be a lack of clarity about what the exact allocations are, and certainly in the Public Accounts and Estimates Committee discussions with the Speaker, the President and senior parliamentary staff, a need was identified to clarify the allocations. I am sure that will be undertaken.

I would like to look at the proposed use of the money starting with the parliamentary staff. Again as the member for Scoresby indicated, I think one of the highlights of working in Parliament is the excellent staff that are here, whether they be in the Assembly, the Council, the library, Hansard, the dining room, outdoors or in maintenance. All are very friendly and all are very service orientated, and I am extremely grateful for that approach, which has made me feel welcome in this Parliament. But those people work in very antiquated physical conditions at times, and often are working with very antiquated systems and processes.

Another issue that has come up and which is linked to that is that in the Public Accounts and Estimates Committee we have become aware of a very low salary structure for our clerks. They have the lowest salary structure of all the parliaments in Australia except for the relatively small Parliament of the Australian Capital Territory. Clearly that needs to be addressed if we are going to recruit and retain suitably qualified staff. While looking at and addressing classifications, we should also be looking at upgrading the systems and processes that we undertake so we can operate efficiently rather than with, as I say, often frustratingly antiquated systems.

On the subject of some of the challenges the Parliament is going to be facing in the forthcoming year, the President of the upper house presented a list of such challenges to the Public Accounts and Estimates Committee. First of all, and it does relate to the costs that will be incurred, is the relocation of the parliamentary committees to 55 St Andrews Place. That is nearly completed, but obviously there will be a

settling-in period. Hopefully we will see an improvement in productivity as a result of more suitable surroundings.

There is also a recognised need for the improvement of business processes. This will involve looking at things like the questions database and the electronic distribution of material. The President also identified a clear need for the support of select committees in the Legislative Council; the continuation of the Parliament heritage asset management strategy; the replacement of electorate office IT equipment, an issue which is very near to my heart and which I will come back to; the development of a Parliament-wide environmental management system; and the relocation and refurbishment of electorate offices, particularly, as the member for Scoresby mentioned, in relation to the new upper house members.

I would now like to expand on some of these challenges. I will deal first of all with the electorate office. It is the basis of our contact with the people. Our electorate office staff are outstanding; certainly mine are, and I believe many other members are very proud of their electorate office staff. However, they face some real challenges coping with a grossly antiquated information technology system. It is a disaster zone. It is frustratingly and infuriatingly slow, and it is hit repeatedly with unexplained outages.

The new laptop I have is much faster than the one I had previously. It sets the benchmark for what can be achieved with our technology. It is absolutely critical that our electorate office computers be upgraded. I understand that the order for the computers has been placed and that there is a commitment to have them put in place by about September. That is absolutely critical so that our front-line staff can function without the frustration of substandard information technology.

Another issue which challenges our electorate office staff is the systems they are operating with, particularly ones that cause slow information flow. Simple examples include the difficulty and time taken to get electorate office budgets out of the head office system, to get a bottom-line figure on what our charter allowance situation is or our overtime allowance. What you would think were fundamental, simple questions seem to take two or three attempts and often a number of days or weeks to get answers to. Similarly, from an electorate officer's point of view, the simple act of processing recognition of prior service applications when it comes to setting their salary levels is frustratingly slow.

There is also an opportunity, shall we say, to improve performance in our ministers' offices in relation to the turnaround time for responses. I will use one example to highlight this. It is from one office which I will mention in a moment. It states:

Thank you for your letter of 21 February 2007 ...

This issue falls within the portfolio responsibility of the Minister for Water, Environment and Climate Change ... I have referred your letter to the minister ... for consideration.

I sent my letter on 21 February. I got that handball letter on 11 April. That is about 10 weeks. I was a little bit incensed, so I wrote a little note. I said:

Dear Nicholas,

Can you please contact me regarding what I consider to be an unacceptable delay in your response, which after all is only a handball.

I rang this person to get a response. I have not had a reply from that person to either my fax or my telephone call. Whose office are we talking about? The office of the Premier. If we are going to operate a government that is meant to be efficient and meant to be able to manage, then I think the lead should come from the Premier's office and his staff should set the example. Some ministerial offices are very good in turnaround times and there are others that follow the lead of the Premier's office. In my opinion, if we are going to be operating in the 21st century, our turnaround times should be far less than that.

Coming back to other challenges raised by the President, as mentioned by the member for Scoresby, there is an increase in funding to committees to enable them to do what is very valuable work. In particular the Public Accounts and Estimates Committee has had a substantial increase in budget. However, there remains an issue in being able to recruit suitably qualified staff. That is a function of classifications as much as anything, and that is an issue that needs to be taken into consideration along with the issue I mentioned earlier about the classification of our clerks and their staff. The thing about the Public Accounts and Estimates Committee in particular is that we must retain its ability to ensure accountability of the government to the Parliament and through the Parliament to the people of Victoria. Unless we have adequately qualified professional staff working there, it will be very difficult to achieve that.

I should also indicate that the committee is looking to fast-track the first round of reporting in relation to the budget as part of this improved accountability. The chair of the committee can correct me, but I believe the first report of interviews with the ministers and the

Premier and the Treasurer will be available to the Parliament — —

**Mr Stensholt** — Thursday.

**Dr SYKES** — On Thursday. That will be a report of the questionnaires completed by the departments and also the interviews with the ministers. A second, similar report will follow when we have completed the interviewing of the ministers. The third part, the critical part, which is the analysis of the various reports and interviews and the recommendations, will come at a later date. I must stress the importance of that particular report, because that critical analysis and recommendation is the basis of the high credibility of and the high regard in which the Public Accounts and Estimates Committee budget report has been held in times gone by around Australia. That will be the real crunch part — to have the intellectual firepower to do the analysis and to come up with substantive recommendations.

Another role of the Public Accounts and Estimates Committee that links in with the key role of Parliament is to oversee the Auditor-General. The other feature that is critical to both the Public Accounts and Estimates Committee and the Auditor-General is the ability to undertake independently initiated inquiries. That power must be retained. The Auditor-General's office has a budget of about \$11.6 million to undertake its inquiries. I understand some of the key activities that are planned for the next 12 months will be of great interest to The Nationals, who represent country Victoria. I believe there is an intention to look at an audit into maintaining the state's regional arterial road service — —

**Mr Stensholt** interjected.

**Dr SYKES** — And a number of other investigations which will become more evident when the report becomes public.

If we turn to the other investigatory committees, we see that the Drugs and Crime Prevention Committee is another one that does an outstanding job. I was on that committee in the 55th Parliament. One of the inquiries we were conducting was into the misuse of benzodiazepines, and I know that is being worked on at the moment.

**Mr Delahunty** — Good committee.

**Dr SYKES** — It is a good committee, with the member for Lowan representing country Victoria on that committee. Another report done by that committee in the previous Parliament was on its inquiry into the harmful effects of alcohol. It is interesting that while the

abuse of prescription and other drugs is extremely important, the reality is that it is the abuse of alcohol that is the major substance abuse in Australia.

Another committee that has some interesting work coming up in this Parliament is the Environment and Natural Resources Committee. It is going to undertake an inquiry into the bushfires. That was an initiative put up by The Nationals and supported by the government and other parties, with each party making recommendations about the terms of reference. Through a consensus we have full agreement on the terms of reference. The inquiry will focus on fuel reduction and other aspects of public land management in relation to managing the risks of fire, particularly with what is perceived to be an increased risk associated with climate change.

We note that as part of that the government has achieved a higher target this year, carrying out fuel reduction burning on 130 000 hectares of land. Interestingly another change in policy reflecting an increased concern about the damage caused by fires is the setting up of permanent fire control lines to protect a major asset, the Thomson Dam. I think there are 350 kilometres of permanent fire control lines in place. But it is also important that we extend that to other assets and other communities in Victoria.

Another committee which is undertaking valuable work is the Rural and Regional Committee, which is capably chaired by Mr Drum, a member for Northern Victoria Region in the other place. That committee is undertaking an inquiry into regional tourism, which is very significant to country Victoria, particularly after it has come through the worst drought in living memory. It is a drought which has reduced economic growth in Victoria by 20 per cent and which has cut at least \$2 billion off Victorian agricultural income, yet there seems to be a view here in Melbourne that all will be well and that in one year there will be a full recovery. I will come back to that at a later stage, but let me just say that regional tourism is one option for diversifying our income base in country Victoria. Therefore an inquiry that looks at why regional tourism appears to have taken a dip will be very valuable. I am sure the Minister for Tourism, who is at the table, will be very interested in the recommendations of that committee.

Other committees which the President has mentioned need to be adequately funded and supported in their undertakings are the select committees of the upper house. There has been one committee set up to investigate the allocation of lottery licences. Clearly that is going to require a lot of investigation, given the issues that have been raised in the media and in the

Parliament. It is absolutely critical that, if the government of the day is to be held accountable, select committees such as that must be adequately funded.

With those remarks I would like to confirm that The Nationals will not be opposing the Appropriation (Parliament 2007/2008) Bill. We look forward to income being made available for the Parliament to enable it to continue to function as a democratic institution, with maximum accountability by the government of the day.

**Mr DONNELLAN** (Narre Warren North) — I rise to speak on the Appropriation (Parliament 2007/2008) Bill. As other members have mentioned, it is very important that there is an appropriate level of funding to enable Parliament to function properly. That also includes our salaries, so in many ways we have a conflict of interest, but it is also important that there is appropriate funding for the opposition, as has previously been mentioned by members, and also appropriate funding for the staff of this place, who do a marvellous job — and I refer to the staff in all parts of this house. I have always found that they behave appropriately and well and are very friendly. With those few words I commend the bill to the house.

**Mr CLARK** (Box Hill) — I also want to say just a few words on this bill, but I doubt they will be as few as those from the parliamentary secretary. This is a bill that provides appropriations for the Parliament. The appropriations that these bills have provided over recent years have been relatively stable, and any changes from one year to the next have been relatively minor. Therefore the most important question we face each year in debating bills on this subject is, ‘How well are we as a Parliament performing in deploying the taxpayers funds that are appropriated for our use?’.

There have been a few structural changes in recent years which are the cause of some concern and are worth a few remarks. The first I have commented on previously — namely, the changes to the administrative structure within the Parliament. As I have said previously, I am very fearful that the Parliament has become more hierarchical and more bureaucratic and that the very capable professional officers who have served us in the past, such as the librarian and the head of Hansard, have been replaced with positions which I would describe, with no disrespect to their occupants, as being those of generic administrators. That I think poses the risk of losing the skills and the professional dedication within particular areas of expertise that we have enjoyed in the past. I certainly echo the sentiments of previous speakers that by and large the staff around the Parliament serve members with a great deal of

commitment and dedication, and to the best of their ability. But the more hierarchical and more bureaucratic structure that has been imposed on the Parliament in recent years has, I think, been counterproductive.

The second development in this regard on which I will comment relates to the staffing of the parliamentary committees. When the committees were reconstituted following the election last year, the members of those committees were informed that the arrangements for the appointment of executive staff and research staff had changed. The members of committees were told that they would no longer be responsible for deciding on the appointment of the staff that service their committees and that the act that had been passed in the previous Parliament meant that we had vested responsibility for those appointments in the clerks of the Parliament and that therefore they would exercise that responsibility to appoint all the staff of the committees.

I should say that if that was one of the goals of the act, I think it missed most members when the legislation was passing through the house. Many of us found that this change was a *fait accompli* with which we were not necessarily in agreement, and we were not aware that was one of the consequences of the act that was passing through the house.

One can understand the objectives of a centralised structure in terms of the efficiency of deployment of staff in that there can be an ongoing core of professional staff servicing the committees who are not necessarily appointed for particular specified terms to suit individual committees but are capable of more flexible deployment across a whole range of committees. That can be appreciated. However, the downside of the new regime is that staff can be assigned to committees and the committees have had no say in their appointment.

As with most instances where bodies are serviced by appointees over whom the body being serviced has no say, there is a real risk that the staff and the body being served will not see eye to eye and there will be a range of clashes and problems. I certainly believe the new system, if it is going to continue, will work far better if the committees are very closely involved in the interviewing and decision making on the appointment of staff to serve them. I certainly hope the practice followed under the new regime, if there are no legislative amendments, will evolve in that direction.

