

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE ASSEMBLY

FIFTY-SIXTH PARLIAMENT

FIRST SESSION

Wednesday, 6 