However, stepping back from these relatively contained issues, it has to be said that in many respects what is contained in the bill before the house and indeed the

practices of the house at present are very much more of the same, and more of a not particularly outstanding same as far as the citizens of Victoria are concerned. Perhaps the best exception to that overall statement is the improvements that have been able to be achieved in the upper house now that the government no longer has a majority in that house, despite its best endeavours to introduce and impose an electoral system that was calculated to maximise its opportunities of having control of the upper house.

We now have a situation where the non-government parties see eye to eye on many matters of fairness, openness and democracy and regardless of our views on substantive issues we are all united in recognising the lack of openness, transparency and regard for due process that the Labor Party has whenever it can get away with it. Some of the changes that have been introduced in the upper house, such as the Legislation Committee, the committees of inquiry into gambling and the sale of public land and the reversal of the dumbing down and the restrictions that were imposed on the upper house by Labor during the last Parliament are to be commended. They offer a germ of potential to be carried forward.

When we turn, however, to this chamber, the situation is a lot more gloomy. I return to a point I have made in the past — I feel like a broken record at times making this point. If you consider the way we deliberate and do business in this chamber, there is really very little in the essence that has changed since the 18th century, perhaps even going back to the 16th century. In other words despite all the technological innovations of recent years, despite all the improvements in understanding of communication and effective presenting of points of view and in how to work in group contexts to resolve problems and reach decisions, we are proceeding very much in the form of oral debate that took place 200, 300 or 500 years ago. We are doing that in a context where the current government has severely restricted speaking times.

In one sense you can say that in speaking we should speak at a pinnacle in order to condense the key points down to a relatively short contribution to debate, but that would only work if underlying it there was a structure where there could be a much more extensive debate and a much more extensive exploration of ideas. Despite the views of some, you cannot make intelligent decisions in sound bites; you cannot have a constructive debate in the form of media grabs. Sometimes you have to explore and investigate an argument or examine a series of facts that is far more complex than that. Basically we have no facility by which we can do that as a Parliament. There is no facility in which we can

effectively engage with one another and engage the broader community in the debate about legislation to anywhere near the extent which ought to be possible.

To make reforms in that direction requires two things. Firstly, it requires a grasping of the potential that is being opened up by new technology. Secondly, it requires a willpower, particularly willpower and commitment on behalf of the government that dominates this chamber, to actually move in that direction. Here we have handicaps on both those scores. We have handicaps first of all because the current government has failed to grasp and deploy the potential of the new information and communication technologies. It is opportune that the new Minister for Information and Communication Technology is at the table during the course of this debate because he has been left with a very poorly developed information and communication technology (ICT) regime by his predecessors under the current government.

The proudest boast of the current government in terms of what it has done to use ICT within government is that it has established an email directory for public servants, the so-called Project Rosetta. An email directory for public servants and the interior of government is all very fine, but it should not be the subject of boastings; it should be occurring as a matter of course. I suppose it is not surprising that despite some early talk about moving in this direction, we have seen no attempt, for example, to introduce webcasting of the procedures in this chamber.

We have seen no move to introduce the online operation of legislation committees where the public has the opportunity to make submissions. There is a whole range of reforms that could be made by picking up on that technology, but as I say, it needs the willpower of the government to do it. However, far from wanting to move in that direction, the government seems intent on shutting down and restricting this Parliament and dumbing it down as far as possible, which is a cause for great regret. I certainly hope, if the government is not prepared to move of its own accord, then public pressure and scrutiny will move it in that direction.

**Ms BARKER** (Oakleigh) — There are very many important reasons to speak on the Appropriation (Parliament 2007/2008) Bill. Obviously it provides the resources for us as MPs to carry out our work, not only here in this building which we stand in tonight and when the Parliament sits but also in our electorates, which is to me a very important part of my work. The bill is also very important because it provides funding for the office of the Auditor-General, which this

government supports and members on this side of the house support. We are the ones who restored the power of the Auditor-General and resourced the office, and we will certainly continue to do that.

I would like to take the opportunity, in speaking on this bill, to record my thanks, and I am sure the thanks of other members, to the presiding officers of this Parliament who over recent years have worked very hard to improve not only the services in this building but also the services which assist us in our electorate work. Speaker, I certainly do not envy your task and the task of the President in managing the many issues that I am sure you will work through over both the period of this appropriation bill and into the future. I certainly welcome the comments you made both when you took the role as Speaker and also recently at the Public Accounts and Estimates Committee in regard to the environment management system. I think that is a very important system, and we all look forward to working with you to bring it into this place.

This building is very important in our history as a state and our history as a nation. It is very hard to maintain and upgrade it, both within the limitations of its historical nature and also in light of the need for us as a government to balance the need to provide funding for those very important services of health, education and community safety and the challenges of water and climate change — matters which we will discuss during debate on the appropriation bill — against the need to ensure that this building is brought into the modern era.

Many improvements have been made, and I particularly note the kitchen upgrade, which was desperately needed, principally to provide appropriate working conditions for the staff, who really do provide us, our families and our visitors with such great service. I note that when we had this debate last year, I think it was my colleague the member for Yuroke who remarked on the flexibility and commitment of our kitchen staff who were at that time taking food out to a marquee in the gardens to assist us during that difficult time of the kitchen upgrade. They really are a great group of people. The bill is also very important because it provides us with the opportunity to thank Luke Jordan and his staff in the dining room, who I think do a fantastic job.

**Mr Delahunty** interjected.

**Ms BARKER** — I will not pick up that interjection from the member for Lowan. We will talk about that later. I would also like to note and thank Brian Bourke and Paul Gallagher and their teams. They work very hard. Our gardens are beautiful and remain that way

even during difficult drought conditions, and of course Brian Bourke and his team are only too willing to assist us in terms of our offices.

Hansard does a fantastic job. The staff certainly make the member for Bass's speeches sound very good! As for the library staff, there is nothing that you ask of them that they will not try to assist you with. Since I came back into this place in 1999 I have been constantly impressed by the work the library staff do for us. Our attendants here in the chamber and in the Legislative Council do a great job, and I know they have expanded their role in recent years in terms of the — —

**Mr Stensholt** interjected.

**Ms BARKER** — Yes, they do have very nice uniforms now, as the member for Burwood has noted. But I particularly want to thank them for what they do for us. They have expanded their role in recent years, particularly in regard to the tours that are conducted in this place. I know they provide much more information and a broader opportunity, particularly for the schools that come in here to learn not only about the building but the way in which a parliament operates, and I think they do a fantastic job.

Of course our Serjeant-at-Arms and her staff are always available to assist us. I particularly would like to thank the clerks — Ray, Liz and Bridget. I know that all MPs seek advice from them and it is always given, but in my role as Deputy Speaker, in particular, I appreciate very much their guidance and advice.

The member for Benalla has spoken about the committees and their staff. They are important parts of the work of this Parliament, and I am sure that the move to 55 St Andrews Place, which has been a very big task, will provide further assistance for them in the very important work they do.

In conclusion, I would like to say, as I indicated previously, that there are many important reasons to speak on this bill. It provides the resources for us as MPs to carry out our work. This building, when we come in here when the Parliament sits, is a unique environment. I do not think I have been in another work environment like it, where you can be in a meeting or reading a report or writing a letter and can be jolted into a standing or walking position — and if the whip is around, it is a running position — by a bell which calls you into this chamber. It is a unique working environment, but it is one which I enjoy very much, and I hope to continue in it for some time yet. On that note, I commend the bill to the house.

**Mr DELAHUNTY** (Lowan) — I really want to make a contribution to the debate on this Appropriation (Parliament 2007/2008) Bill. This bill, as we know, makes provision out of the Consolidated Fund for the Parliament for the financial year 2007–08. It allocates money for such things as the staff here at Parliament and the staff that are employed by the Parliament, for equipment, for the building and its maintenance, for our offices, for the parliamentary committees and for many other things.

**Mr Kotsiras** interjected.

**Mr DELAHUNTY** — But there are no staff for the whips. I agree with the member for Bulleen on that, and we will take that up at another stage.

This year's appropriation is about \$92 million, and my understanding is that about \$8 million has been carried over from this year to next year, so there is over \$100 million that will be used for the running of the Parliament. As other members have said, many staff are provided for out of that funding, including the clerks in this chamber and in the other place, and the parliamentary staff right around the building who look after us and visitors to this place. I particularly give compliments to Bill, our parking attendant. He does a great job out there. Importantly, there is security. When I first started in 1999 I thought the security compared to federal Parliament House and other places could have been improved. It has been improved; the staff do a great job. Security is important for us in this place.

The gardens have pride of place, and they are a source of pride for Victorians who get the opportunity to have a look at them. The gardeners do a great job out there, and the building maintenance staff, who work under difficult conditions, do a great job.

The library staff play an important role in helping not only members of Parliament but also others who come through the building. There are many staff that help. The committee staff are often overlooked. They play a very important role in the work of the committees. It must sometimes be a very difficult task on all parliamentary committees, whether it be the Public Accounts and Estimates Committee or any of the other committees, a number of which I have been involved with, to provide that great resource not only to the committee members but to the state of Victoria. It is about providing services to the people of Victoria, and the committee staff do a great job.

Parliament House is the pride of Victorians, and it is one thing that I will come back and talk about a little bit later, but we must remember that we want to provide

services to our electorates. I represent the largest electorate in the state, and I will rub it in again: my electorate is 34 500 square kilometres and I can fit the electorates of 76 of the other 87 MPs within my area. It is half the size of Ireland, and there are a lot of people who live in that electorate. I have 55 schools but, as is true for all of us, the people who live in my electorate are important people whom we need to provide services to.

My staff do a great job. I want to thank Joanne Bibby and Dianne McGenniskin. They support me immensely. But there is one allowance that members do get — that is, a charter allowance that allows us to fly within our electorates. I have only used it, I think, three times in the period — —

**Mr Kotsiras** interjected.

**Mr DELAHUNTY** — I do not have a pilot's licence, and there is only one charter company in the electorate. The government, to its credit, has allowed me to use that allowance to pay for someone to drive me occasionally, and that is very much appreciated.

One complaint that I have, however, as the member with the largest electorate, is that we should look at having a second office. Hamilton is a large regional centre some 128 kilometres south of Horsham. Out of my small budget I run a part-time office down there. It would be good to be like federal members of Parliament who get second offices. The reality of it is that if people want to come up to my Horsham office from down south, it takes them 2½ hours. I think it is only fair that they should have access to a second office that they could visit at an appropriate time. Obviously the member is not going to be there all the time, but there are staff who can deal with many electorate concerns.

The member for Benalla spoke about the concern we have about technology. Many members have spoken to me about their computer problems. One thing we will be watching closely, particularly from The Nationals point of view, with the rollout of the new computers is that we start at the most remote ends and come in, rather than starting — —

**An honourable member** interjected.

**Mr DELAHUNTY** — We will not be the first, but will be one of the early ones, because computers are a vital part of our office equipment. Our laptops have been replaced and the replacements are working well, but we are having enormous problems with our computers and they must be improved as soon as possible. Not next month — next month does not

come! — we want it to happen very soon, and the rollout must be started with the remote areas.

Another thing I want to comment on is the money allocated to committees. I have been on three parliamentary committees: the Environment and Natural Resources Committee, the Economic Development Committee and the Drugs and Crime Prevention Committee, which I am on now. They all have done great jobs, as do many of the committees. We obviously need money to run committees. Committees need to do research, whether it be in Victoria, interstate or even further afield, because we need to make sure that the Parliament is informed about the things that are important to Victorians.

There are two inquiries that I think would generate a great deal of interest. The first is an inquiry into fire preparedness. It is great that The Nationals were able to initiate such an inquiry, because it is important for us as country Victorians. In the seven years that this government has been in charge we have seen a lot of areas of Victoria burnt, and we all think it is because of the lack of fire preparedness. Over half the Grampians area was burnt in 2006 — about 70 000 hectares — but also 55 000 hectares of private land was burnt. The impact was enormous. Today we have great staff, whether it be the emergency services people, the Country Fire Authority volunteers or the many great people who work at fighting fires — and we have good equipment. People are all well trained and are supported with helicopters and planes, and yet we have had some of the worst fires in Victoria's history. We need to find out why that is so, and I am sure this inquiry will be able to help in that regard. The other inquiry is into regional tourism, which is important to Victorians.

I also refer to select committees. My understanding is there is not enough money for the select committees. The upper house has changed, and now these committees will be able to make sure the government is kept accountable. It is unfortunate that ability will be limited because some of the select committees, whether it be on gaming or the sale of public land, will not be fully funded.

The last thing I want to comment on is this great building here. It is a heritage building and is over 150 years old. It is not only the home of this Parliament but also is the home of the first federal Parliament which was held back in 1901. Many members have been through this place, and many more will go through it. We do not stay here for long. But I have compared this building to other state parliaments and I think this building is showing its age.

### **Business interrupted pursuant to standing orders.**

#### **Sitting continued on motion of Mr BATCHELOR (Minister for Victorian Communities).**

**Mr DELAHUNTY** (Lowan) — I thank my colleagues for giving me the opportunity to finish. I just wanted to say that I have been to the other parliamentary buildings. Whether they be in Queensland, New South Wales — —

**Mr McIntosh** interjected.

**Mr DELAHUNTY** — We were in Adelaide last Friday, as the member for Kew said, and I have also been to — —

**Mr Stensholt** interjected.

**Mr DELAHUNTY** — Darwin? I know that is a brand-new building. I am not saying we should replace this building, but I think it is a pity that it was not finished. We can look at the services we provide. I will not be here forever, and neither will the member for Burwood, but I think it is important that we provide adequate facilities. The conditions the members up on level 3 have to put up with are terrible.

**Mr Stensholt** — They are terrible.

**Mr DELAHUNTY** — I am glad the member for Burwood agrees with me. It is a pity we have not done more to try to upgrade this building and to cater for the new environment we live in. With those few words, I will not be opposing this legislation.

**Mr STENSHOLT** (Burwood) — I support the Appropriation (Parliament 2007/2008) Bill. As chair of the Public Accounts and Estimates Committee I can report that recently the presiding officers appeared at a committee hearing and made a presentation on parliamentary votes and answered questions. It was a very interactive session. Mr Barber said that he wanted to dress up as the Speaker at one stage. It was not the member for Bass, but the member for Benalla who talked about pinko commie socialists.

On a more serious note I should point out to the house the increase in funding of over 8 per cent to the parliamentary investigatory committees. The Speaker noted in response to a question, which was along the lines outlined earlier tonight by the member for Benalla, that there had been an error within the budget management system and that it had resulted in funding being applied against the wrong output authority.

I understand it will be rectified once the appropriation bill has passed through the Parliament and changes can be made within the Department of Treasury and Finance budget management system. The Premier, when appearing before the Public Accounts and Estimates Committee, announced an additional \$359 000 for the workings of the committee and subsequently advised in a letter to the committee that this was an ongoing commitment, as well as an additional \$250 000 for this financial year. The funding is to enable the committee to make planned changes to the structure of the secretariat, and it recognises the government's commitment to the Public Accounts and Estimates Committee and its processes.

The bill also allocates funding for the Auditor-General. This level of funding was examined by the Public Accounts and Estimates Committee when it had a discussion at one of its meetings with the Auditor-General. As a result of that examination I have advised the Treasurer and the presiding officers in writing that the committee agrees with the level of funding. This is a bill that we should all support because we are all strong supporters of the Parliament, and I commend the bill to the house.

**Ms BEATTIE** (Yuroke) — It always gives me pleasure to speak on the Appropriation (Parliament 2007/2008) Bill and stand in this beautiful building, but as all members would know, having such a building comes at a cost. There is a very high maintenance cost and there is adequate appropriation in this bill for the maintenance and servicing of this building.

I would like to speak briefly on the increase in funding for the Public Accounts and Estimates Committee. That is a very important increase because that committee is one of the most important committees in the Parliament, and the money will be well spent. I would also like to comment on the move to 55 St Andrews Place and note that there is also funding in the bill for electronic services to those with hearing impairments in the committee rooms at that location. That is a really good thing. I was also pleased to read about the environment management system. We can all do more for the environment, and we will see more of that as time goes on.

One thing I would like to comment on is the staff that service the Parliament so well. They include Luke Jordan and his catering team. There is also Brian Bourke. I do not think I have ever seen Brian Bourke without a smile on his face; he must have one of the best jobs in the world because he always seems very happy to do his job. Paul Gallagher presents the gardens beautifully, and in a very difficult time the

gardens just look superb. Service is always spot on in the library, and the staff will do anything for you. The attendants in their smart new uniforms look terrific, and our clerks are always very willing to help. Our attendants are led by Warren Smith, who has always got a smile on his face. Along with Brian Bourke, he must love his job very much.

These are all things that cost money, and I am pleased to support the Appropriation (Parliament 2007/2008) Bill because it is adequate for the uses of Parliament. I commend the bill to the house.

**Mr CAMERON** (Minister for Police and Emergency Services) — On behalf of the government I thank the honourable members for Scoresby, Benalla, Narre Warren North, Box Hill, Oakleigh, Lowan, Burwood and Yuroke for their contributions. This is a good piece of legislation. I thank members of the opposition and The Nationals for their support, and I wish the bill a speedy passage.

**Motion agreed to.**

**Read second time.**

*Remaining stages*

**Passed remaining stages.**

## APPROPRIATION (2007/2008) BILL

*Second reading*

**Debate resumed from 3 May; motion of Mr BRUMBY (Treasurer).**

**Ms ASHER** (Brighton) — My comments on this budget in relation to my portfolio of water will be on what is not in the budget rather than what actually appears. I think we can see in this budget yet a further example of the negligence of this government when it comes to the provision of water infrastructure and when it comes to a demonstration of how this government has avoided its primary responsibility for securing the supply of water. Again I make the comment that governments cannot make it rain, but governments can do a number of things to ensure that we have a supply of water. Let me start from what is actually in the budget in relation to water.

**An honourable member** — That won't take long!

**Ms ASHER** — It will not take long; it will be dismissed very readily. What we have are a number of recycling projects. If you look at the amount of money committed to the Altona industrial recycling project, to

the Frankston community sports facilities project and to two commercial recycling projects, the Somers treatment plant and the BlueScope Western Port plant upgrade — I think the minister has had two photo opportunities there already — the total sum allocated for the financial year 2007–08 is \$9.3 million. That is what is allocated by this government for water recycling in the next financial year.

It is interesting to note that the Shannon's Way Our Water Our Future television and print campaign encouraging people to use less water but also showcasing the Premier flying across our catchments had a budget allocation of \$13 million. So I make the point that Labor spin, funded through Shannon's Way, run by Labor's mate, the head of Progressive Business and so on, had more money allocated to it than this government has allocated to its four recycling projects for the entire financial year 2007–08. To me that shows the priority that this government has given to water.

I also want to make mention of this minister's press releases in relation to water. As members would all be aware, the Minister for Water, Environment and Climate Change is very fond of publicity stunts and cameras. In fact I made the observation across the table today that he must have felt he was in paradise, as there were cameras everywhere in the chamber. The minister's press release on this year's budget had the heading '136 million boost for water efficiency, recycling'. The first paragraph reads:

The 2007–08 state budget will deliver an extra \$136 million for vital water projects, generating water savings the equivalent of a major new reservoir, as part of the Bracks government's plan to secure Victoria's water supplies for future generations.

That is the correct figure — I added it up. However, we need to contrast this with the press release the minister put out on Tuesday, 30 May 2006, under the heading 'Securing our water supplies for future generations'. In this press release the minister said:

The 2006–07 state budget will deliver an extra \$160 million for vital water projects as part of the ... statewide plan to protect Victoria's water supplies for future generations.

He has obviously plugged a different figure in the same paragraph. The astounding thing is that throughout the forward estimates in the previous budget the government allocated \$160 million for water, yet in this budget — after we have had a crisis for an extended period of time and in the knowledge that catchments were dwindling and that significant water restrictions were being introduced in Melbourne — a smaller amount of \$136 million has been allocated across these forward estimates. Again I make the comment that it is

just like the example I gave earlier of the amount of money committed to recycling compared with the greater amount of money allocated to spin, because this budget commits less money to water over the forward estimates than the previous budget. To me that says it all when it comes to the priority this government gives to water.

**Mr Nardella** — Just wait.

**Ms ASHER** — We have been waiting for years — that is the problem. That is what the public thinks in relation to the performance of the government.

I turn to the Treasurer's speech. On page 8 the Treasurer flagged what was not in the budget — in other words, he flagged the government's failures in water. He said:

Our options are well known, with studies into the eastern water recycling project, a desalination plant and stormwater re-use all well advanced. The government is also examining the proposed north–south pipeline.

He then went on to say that he thought the government might make an announcement on one of these projects in due course.

I want to go through the four options the Treasurer put before the house. I would be amazed if all four came up. Even though the Premier countenanced more than one option, initially the Treasurer advised that only one option would be funded. Let us go through all four, because they are important projects and they demonstrate a fundamental division of opinion between what the Treasurer wants and what the minister for water wants. It always spells trouble for the Victorian public when there is division on that front.

The first option is a desalination plant. At the moment the government is talking about a particularly large plant at an estimated cost of \$1 billion. The question we would ask is why this was not commenced some time ago. I draw the house's attention to the *Our Water Our Future* discussion paper. The feasibility study on the desalination plant was meant to have been completed by the end of 2006, and the minister is now indicating that the feasibility study will not be completed until the end of this year.

Desalination is a good option, and other Labor states seem to be able to do it with relative ease, but in Victoria we are still fiddling around. During the last election campaign the Liberal Party proposed a desalination plant based on the Perth model. Western Australia has done it: it has opened one plant already. That plant is responsible for providing 17 per cent of Perth's drinking water. It was constructed over a

two-year period, on time and on budget — which is completely foreign to this government — for around \$400 million. One has to ask, and I am sure members of the public carting buckets would ask, why, if the Western Australian Labor government can do it, having opened the plant in November last year, the Victorian Labor government cannot do it. The answer, of course, is that this government is hopelessly incompetent and is praying for rain as a policy strategy, rather than addressing issues of supply.

I also note that the water minister ridiculed the desalination option some time ago. He said on ABC radio on 14 November 2006 that the Liberal Party's desalination plant policy was 'ill thought out and will have environmental consequences'. The desalination plant policy, which we are led to believe is now a feature of the post-budget period, was ridiculed by the Premier. He gave an interview to the *Herald Sun* on 13 November 2006 during which he said:

The energy consumption is enormous, the intrusion on the community is enormous, and of course it's extraordinarily expensive.

As I have said, other Labor states seem to be able to do this. A desalination plant is already operating in Perth, and the other day the Western Australian government announced a second desalination plant. The Western Australian Labor Premier, Mr Carpenter, said:

... Perth is the only ... capital city in Australia where people can use sprinklers through summer —

despite the driest year on record. I know it is a Labor government, but at least that government planned for water supply.

Similarly South Australia has two small plants and has announced a large-scale plant in conjunction with BHP in the upper Spencer Gulf. Queensland has a small plant and is also building another one. Likewise, the New South Wales Labor government has announced it will build a desalination plant.

I move now to the second project that the Labor Party is considering — that is, the eastern water recycling proposal. Some people put this proposal at \$2.4 billion but others put it as high as a \$3 billion cost. I make the point that according to the government's document of October 2006, the *Eastern Water Recycling Proposal Feasibility Outcomes* states:

It is estimated that it —

meaning this project —

would take approximately seven and a half years from the business case approval to have the entire EWRP project operational.

The government is considering a project that its own document says will take seven and a half years to be fully operational as one of the four projects it might like to announce later this year if it can stop fiddling around. My understanding is that this is the Minister for Water, Environment and Climate Change's preferred model.

The government has also announced a proposal to use stormwater reuse. Again some estimates of this are up to \$1 billion depending on what proposal is actually adopted. I refer to government documentation entitled *Sustainable Water Strategy Central Region — Action to 2055*. This is the document the government released prior to the last election with great fanfare. According to this document the feasibility study will not be finished until 2009 and this proposal may — and I emphasise 'may' — be a possible option for Melbourne. The documentation says:

This is still a relatively conceptual longer term option that requires significant evaluation.

That is yet another longer term option as one of the four options this government is telling us it might analyse. There is the north-south plan, a plan to take irrigation water and bring it to Melbourne. I understand this is the Treasurer's preferred option. That involves a trade-off of a \$2 billion upgrade to improve irrigation to allow those water savings to come down to Melbourne.

The key message of the budget is that there is no sense of urgency whatsoever by this government. These are projects that the government should have been working on for a long time. It has not done so, and it has failed in its principal duty to secure water supply.

Given the time available, I turn now to my electorate of Brighton and the government's failures in the budget in that area. In the last election campaign the previous education minister came out to Elsternwick Primary School and promised a complete upgrade according to the school's master plan. Again there is nothing in the budget so far. I indicate to the current Minister for Education in the other place that that commitment was made with the Labor candidate for Brighton, who received 25 per cent of the vote, and the former education minister. We will hold the government to account for the funding for Elsternwick Primary School.

I move on to Brighton Secondary College where again there are some inequities. The school needs a new science, technology and art building. The current building is from the 1950s, and I remind the minister

that the school itself has contributed \$2.9 million to projects on school premises from the funds of the school. We are now calling on the government to make that new building available for Brighton Secondary College.

I conclude by raising the issue of the Brighton police station. While I am very pleased to see that Sandringham will get a new police station, I have written to the Minister for Police and Emergency Services on this issue. The facts of the matter are that if the capital project is contingent on the closure of the Brighton police station and the sale of that Brighton land to fund it, that would be an unacceptable project for members of the Brighton electorate.

We have a right, like anyone else, to a 24-hour stand-alone police station in Brighton. We do not want police having to look up a *Melway* in Sandringham when our homes are burgled and crimes are committed in Brighton. I call on the minister to clarify his budget announcement and to ensure that the Brighton police station remains open as a 24-hour stand-alone police station.

**Mr DONNELLAN** (Narre Warren North) — It is an honour to speak in this budget debate. It is a budget about growth providing further tax relief, cost-cutting for businesses and the biggest infrastructure spend since the days of Sir Henry Bolte. It is a budget about fairness, providing kindergarten free for low-income people and the biggest one-off investment in public housing. It is about the future with a major new bioscience research centre for primary industries and about continuing to lead the way on climate change.

This year the economy is expected to grow by about 2.75 per cent, increasing to about 3.25 per cent in the out years. Total business investment in Victoria is at record levels. In 2006 Victoria's total business investment was about 6.1 per cent higher than in 2005. As to total building approvals, I think we have had \$1 billion for 66 out of the last 67 months.

There has been a lot of ranting and raving today about debt, that it is out of control in the state. We have not had a lot of facts presented to us by the opposition but a lot of ranting about debt. When we came to government it took about 10 per cent of the revenue to cover the superannuation and debt liabilities; today it is 6 per cent. The debt levels of the state when we came in was 6 per cent, but now it currently sits at 4.5 per cent. Look at what some of the commentators have said, which is obviously not what the opposition has said. Mr Coulson from the Victorian Employers Chamber of Commerce and Industry said:

The debt to GSP (gross state product) is still below what it was when this government came to power, so we don't have a concern ...

Victorian Automobile Chamber of Commerce executive director David Purchase also praised the tax cuts, along with the \$30 million in funding to further develop an automotive centre of excellence.

'The motor industry is a key driver of the Victorian economy and an increased commitment to trade training for the sector is vital in obtaining skills and attracting young people to the industry'.

Ratings agency Standard & Poor's ... said net debt would not be a problem for the state nor impact its top line credit rating:

'Today's budget for the state of Victoria is consistent with the AAA rating already assigned to the state ...

Obviously I have read the papers, but I suggest a lot of members have not read them. It would be an idea to have a look.

We have also had a lot of ranting and raving about tax, but we should look at what the government has done since it came to government. We have cut payroll tax, land tax, stamp duty on property and motor vehicle duty. We have abolished the following taxes: duty on non-residential leases, financial institutions duty, duty on quoted marketable securities, duty on unquoted marketable securities, duty on mortgages, bank account debits tax and business rental duty. That is a very good effort.

Our friends at the Property Council of Australia are very pleased with this result. About land tax specifically, they say:

This is a significant drop and one that should allow Victoria to compete fairly for our share of jobs and investment.

I think they are pretty positive comments, and I do not think we could get much more positive than what these people are saying; but unfortunately that seems to have been overlooked by a lot of people in the opposition.

We are then told that at the end of the day we should be grateful for the GST and that we should ignore the fact that we get only 87 cents in the dollar of what we give over. Why would we be grateful for getting less back than what we should actually get in the first place? It does not make a lot of sense. The opposition is happy to continue to apologise for the federal Treasurer and the fact that he has underfunded Victoria.

If you look at road funding, what is the figure you see? We contribute about 25 per cent of road taxes and we get back, what, 18 per cent in funding for roads.

**Mr Wakeling** interjected.

**Mr DONNELLAN** — It is no use looking at what Kevin Rudd may say.

**Mr K. Smith** interjected.

**Mr DONNELLAN** — We have to look at what Peter Costello actually does, and what he does is underfund this state.

**Mr K. Smith** interjected.

**Mr DONNELLAN** — Members opposite should all stop apologising for this federal Treasurer. It is about time they started to get real.

**The DEPUTY SPEAKER** — Order! The member for Bass will have his turn.

**Mr DONNELLAN** — Let us look at revenue, because we have heard a lot of ranting and raving about it, with members opposite saying that the government's collections are out of control, that our taxes are going up faster and everything else.

Let us look at the basic figures. The growth figure for Victorian taxes from 2000–01 to 2007–08 is 36.1 per cent. The growth in commonwealth taxes from 2000–01 to 2007–08 is 52.5 per cent. So let us look at who is swimming in the money. Let us look at who hands out bribes of \$500 because you are 55 and still alive. Let us look at the bribes he hands out to everybody, including apprentices. These are ridiculous. They are not good economic policy. At the end of the day it is no use members of the opposition apologising for the federal Treasurer. They need to look at the basic facts and say that the federal government is swimming in money at 100 miles an hour and has no idea what to do with it.

*Honourable members interjecting.*

**Mr DONNELLAN** — Let us get back to the basic facts: Victorian taxes have grown by 36.1 per cent in those years while commonwealth taxes have grown by 52.5 per cent. The GDP (gross domestic product) has grown by 57.3 per cent federally and by 48.9 per cent in the state. Who is ripping more money out of the economy at 100 miles an hour and putting their hand in our pockets? It is the federal Treasurer.

*Honourable members interjecting.*

**Mr DONNELLAN** — That is how most of the taxes come out of the average punter's pocket. Let us get real, instead of ranting and raving about the small taxes that the state takes to fund its major responsibilities. We are the service providers. The

federal government does not provide services; it just hands out money.

I will go to a comment from another economist from Macquarie Bank, a friend of the Liberal Party. Rory Robertson has pointed out that:

... the strongly rising tax base in recent years still means 'Costello almost certainly now holds the record as Australia's biggest taxing Treasurer ... Canberra's revenue/GDP ratio appears to be at or around multi-decade highs, on any credible measure'.

It went on to say:

According to Macquarie's Robertson, if we strip out the GST revenue the commonwealth is providing the states to compensate for their loss of other funding as part of tax reform earlier this decade, 'Canberra's effective funding of the states is only 5.1 per cent of GDP, a three-decade low'.

Somehow or other we have to be grateful to the federal Treasurer for underfunding this state. It is about time we got a little real, and it is about time members of the opposition started calling on their federal Treasurer to address these anomalies. It is really quite difficult for a government with the responsibilities and limited revenue base we have to sit and listen to the federal Treasurer lecture it about what it should do with money when he is swimming in it at 100 miles an hour. All the economic commentators are genuinely saying this.

Members of the opposition continually come into this house and criticise us, saying that our revenue and debt are out of control, but no-one supports that proposition. I am yet to find one economic commentator who supports that proposition. Realistically, no-one in any of the papers I have seen — maybe I am looking for the positive ones, but I have still not seen anyone say it — says that that is fair and proper.

Realistically this is a very strong budget that is delivering growth and improved productivity to this economy. We have chased population growth, which is what we have. We have increased our participation rate in employment. Realistically we have done a marvellous job under very trying conditions to deliver enormous growth and jobs for this community. For my punters in Casey, this is a very good budget. If you look at what my punters get out of this budget, you see that they will get reduced taxes when they are purchasing cars, which amounts to somewhere between \$500 and \$1400 in savings for them. They have increased funding for roads such as Thompsons Road. We also have increases in bus services.

In my electorate we have done incredibly well, for which I am very grateful. We have the start of the triplication of the Caulfield–Dandenong line, with the

stabling of extra trains down at Cranbourne. That will certainly improve capacity on that line, which is desperately needed, and I am grateful that it is coming. We have other transport infrastructure improvements which have also been announced in the budget. Overall I consider this to be an excellent budget, and generally the commentators have been incredibly supportive. I commend the bill to the house.

**Mr K. SMITH** (Bass) — Comrade — —

*Honourable members interjecting.*

**The DEPUTY SPEAKER** — Order! I think the appropriate term is ‘Deputy Speaker’.

**Mr K. SMITH** — Take 2! Deputy Speaker, I would like to make just a small contribution to the Appropriation (2007/2008) Bill. I am a little bit disappointed with this budget: I am disappointed for my shadow responsibility of local government, disappointed as a local member representing the people of the Bass electorate and disappointed as a Victorian.

To use the words of the member for Narre Warren North, this government is absolutely swimming in money, yet it has contributed very little to anybody I have any connection to. I must say it could not possibly be because of my work for my local community, which is well known. I work extremely hard to get benefits for the people there, but they have been ignored to the dramatic extent that we do not have a health service in the Bass electorate that is able to cope with the number of people we have in the Wonthaggi/Phillip Island/Inverloch area.

In fact, we have reached a stage where the hospital’s accident and emergency ward, which has been staffed for some time, is really straining under the pressure of the hours that local doctors have to work. They have no relief at all coming, and certainly nothing has been promised by this government. There is a chronic shortage of doctors in rural Victoria, and the Wonthaggi Hospital is a prime example of a system under pressure. It is functioning pretty well, but I think a crunch time is coming when we may well find that the doctors down there cannot stand the pressure any longer and will withdraw their services from the accident and emergency area.

This is a huge problem, because we are looking at an region that this government promotes as a top tourism area. It receives hundreds of thousands if not millions of visitors. We will not have a hospital that is able to cater to the needs of people who may be hurt after hours. Down there if you want to see a doctor, you have to wait some weeks, and if you want to go to a

specialist, you have to book in some months ahead. All this government can come up with is to have people say, ‘Go over to the Latrobe Valley. We have hospitals over there that can cater to your needs’. We have people down there waiting two or three years for a hip or knee replacement just because not enough funding is available. It is not good enough. People who want proper cancer treatment have to go to the Latrobe Valley or Melbourne. It is not good enough for the aged community that we have down there, which really needs the availability of local doctors and a local hospital so they can be well looked after and well catered for in their own general community.

On Phillip Island, Warley Hospital, which was catering for some parts of the community, now has no accident and emergency department, which is a very desperate situation. As we know, Casey Hospital was closed over Easter because of the funding pressure it was under. It had to close its operating theatres and would not take any elective surgery at all. People who were injured in accidents were being bypassed through to other city hospitals that were also undergoing a withdrawal of funds that would not allow them to operate properly. The Bass Coast is not in any way, shape or form connected or related to the Latrobe Valley, and I wish this government would understand that there is no community of interest between the Bass Coast and the Latrobe Valley.

I did not see anywhere in the budget a mention of extra police for the Bass Coast. This is an issue that has been raised by the council, it has been raised by the local community and it has certainly been raised by me on a large number of occasions. We do not have enough police down there. I have spoken to senior police up to assistant commissioner level who have assured me that they will get somebody there, but those promises were made over six months ago and we still do not have anybody there. The supposedly 24-hour police station in Wonthaggi is in fact closed at times when police are taken out of the station to go out in the police vans when some drama occurs.

The Cowes police station is not open 24 hours a day, and the San Remo police station is closed more often than it is open. The police say, ‘Yes, we know you have a problem, but we have not got the police to put in there’. That is extremely disappointing to me, and it is a danger to the people down there, because when they ring they expect to be able to get some service from the local police. If they go to the door of the police station, there is a sign there to ring D24 or Moe police station. That is not good enough. It is not good enough for a community that is promoted as being a safe tourism area.

Regarding education facilities, we have a commitment by this government to two new schools in Pakenham, and I can tell the house that they are badly needed. Currently two state schools there are 50 per cent over capacity. The moment the school in Heritage Springs opens it will be full, and the other schools will still be over capacity. We have another one promised for Lakeside, which was a government commitment during the election campaign, but we have schools that are falling apart. We have facilities that are in very poor condition. Schools at Nar Nar Goon, Garfield, Bunyip and Koo Wee Rup have to be upgraded, and I am talking about complete upgrades. I only wish that the minister would come out and look at these schools and make some sort of commitment. It is very much needed.

The Organisation for Economic Cooperation and Development has assessed Victoria as having one of the lowest levels of literacy and numeracy, ahead of only Tasmania and the Northern Territory. With the facilities that our kids are being trained in down there, that is not a surprise to me, because they certainly detract from a learning environment. We have fantastic teachers and principals in those schools, but the facilities are so poor that they are probably amongst the worst in Victoria. We also have two schools at the southern end: Inverloch Primary School and San Remo Primary School. The Inverloch school is without doubt in the worst condition possible, and I cannot understand the minister not making a commitment to that school. The government sends them a couple of mod 5 classrooms and thinks that is going to satisfy the school and the school council. I can assure the government that it will not.

Before I move on to local government, I have recently had raised with me a problem which this government, through the Country Fire Authority, is starting to create for the CFA brigades down there. There is pressure being put on the Bass Coast group of fire brigades, of which there are 10, to move out of region 9 and into the Gippsland region, which is region 8. As I said earlier, there is no community of interest at all between the Bass Coast and the Latrobe Valley. The communications between the brigades do not correspond.

The training and skills of the people in the Bass Coast shire are about seven or eight years ahead of the skills of the people in the rest of Gippsland. I do not joke about these things, because it is of great concern. The volunteers down there want to be able to go out and fight fires. They have been trained up and have the highest skills possible. The brigades down there were constantly at the fires in Gippsland over the Christmas

period. They are wonderful people. For the government to say, through the CFA, that it wants them to move into region 8 gives me great concern, because there is no good or logical reason why they should move into that area. They have been tied up in the Dandenong area for such a long period of time and work extremely well with the people of Dandenong.

I can only think that there is some plan being prepared by this government under pressure from the United Firefighters Union to take over the CFA brigades in outer suburban areas, if I can call them that, such as Dandenong, the Narre Warren area, the Pakenham area, some of Frankston and some of the other areas covered by CFA brigades. I think the UFU is saying to the government that these should be Metropolitan Fire Brigade stations and that it should be taking them over. If that happens, it will leave the Wonthaggi group in region 9 hanging out without communications with Melbourne or into Gippsland. I have grave fears that there is an underlying move by the government to force them over to Gippsland so they can then —

**Mr Cameron** interjected.

**Mr K. SMITH** — Minister, you know because you were probably part of the planning that went on in relation to this. This is a problem that has been created by the government, in conjunction and in cahoots with the UFU and at the union's insistence, in allowing this to happen. I can tell members that there is going to be one hell of a fight about this. The community will fight against it, we will most certainly fight against it and the CFA will fight against it. In fact this government may well find people walking out of brigades because of a lack of community interest among people in Gippsland. I am really afraid that is going to happen. We have these fabulous volunteers who are being forced away from an area that they love to work in, and that is a great problem as far as I am concerned.

Local government is also of concern to me. We have a government which, as was said before, is swimming in money, yet when you look at page 432 of budget paper 3 you find that in fact there has been only a 1 per cent increase in the amount of money that has been put into local government. Given that the government is swimming in money one would think it should be putting a lot more into local government. We know cost shifting goes on; it has been going on now for some years under this government. Two organisations which are supportive of this government, the Municipal Association of Victoria and the Victorian Local Governance Association, have not come out this time around and been critical of the government for the lack of interest it has shown in local government. It has paid

off the MAV by giving it an incentive of \$4.7 million to put into future local government projects, but when you look at what else is in the budget, you see that very little has been contributed towards assisting local government. Cost shifting will go on.

We know that local government is under severe pressure this year. We have already seen press releases showing that local government is priming up the community to accept that there is going to be up to a 20 per cent increase in the rates that people pay across Victoria. This all has to do with cost shifting — cost shifting which is not helping local government at all and which is coming from this government's withdrawing from local government funds that it needs to provide services.

We know there is a local community now that is looking for more from local government because of the expectations that have been built up by this government in what they should expect when they move into other and new areas. There are expectations that they are not going to have to pay huge amounts in rates, but without doubt there is going to be a huge increase, and people have to understand that this increase is being brought about by cost shifting by this government. Even though we are not going to oppose this budget that is being put forward, I must say to the — —

**Mr Cameron** interjected.

**Mr K. SMITH** — No, I have not come around. As I said before, we recognise that this government has put forward a very disappointing budget for this year. What the government has produced is not good enough. I do not think we are in a position to come out and say that we support it. We do not object to what is being put forward, but I am just disappointed that the government did not see its way clear to give more money to the community.

**Mr BATCHELOR** (Minister for Victorian Communities) — It gives me great pleasure to speak on another Labor budget. This is a great budget. It is a budget with a heart, and it is a budget which enshrines a central commitment of the Bracks government — that is, a commitment to making Victoria a fairer place.

Over the last two years we have delivered on the biggest ever commitment made by a Victorian government to helping people. From the previous two budgets we have committed \$1.6 billion for services and programs offering people who are struggling extra support when they need it most. This has been delivered through the A Fairer Victoria strategy, which joins up actions across government to reduce

disadvantage. The current budget sets out our ongoing financial commitment to A Fairer Victoria. This budget includes new funding commitments of \$1.4 billion over the next four years. What we hope to achieve is an investment that will help reduce disadvantage.

It is worth highlighting five principles underlying A Fairer Victoria and giving some examples of what these mean in practice. Firstly, the cornerstone of our approach is investing in people, helping to build skills and capabilities. As the Nobel-prize-winning economist Amartya Sen put it, it is all about building capabilities, by which he means things like the ability to have good health, to be able to read and write and to be connected to your community.

**Mr Walsh** interjected.

**Mr BATCHELOR** — That is right. But what we are trying to do is to identify where the best intervention should take place, and it will take place in early childhood. We want to help our kids develop and thrive, and this budget will invest another \$170 million in early childhood initiatives including new children's centres, more training for staff, upgrading accommodation for children at risk — —

**Mr Walsh** interjected.

**Mr BATCHELOR** — If you listen, you will hear the whole context of our A Fairer Victoria strategy. We are putting resources into schools. We are putting resources into family support services and early childhood programs to pick up problems before they cause long-term damage. This early intervention approach makes both social and economic sense.

This year we are making one of the biggest ever investments in affordable housing — half a billion dollars over the next four years. With this new funding we believe we will be able to build 2350 new and redeveloped homes for people from low-income families. We are making that investment because we know that secure housing actually helps increase family stability, it keeps children at the same school longer and it encourages parents to become economically involved. It increases their economic participation; it helps them get and hold a job.

So when we had the launch of A Fairer Victoria there were some interesting comments made on this issue by the chief executive officer of Hanover, Mr Tony Keenan, who said:

It is very, very hard to empower a 24-year-old who is battling drug addiction, when agencies like Hanover get him stabilised

only to have him fall over when the only housing option is a rooming house where drug use is rife.

Tony Keenan went on to say, talking about this half-a-billion-dollar investment in social and public housing:

... I am very proud and pleased to stand here today and say that the Victorian government has taken an enormous step this week in moving toward solving this problem.

That is a ringing endorsement of this Labor budget. It is over four years and — —

**Mr Jasper** — Is this in your portfolio?

**Mr BATCHELOR** — It is. A Fairer Victoria is being administered by the Department for Victorian Communities, and I am the Minister for Victorian Communities.

The second underlying principle of A Fairer Victoria is that we support social and economic participation. This has proved to be very important for Victoria. We have had an economy which has been very prosperous over recent times, but there are members of our community who are falling between the gaps, and we need to take steps to try to help these people.

The challenges faced by the most disadvantaged members of our community cannot be solved easily and they cannot be solved quickly. The people who are most at risk often struggle to access the very economic success that has been taking place and the economic opportunities. The fairness principles that this government espouses really demand that we provide them that extra help, and A Fairer Victoria is all about trying to do that.

That is what really distinguishes the Bracks government from the Howard government. The Howard government's approach is to force workers onto individual contracts and to bludgeon people off welfare. Our approach is actually to invest in the people and to make sure that they have the skills, the experience and the confidence to get a job, to maintain that job and to keep themselves in work.

An example of our success is our community enterprise program. This is a program for not-for-profit businesses which have a social purpose. Often the social contribution is to help people get into jobs. The long-term unemployed get a chance to get some work experience. These are people who may not have worked for many years, and that is not a very attractive employment prospect.

If the community enterprise program provides them with training, sometimes it can lead to a traineeship or an apprenticeship, and perhaps most importantly it really gives these people the hope, the confidence and the enthusiasm they need to maintain their position in the labour market. Many people move on and get jobs in private business, and therefore they open up an opportunity for another disadvantaged member to come along and take their place in these schemes.

Recently I visited the Canteen Plus project at Kensington Primary School. This canteen was initiated by some African refugees who had children at the school. The canteen now provides not only healthy lunches for the children at school but also catering opportunities for local businesses and community groups, and in doing that it provides training — perhaps even some TAFE certificates — for those people who are participating in this scheme. It provides them with a pathway into the mainstream workforce. We will be providing an additional \$3 million for community enterprises over the next budget period.

We also want to help people who are volunteers. We will be providing \$6 million in this budget to help agencies recruit, train and maintain volunteers, who are the cornerstone of many organisations in Victoria, particularly in rural Victoria.

We are also targeting extra support in areas where we know disadvantage is concentrated. This is our third principle in trying to provide support to disadvantaged places and groups of people. This has been supported by the work of Professor Tony Vinson for Jesuit Social Services, which identified the 10 postcodes in Victoria where we see massive overrepresentation of disadvantage. We are continuing our investment in new local transport services, in new children's services, in shared use libraries, in sports centres and particularly in targeting those schools which will be the subject of the massive refurbishment program announced by the Minister for Education in another place. We are also providing extra support for people with disabilities. We are particularly providing assistance to carers. We also want to help indigenous children get the best start in life they can. In this budget we have provided subsidised access of up to 10 hours per week of kindergarten for three-year-old Aboriginal children whose parents have an eligible concession card.

The fourth principle I want to highlight is about involving local people in decision making. We are doing this through our neighbourhood renewal program, our community renewal and the community building initiative. This will involve people in making

decisions about their local communities, sometimes for the first time ever.

Finally, we are finding new ways to work with communities across government. We want to make it easier for people to deal with government agencies. As we pointed out in the budget, we will reform the grant program to make it easier for people to access information about grants, therefore making them more flexible and more available.

I have said that we are keen to make sure that disadvantage is reduced and that fairness is increased. This is the third year of A Fairer Victoria, and our commitments will be rolled out in the years ahead. That is because we have come to the understanding that we need to make a long-term commitment and invest for the long term. The process we have undertaken in relation to A Fairer Victoria will be the subject of a review. We are asking members of the broader community and representatives of non-government and community organisations to have a key role in undertaking that review for the years ahead.

I would like to also point out a real difference between this government and the Howard federal government. We have committed half a billion dollars to addressing social and public housing. What has the Howard government done in the federal budget? There is not an extra cent for public housing in Victoria and not an extra cent to make private rental more affordable. That is in stark contrast to the half a billion dollars being provided by us. This is really an indictment of the federal government. It is clearly out of touch with the ordinary people, out of touch with the battlers of this world. I am sure there are many members of this chamber who are embarrassed to belong to the same party as Prime Minister John Howard.

**Mr WALSH** (Swan Hill) — In rising to join the debate I find it interesting to be following the member for Thomastown and his contribution about fairness and so on and his criticism of the federal government and what he believes it has not been doing. I remind the member for Thomastown that it is actually the fact that the federal government has created a very strong economy. It has created record low unemployment. This means there is a very strong economy there to allow the state government to enjoy the record revenue it does and to be able to deliver the services the member was talking about.

I think the member for Thomastown needs to take a reality check as to what actually generates the money that this government has to spend in delivering the services it does to the people of Victoria. It is about the

fact that the Howard government has delivered a strong economy, record growth and record unemployment, and keeps on doing it so Victorians enjoy the standard of living they do.

It was interesting to read the headline in the *Herald Sun* the day after the budget which said 'Just add water'. The one thing the budget does not do, as has been talked about by several members in their contributions to the budget debate, is put any significant amounts of money into water funding. The Bracks government has had seven and a half years now to address the issues around water supply for all of Victoria, and it has done very little. It has had a lot of studies — a green paper, a white paper, this strategy and that strategy — but when it comes to delivering some real outcomes for the future water supply for Victoria, it has done very little.

We go back to the Howard government again; it actually came forward with a national water initiative. The Victorian state government has chosen not to be part of those discussions. It does not believe Victoria should be at the table trying to negotiate a good outcome and to attract some of the funding out of the national water initiative.

It is useful to bear in mind that the Bracks government has collected in excess of \$1.8 billion in public sector dividend taxes out of the water authorities here in Victoria. If that money had been invested in water projects, we would not be in the predicament we are in now. In addition, the government collects \$60 million every year in an environmental tax that it is also taking from the water authorities. Nobody knows they are paying those amounts because the water authorities are forbidden by legislation from showing that on water accounts.

There is also the situation that exists as a result of the changes to the Water Act that went through this place at the end of the last Parliament, where the water authorities now will be required to repay capital to the government in such amounts and in such time as directed by the Treasurer. We have a government that is taking large amounts of tax out of the water authorities when we need those particular water authorities to be reinvesting that money into their own infrastructure to ensure we have water into the future.

The other issue about water and the budget is that the budget figures are predicated on the drought ending and on our returning to normal seasons. Although we have had a promising start to the season, the drought is certainly not over. From an irrigation point of view the drought is most definitely not over because our storages have not started to receive any run-off yet.

It was interesting listening to the contribution from the member for Narre Warren North, who talked about how strong the economy in Victoria is and what a great job the Bracks government has done. I put it to the house that if the drought does not officially end this year and the irrigation industries do not return to some sort of normality in terms of the amount of water available to them, the Victorian economy will not be as strong as the Treasurer predicts in his figures going forward. When agriculture is so important to the budget of Victoria it is very disappointing to find nothing in the budget from the Treasurer to ensure that our agriculture base is maintained and kept in good condition so that it can be there as the drought breaks and we go forward.

There have been some useful initiatives brought in to help the people of country Victoria deal with the drought. There is the tank rebate for those people who are not getting a dam filled this year, but because of some anomalies in that rebate quite a few people have been left out. I have been in constant contact with the minister's office now for more than three months to have those anomalies corrected, and at this stage nothing has happened.

There have been some rebates on shire rates for those who have a Centrelink certificate, but it would have been much fairer if those shire rate rebates had been made available to — —

**The DEPUTY SPEAKER** — Order! The conversation level is getting a tad too high. I ask members to keep it down a bit.

**Mr WALSH** — There is a bit of competition, Deputy Speaker!

The shire rebates program was a good initiative. I think it would have been a lot fairer if it had been spread across all people, rather than just those who have a Centrelink certificate. There has been a small amount of funding for local government, but I will come back to local government later. When you are talking about 'Just add — —

**Mr Wynne** interjected.

**Mr WALSH** — We will come back to local government, because the minister needs to be aware that this budget delivers very little for local government. Particularly in my area, it delivers absolutely zip.

**Mr Wynne** interjected.

**Mr WALSH** — No, it is not an issue for the commonwealth. I would like to spend a few minutes

talking about the health funding issues of the electorate of Swan Hill. They involve issues about capital for infrastructure and recurrent funding for staffing. Two years ago the minister visited the Swan Hill District Hospital, saw the condition of the aged care unit and was convinced that it needed a rebuild. The minister granted the money for master planning at the Swan Hill hospital, but now when the hospital comes back and wants the appropriation out of the department to actually do the detailed schematics of stage 1 and stage 2 of that development, the department is not granting that money. We are getting to the stage where maintaining some of the existing infrastructure at the Swan Hill hospital so that it is in a safe working condition is actually going to cost more money over time than it would if we had the money to start rebuilding the hospital. It is quite a serious issue.

I also refer to the Kerang and District Hospital. There is a real challenge in the delivery of health services in Kerang. There are two health services, the Kerang and District Hospital and the Northern District Community Health Service, which is the community health service in that area. Those two health services just will not work together, which is a real challenge not only for me as a local member but also for the minister and the department. At the Kerang and District Hospital the aged care facilities are also in very poor condition and desperately in need of a rebuild. The hospital has been going through a master planning process, but because the community health service refuses to be part of that process it has stalled and we need urgent action from the minister and the department to get that particular master planning process off and moving again.

The Sea Lake and District Bush Nursing Hospital has provided a great service to the community of Sea Lake for decades, but it is finding it a real challenge to maintain a health service in the private system and would dearly love to become part of the state system in Victoria.

I refer to the East Wimmera Health Service and its Birchip campus. Wirrim Lodge Nursing Home is the aged-care facility that is attached to the hospital. The nursing home has some major cracks in it and is in desperate need of capital to fix it up. The building has actually moved as a result of the drought and is in quite an unstable condition.

The same applies to the hostel at the Boort District Hospital. Again, the building has moved, and it has some major cracks in it. There are cracks there that you can put your whole hand in because the ground has dried out so much. We desperately need funding for that.

If you look at the actual services delivered by the hospitals, you find there is a real issue with staffing. There is the issue of maternity services. In north-west Victoria if someone wishes to have a baby it must effectively be at Mildura, Horsham or Swan Hill; there is a huge area in between where there are no maternity services. The real concern is that there will be a car accident one day when someone is rushing because they have to travel 200 kilometres to a hospital to have a baby. We have got to look at how we can improve the delivery of those services. There is also the issue of allied health, and particularly the issue of how we can attract more doctors.

I raise with the Minister for Local Government, who is at the table, an issue concerning local government, particularly as it affects three councils in my electorate — Swan Hill, Gannawarra and Loddon. The issue concerns the separation of water from land from a rating point of view. The Murray group of councils includes those three councils, but it also includes Mildura, Campaspe and Moira. The councils have a real problem because when the value of water is taken away from the value of land they will be \$15 million a year down in their rate revenue. There has been a constant lobbying of government by that particular group of councils for some form of transitional package so that that cost is not borne by them. The issue of the separation of the value of water from the value of land from a rating point of view is a change of policy by the government. The legislation has been changed, but the government is not prepared at this stage to help those particular councils.

I implore the Minister for Local Government to take the issues of those councils seriously. They have a major problem, and it needs addressing. This house should postpone the implementation of that situation until 1 July 2008, but my understanding is that the department — —

**Mr Wynne** interjected.

**Mr WALSH** — The Department of Sustainability and Environment has been working with those councils and the Municipal Association of Victoria on how they can find a way forward, but there have been no solutions at this stage, other than the state government providing some form of transitional funding for the councils. Otherwise there will be a major shift of the cost in rates to the town areas and to the dryland farmers in those areas away from the irrigation farms. It is a major issue that needs addressing. It is my understanding that that group of councils was talking to the government prior to the election and was promised that something would happen in the foreseeable

future — but nothing has happened at this stage. We have had a budget, which was an excellent opportunity for the Treasurer to address that issue. I urge the minister to take it on board. I will look forward to the issues of those councils actually being addressed.

In the budget there was some increased funding for the Victorian patient transport assistance scheme (VPTAS), which is used by people in my electorate a lot because they have to travel long distances to get to specialist treatments. The disappointing thing is that although there has been an increase in the budget for the Victorian patient transport assistance scheme, there has now been a different interpretation of the rules by the people within the Department of Human Services, which has created a lot of angst for the elderly in my electorate who access the program.

We have had the situation where people who have had a longstanding relationship with particular specialists are now being told, 'No, you cannot access VPTAS to go to see that specialist because the travel is further. You have to go to a specialist who is closer', or if they have to wait three months to see a specialist who is close and the doctor wants to send them to one in a shorter time who is further away, the VPTAS people say, 'No, no, you cannot travel further. You have to wait the time for that particular specialist'.

The last thing I would like to quickly touch on is the issue of funding for the Department of Primary Industries. Again we have seen a further reduction in real funding for the DPI. Under a number of Labor ministers now the funding for the Department of Primary Industries, as a percentage of the total state budget, is continuing to decline.

**Mr Cameron** — That's not true.

**Mr WALSH** — It is true, and if you look at the figures this year and you exclude the funding for the La Trobe University bioscience centre — —

**Ms Allan** — Of \$180 million.

**Mr WALSH** — Of \$180 million, which the government will actually make a profit out of in the end. Once that facility is built and the government sells Frankston, sells Atwood, sells Knox, and most likely sells some of the country institutes, it will make a profit out of building that facility.

**Mr Cameron** interjected.

**Mr WALSH** — The ex-Minister for Agriculture at the table says that is absolute rubbish. If you go back to three weeks before the budget, you find that the

government actually sacked 44 agricultural scientists. They were made surplus to the requirements of the Department of Primary Industries. On the one hand it is investing in an infrastructure at the expense of selling another, but on the other hand it is actually sacking scientists as well. If agriculture is to go forward, we need to continually invest in the Department of Primary Industries and not reduce its funding.

**Debate adjourned on motion of Dr HARKNESS (Frankston).**

**Debate adjourned until later this day.**

**Remaining business postponed on motion of Mr CAMERON (Minister for Police and Emergency Services).**

## ADJOURNMENT

**The DEPUTY SPEAKER** — Order! The question is:

That the house do now adjourn.

### **Box Hill Hospital: redevelopment**

**Mr CLARK** (Box Hill) — I raise with the Minister for Health the government's failure to provide funding in the state budget for the commencement of the main part of the long-awaited redevelopment of the Box Hill Hospital. I ask the minister to make clear to the community and to the hospital whether or not the government is still committed to proceeding with the redevelopment and to give a clear commitment to fund the redevelopment so that it can proceed without further delay.

Box Hill Hospital and the residents of the Box Hill electorate and beyond have already suffered badly from the government's delays over this much-needed project. The current Box Hill Hospital was built largely in the 1950s with funds raised by the hard work of the local community. Those facilities have served the community well, but they are now badly showing their age and are suffering from the steadily rising needs of the ageing part of the population and from a growing number of young families. That is starkly illustrated by the latest wait list figures for the hospital. I quote from a report in the *Whitehorse Leader* newspaper of 8 May under the heading 'Hospital in wait list emergency':

Patients are waiting longer for treatment and ambulances are increasingly being turned away by the Box Hill Hospital emergency department.

And the number of semi and non-urgent patients on elective surgery waiting lists at the hospital has increased substantially.

These findings from the *Your Hospitals* state government report released last Friday come days after Premier Steve Bracks overlooked any funding in his budget for the second stage of the Box Hill Hospital redevelopment.

The history of this matter goes back some time. In 2002 the hospital put a lot of effort into developing for the government detailed plans for a major redevelopment. Those plans were submitted to the government but were rejected. Instead the government gave the hospital a series of grants to go through the whole master planning exercise again. The hospital has now come up with a revised master plan, which went to the government.

In last year's budget, the government committed to providing \$38.2 million for the preliminary first stage of the redevelopment, which is the construction of a car park, an administration block and other facilities off the main site in order to free up space for the main redevelopment. Construction of this preliminary work is now under way and is scheduled to be completed in mid-2008. Thus the hospital needs answers now about whether the next stage is to proceed rather than being forced to wait until next year's budget, which would cause further delays and increased costs.

In the run-up to last year's election the government led everyone to believe it was committed to the full redevelopment. Thus staff and the community were devastated by the government's failure to commit to it in this year's budget. That was added to by the reported remarks of a government spokesman in the local paper that further stages for the Box Hill Hospital's redevelopment 'would be considered' in future budgets. The community has already suffered badly enough through the Bracks government's procrastination. I ask the minister to get on with getting this redevelopment undertaken.

### **WorkChoices: long service leave**

**Mr NARDELLA** (Melton) — I seek the assistance of the Minister for Industrial Relations to investigate the sacking of a 60-year-old worker due to her nearly attaining her long service leave entitlement under the Long Service Leave Act, as amended in 2006, and to consider referring the matter to the Office of the Workplace Rights Advocate. I will pass on the name of the sacked worker to the minister in due course.

The background is that this person was working for SCT Logistics of 7 Westlink Court, Altona. She recently turned 60. The day after she turned 60 a young

female was employed and the sacked worker was asked to show the young worker what to do and to help her learn the ropes and some of the sacked worker's duties. On 17 May 2007 at 3.30 p.m. this sacked worker was called into the human relations department, was told she was being made redundant and was given half an hour to leave by the back door without saying goodbye to her work colleagues or being told why she was being sacked. She had worked for SCT Logistics for nine years and seven months and was coming up to her long service leave entitlement.

This sacked worker was absolutely loyal to the company. When she was sacked she had 6 weeks of sick leave stored up and 297 hours of annual leave; she always had about 4 to 8 weeks of annual leave stored up. This sacked worker is very hurt. Her workmates cannot understand why their colleague was sacked and phone her up to ask why. It is a horrible situation for her and her family, and under WorkChoices there is nothing that can be done. But under the Long Service Leave Act, as amended last year to preserve long service leave, sacking a person because they are coming up to their long service leave entitlement is illegal.

I seek the assistance of the minister to investigate this matter and help the sacked worker with her case. This sends a message to all working people that they should be scared they may be sacked when they are close to reaching the 10 years of service required to qualify for long service leave because WorkChoices allows this to occur. For older workers, being sacked for someone else is devastating. It takes us back to the bad old days, when people were sacked after 9 years and 11 months and then offered their old jobs back, with the loss of their entitlements.

When I was working at V. P. Hawthorne Pty Ltd in 1979, Arturo — a colleague — told me how he and all his mates were sacked just before becoming eligible for long service leave, only to be offered their jobs back three months later. This occurred regularly — it was the norm — because there were no protections. At 60 years of age this sacked worker has been very much affected by her situation. She is devastated, her work colleagues are devastated and her friends are devastated. They cannot understand why this has occurred, but it has occurred because she is reaching a time when she is eligible for long service leave and could use her entitlements. It is wrong and should not happen again.

### **Water: Tanjil River diversion**

**Mr NORTHE** (Morwell) — The action I seek is from the Minister for Water, Environment and Climate Change. I ask the minister to inform the Gippsland

community if any water is currently being diverted or is proposed to be diverted from the Tanjil River to the Thomson Dam at the expense of Blue Rock Dam via a previously unused aqueduct system, and if so, on whose authority?

In recent days I have been approached by many constituents who have expressed concern about the scope of the works being undertaken by water authorities and contractors along the Tanjil River, and in particular along a previously unused aqueduct linking the Tanjil River to the Thomson Dam. I previously raised my concerns about the scope of the works being undertaken along the Tanjil River and was duly advised by Melbourne Water that any works in this region were attributable to fire-prevention projects and minor maintenance.

In recent days, based on the advice of persons visiting this region, I have again asked Melbourne Water for clarification on the works that have been undertaken and the proposed scope of any future works to be undertaken along the Tanjil River and the aqueduct associated with the river. It is the belief of many that the old aqueduct is now either in use or is to be used to divert water away from Blue Rock Dam to Thomson Dam, which is a main water supply for those residing in the metropolitan area of Victoria.

If so, this would have huge implications not only for Gippslanders but for all Victorians, as water security is crucial to industry in Gippsland, including our three power generators, other businesses such as Australian Paper and irrigators and other water consumers in the region. We all know and understand the need to utilise our precious water resource wisely, but to deny industry, irrigators and consumers their water rights by diverting their normal water requirements without any apparent consultation has a bad smell about it.

Blue Rock Dam is used as a major storage dam which industry heavily relies upon, and to divert water from this supply system would be morally wrong. It would affect all Victorians in terms of the cost that would result from the requirement for industry to purchase water from the market at an exaggerated price, therefore ensuring that consumers would pay higher prices. We have seen evidence of that occurring already. I refer to an article in the *Age* of 11 May 2007 which raises alarm about the drought putting pressure on the state's power supply. This article states:

The water crisis has hit two major power stations in the Latrobe Valley, Yallourn and Loy Yang B. The stations' owners have confirmed to the *Age* that they have recently resorted to buying extra water on an internet auction site,

Watermove, to tide them over until the end of the financial year.

Whilst we accept that the drought is having a negative impact on water supplies, the notion that water is being diverted from crucial industry providers in regional Victoria to sustain consumers in metropolitan Melbourne is simply unjust and unfair.

In closing, I request the minister to inform the Gippsland community if any water is either being diverted or proposed to be diverted from the Tanjil River to the Thomson Dam at the expense of Blue Rock Dam via a previously unused aqueduct system, and if so, on whose authority?

### **Corio Bay Senior College: young parents access program**

**Mr EREN** (Lara) — I raise a matter for the Minister for Skills, Education Services and Employment, who is at the table that concerns the young parents access program at Corio Bay Senior College. Corio Bay is a great school which caters for students in years 11 and 12. Corio has the highest unemployment rate in the Geelong area and is also one of the most socially disadvantaged areas of Victoria. There is also a high number of young people in the area who will typically follow the pattern of leaving school once they become parents. For this reason the young parents access program is very important for the Corio community. This program tries to break the pattern of young parents leaving school and encourages them to return to school to complete their Victorian certificate of education and to help them secure ongoing training and employment opportunities.

I have visited the school a number of times and am continually impressed with the great environment that has been created there for teachers and students. What is particularly different about this school is that it has a fully accredited child-care centre on site, which will help support this program. I was pleased to be at the opening of the centre in 2003, with new buildings being officially opened in 2005. I was very pleased when the Bracks government provided funding to help with this tailor-made building for the child-care centre to operate from. I know this support was very much appreciated and welcomed by that community. When the program first commenced in 2003, 8 students were involved; but now 33 students are enrolled, which indicates its success.

But in order for this successful program to continue, ongoing funding is required. I ask the minister to consider ongoing support of this program, which is so important for young parents in the Corio area.

### **Monash Freeway: noise barriers**

**Mr O'BRIEN** (Malvern) — I raise a matter for the attention of the Minister for Roads and Ports. The action I seek from the minister is to direct VicRoads to provide additional noise attenuation measures as part of the Monash–CityLink upgrade for my constituents who will otherwise suffer increased traffic noise on top of what many presently find to be an intolerable situation.

Prior to my election and since that time many residents of the suburb of Kooyong have raised with me the significant impact on their lives and those of their children of the noise levels from the Monash. One resident of Elizabeth Street related to me how his young children ask him why the trucks are so noisy while they are trying to sleep. The resident has spent more than \$50 000 on noise attenuation measures, including double glazing, laminated windows, acoustic insulation and higher fencing, but still his children ask the question.

Other residents of Kooyong took up a petition calling for urgent action to reduce noise levels, and in a short period of time more than 80 per cent of local residents had signed up. I take this opportunity to congratulate the residents for taking a stand on this issue that is affecting their lives and needs to be dealt with urgently. These families are already affected by significant noise pollution due to the gaps in and problems with existing noise walls. However, the widening of the Monash in this area will massively increase the volume of traffic that it can carry — a 55 per cent increase, according to VicRoads. This will greatly increase the level of traffic noise to which my constituents are subjected.

What has surprised many of the affected residents is the double standard that seems to operate when it comes to traffic noise. Transurban is required by its government contract to ensure that noise does not exceed 63 decibels at any residence for road areas for which it has responsibility, but for areas of VicRoads responsibility, such as the areas affecting my constituents, the government holds itself to a lesser standard. Noise levels of up to 68 decibels are deemed acceptable.

My constituents do not understand why their government is not willing to meet the same standards it demands of private sector operators. Back in 2005 noise measurements taken at a number of affected residences exceeded 63 decibels, the level at which Transurban would be forced to act and at which VicRoads can apparently wash its hands. With a 55 per cent increase in traffic capacity that will accompany the Monash upgrade, this situation will only deteriorate. It is not

good enough for VicRoads to merely say, as it has to my constituents, that it will continue to monitor noise levels after the upgrade has occurred.

VicRoads must take the opportunity afforded by the Monash project to upgrade noise attenuation measures to deal with the additional noise pollution that will inevitably flow from the road's expanded capacity. I call on the minister to step in now to ensure that VicRoads does so.

### **Planning: St Helena development**

**Mr HERBERT** (Eltham) — I rise to raise an issue for the Minister for Water, Environment and Climate Change regarding problems experienced last week at the proposed housing development site at 1 Evelyn Way, St Helena. I ask the minister to ensure that no works recommence on this site until the safety of residents from possible contamination is guaranteed.

Specifically I ask that: one, the Environment Protection Authority detail publicly what contaminants are on site and that this be communicated with residents; two, the EPA ensure that any future works be subject to a thorough and detailed odour management plan; three, the EPA ensure that a thorough and safe decontamination plan is developed and enforced before one more shovelful is dug out of the site; and four, the minister investigate what compensation is available to residents if they are forced to move out or are inconvenienced during the decontamination works.

To give the house some background on the situation, the site in question includes a former quarry and piggery. A planning permit was issued last year via the Victorian Civil and Administrative Tribunal for the 51-lot subdivision. This process has automatically triggered the requirement for an environmental audit. Also VCAT determined that prior to the commencement of works the responsible authority must be satisfied that any contamination on the site is rehabilitated to a standard which makes the site acceptable to residential use of the intensity proposed.

Last week major odour issues were experienced when the site soil assessment commenced. Digging trenches into the former quarry site area exposed putrescible waste and possible piggery waste to a depth of up to 5 metres. This led to offensive odours being experienced by many residents and persons on site. As soon as I was notified of this episode, rather than grandstanding in front of the media, as the shadow Minister for Planning is wont to do, my office undertook to ensure the EPA attended the site and

controlled the situation, ensuring the holes were backfilled and operations ceased on site.

From here on it is vital that the environmental auditor determine whether the site is suitable for the proposed residential development or advise what is required to make the land suitable for its intended use. Of first and foremost importance is the safety, health and wellbeing of residents in the surrounding area. I implore the minister to ensure that a thorough and stringent investigation of the site is conducted and that no work begins until the safety of residents is assured.

### **Snowy River: water licence review**

**Mr INGRAM** (Gippsland East) — I raise a matter for the attention of the Minister for Water, Environment and Climate Change. The action I seek is for the Victorian government and the minister to ensure that the review that is required under the Snowy water licence and the Snowy Hydro Corporatisation Act is conducted free of government.

The review is required on the fifth anniversary of the signing of the water licence, 30 May 2007, which is next Wednesday. This highlights a number of years of failure to deliver on key agreements and key obligations within the legislation, and to ensure that Snowy Hydro comply with the spirit and the intent of the water licence and of government agreements. The review must be conducted by an independent body free of the influence of the New South Wales government, in particular, which has the major control of this review, because the New South Wales energy minister, Ian Macdonald, and his mate at Snowy Hydro, Terry Charlton, have severely compromised the delivery of the environmental flows. The environmental flows which were first released from the Mowamba aqueduct were turned off two years ago.

Another requirement under the water licence and the intergovernmental agreement is that a scientific committee be established, and the scientific committee is required to provide advice to the corporation from time to time on the adequacy of the releases, not only from the Snowy River but also other rivers in the scheme, and also on programs to manage the restoration of catchments that are affected by the scheme. This scientific committee, even though it was required under the 1997 act, has never been implemented. Even now, in the lead-up to the fifth anniversary of the water licence, it still has not been established.

The committee has been required over the last five years to provide an annual report, a state of the

environment report, on the catchments and the environmental flow releases from not only the Snowy River but also other rivers affected by the scheme. This report has never been implemented. The review that is required to be conducted commencing next week is supposed to have presented to it all of the state of the environment reports for the last five years. This seriously shows the incompetence of the New South Wales government and the failure of both the Victorian and commonwealth governments to ensure that New South Wales delivers on the commitments contained within the intergovernmental agreements.

It is time the Victorian government took the big stick to New South Wales and started making sure that it does not conduct a snow job in this review. The Snowy community downstream really wants to make sure that this review is independent, because the message that is going to come out will be very negative to the outcome of the Snowy water inquiry.

### **Veterans: First World War database**

**Ms MUNT** (Mordialloc) — My adjournment issue is for the Premier and Minister for Veterans' Affairs, and I ask him to take action to investigate any avenues that may be available — or studies that are currently or may become available — to collate information regarding Victoria's involvement in the First World War.

Recently I was asked to give a speech to Cheltenham-Moorabbin RSL to commemorate Anzac Day. I chose to speak, as its state member of Parliament, on what the First World War meant to Victoria. I asked the parliamentary library to collate some material for me on who died in the war, what towns and suburbs they came from, their ages and occupations and the impact on their communities of their loss. The library did a wonderful job, and for at least a month it tried its best to collate that information. It searched and searched. It contacted the national war museum, the National Library of Australia, the shrine, the State Library of Victoria and RSL Victoria to ask if anyone had collated or investigated this information.

It found that the national war museum is currently 10 years into putting together a database of 300 000 entries, but apart from that all these institutions were unaware of any other work or information being available. I thank the parliamentary library very much for all of the work it put into trying to collate this information and find out if any of it had been collected. Obviously it has not. This might have something to do with the fact that it was the First World War of course, and way back then the information systems and the

storing of information were a lot more basic than they are now.

As there is currently a resurgence of interest in Anzac Day from our young people and considering the enormous importance of Anzac Day to our nation and state, I believe it is critical that we try to gather and save this information for coming generations. When I was giving my speech at Cheltenham Moorabbin RSL and earlier in the morning at Mentone RSL the crowds were enormous. They have grown every year. A large proportion of the crowds were young people. We owe it to them to pass on our history, particularly with the resurgence of interest in Anzac Day.

I therefore ask that the Premier take the action I seek. It would be very useful not only for us now, and for the library of course, but also for coming generations to have that information available and kept for posterity before it becomes too late to put the information together.

### **Planning: boarding house controls**

**Mr WAKELING** (Ferntree Gully) — I wish to raise a matter for the attention of the Minister for Planning in the other place. The action I seek is for the minister to develop appropriate planning controls to prevent the establishment and operation of inappropriate boarding house facilities in Ferntree Gully and indeed throughout Victoria. The issue of the establishment of boarding houses is a major concern to residents in Ferntree Gully. Many facilities have been created without proper scrutiny, and my community is demanding that the government improve the necessary planning controls regarding the establishment of these buildings.

The first concern is that under current planning laws a boarding house that consists of at least 10 habitable rooms is subject to a specific planning permit. However, any boarding house that provides fewer than 10 habitable rooms is not subject to similar planning scrutiny. Consequently a number of clandestine boarding houses containing fewer than 10 habitable rooms have been established in Ferntree Gully without undergoing the necessary scrutiny of larger boarding house operations. Given the lack of planning controls, Knox City Council is powerless to prevent these facilities from being developed. Despite calls from local residents, the inaction of the Bracks government has allowed these houses to be established without any scrutiny.

The second concern is that the current planning controls regulating boarding houses need to be expanded so that

the concerns and needs of both the residents and neighbours are adequately addressed to ensure that the optimal planning outcome is achieved. Many of these boarding houses are inappropriately located throughout our neighbourhoods and are subject to a range of health and antisocial behavioural problems. Harrison Community Services, which provides care for a number of disadvantaged citizens throughout my electorate, is forced to deal with lamentable consequences of this planning crisis. The organisation's Stephanie Webber recently commented that she has been to:

... rooming houses that are filthy — the walls have holes in them, and the mattresses are stained with blood.

Knox City Council believes minimum planning standards should be developed with respect to any new boarding house, regardless of the number of habitable rooms. The council believes planning controls should include the requirement that any facility is appropriately located within walking distance of fixed-rail public transport, social services and commercial facilities, that there be minimum standards for rooms, common areas, toilets, showers et cetera and that there be input from organisations such as police and emergency services, social service providers and medical providers, including drug dependency agencies, as well as the development of standards concerning health and safety plus the rights and needs of tenants.

Currently an application for a boarding house in Ferntree Gully has caused great concern among my community. This application was rejected by Knox council and is currently subject to appeal in the Victorian Civil and Administrative Tribunal. My community has taken a stand and expects the government to tighten the planning controls. This situation is simply not good enough. The minister should stop procrastinating on this issue and start acting. I call upon the Minister for Planning to act swiftly on this issue and to develop the necessary planning controls to overcome this appalling situation.

### **Berwick Technical Education Centre: development**

**Ms GRALEY** (Narre Warren South) — I wish to raise a matter for the Minister for Skills, Education Services and Employment. I call upon the minister to take action regarding the next stage of the Berwick Technical Education Centre (TEC). This exciting project was announced by the Premier in August last year as part of his commitment to improving and enhancing the educational excellence of this state. It is one of four new TECs for Victoria, representing an investment of \$32 million in the future of our young

people. When the Berwick TEC is completed it will have first-class facilities, industry-standard equipment and high-quality, industry-related teaching to provide pathways to better job opportunities. Just as importantly it will provide another alternative education option for the young people in my electorate and throughout the south-eastern growth corridor.

I would like to draw the attention of my fellow parliamentarians to some of the unusual features of my electorate and the corresponding needs of the community I represent. The Narre Warren South electorate is at the heart of the city of Casey, which is the fastest growing and largest municipality in the whole of Victoria, with 220 000 residents today and no doubt more tomorrow. In fact by 2011 Casey will have a projected population of 258 000, and by 2021 there will be around 317 000 residents — or about the same number as live in Canberra today.

It is fast growing partly because of the numbers of people who move there and partly because of the larger-than-average number of children that a typical Casey family is blessed with. 'Nappy Valley' was the recent newspaper headline heralding the Berwick baby boom. More than 60 per cent of the households in my electorate include children. Nearly 80 000 of Casey's population are under the age of 18, and more than 20 000 of these are of secondary school age. Another feature of life out in the south-eastern growth corridor is the take-up rate of post-compulsory education, which is lower than the state average. There are a variety of factors that contribute to this situation, and as a state government representative I believe it is crucial that we support our young people to prepare themselves for a productive life and future.

When I am out door-knocking in my electorate many people ask me about training opportunities and facilities for their family members. I am very proud to be able to talk about the Bracks government's plans for the Berwick TEC. It is a big winner with local mums and dads, who want their children to have access locally to education and skills training courses.

We already have a number of training opportunities for young people that are delivered within schools, TAFEs and other providers. A wonderful example is the hospitality school within the Hallam campus of Eumemmerring Secondary College. The students there are learning skills they can use in the hospitality industry whilst remaining under the umbrella of the secondary school system, which enables them to continue learning other skills and keep their options open. The standard of their work is quite exceptional, and I am very pleased that they will have the

opportunity to showcase their talents by catering for a forthcoming community event that I am hosting.

However, whilst we already have some exceptional training opportunities for our young people, the huge growth in my electorate means there is a burgeoning need for more options all the time. I would therefore invite the minister to visit Narre Warren South electorate in the near future with a view to launching the next stage of the Berwick TEC.

**The DEPUTY SPEAKER** — Order! Ten matters having been raised, I call the Minister for Skills, Education Services and Employment to respond to the matters raised by the members for Lara and Narre Warren South.

### Responses

**Ms ALLAN** (Minister for Skills, Education Services and Employment) — I am very pleased to respond to the matter raised by the member for Lara regarding Corio Bay Senior College and the young parents access program. It would be well worth all members of this house becoming familiar with the great program that is run down at Corio Bay Senior College. The college has done a terrific job not only in supporting young people — particularly young mums within the Corio Bay area — to stay connected with education but also in providing very important child-care and broader welfare support as well. Certainly the principal, Steve Boyle, is to be commended for this project. I would particularly like to mention that he recently won an award for outstanding school leadership at our annual Victorian education excellence awards, because he has been an outstanding leader at that school.

The member for Lara went through the range of different projects that have seen the development of the young parents access program. It is a terrific program that really does keep young mums connected with education while caring for the children at the same time. The member for Lara requested that the government and I take action around ongoing funding because obviously a little bit of extra support is required for young mums to stay connected to schools and to education.

That is why I am very pleased to inform the member for Lara tonight that additional funding will be provided through the Department of Education to ensure that this successful program can not only continue but also flourish in terms of supporting young people in the area. In 2007 over \$100 000 has been provided to Corio Bay Senior College to continue to operate the young parents access program, and that funding will certainly

help in maintaining this program into the future. I thank the member for Lara very much for his support. All the members of the Geelong community have been terrifically supportive of the work that has been going on at Corio Bay Senior College. It is an outstanding model of a targeted intervention program making a significant difference to education outcomes for young people.

The member for Narre Warren South raised a matter regarding the next steps on the Berwick Technical Education Centre (TEC). The member for Narre Warren South indicated that technical education centres are very much a part of our overall efforts. We have invested an additional \$1 billion into our training sector since 1999, and the establishment of four technical education centres across the state is a very important part of our ongoing work in this area. We have the best year 12 completion rate of any Australian state. We are seeing more young people complete programs such as the Victorian certificate of applied learning and vocational education and training in schools and go on to apprenticeships as well. Our TECs link into that. They link into our schools, they link into our TAFE system, and they make a vital contribution not just to young people's education but also to addressing skill needs in local communities.

Just in passing, that is in stark contrast to the rather inefficient approach taken by the federal government in the establishment of its Australian technical colleges, which have been a spectacular success in increasing the number of federal bureaucrats and increasing the funding that has been pumped into providing people at desks rather than having actual students benefit from additional resources in the area of technical education.

But the member for Narre Warren South wanted to know specifically about the Berwick Technical Education Centre, and I thank her very much for her support for this initiative. I am very pleased to advise the member that consultants have been appointed for the project and the design has commenced. We look forward to the Berwick Technical Education Centre joining the centre at Wangaratta and in the future those at Heidelberg and Ballarat in sharing in the \$32 million that has been made available to establish four new technical education centres. They should not just be seen in isolation; they should be seen as very much a vital part of our overall efforts in increasing training and skill opportunities for young people in this state.

**The DEPUTY SPEAKER** — Order! I ask the minister to refer the other matters raised by members.

**Ms ALLAN** — The member for Box Hill raised a matter for the Minister for Health. The member for Melton raised a matter for the Minister for Industrial Relations. The members for Morwell, Eltham and Gippsland East raised matters for the Minister for Water, Environment and Climate Change. The member for Mordialloc raised a matter for the Premier in his capacity as Minister for Veterans' Affairs, and the member for Ferntree Gully raised a matter for the Minister for Planning in the other place. Those matters will be referred to those ministers.

**The DEPUTY SPEAKER** — Order! And the matters raised by the members for Malvern and Eltham.

**Ms ALLAN** — I mentioned the member for Eltham, Deputy Speaker, together with the members for Morwell and Gippsland East and their matters for the Minister for Water, Environment and Climate Change.

The member for Malvern raised a matter for the Minister for Roads and Ports.

**Mr Ryan** interjected.

**Ms ALLAN** — The Leader of The Nationals should well know about relevancy, particularly with regard to his party's appalling position on the federal government's Murray–Darling plan, but we will leave that for another day. Those matters will be referred to those ministers for their action and attention.

**The DEPUTY SPEAKER** — Order! The house is now adjourned.

**House adjourned 11.51 p.m.**

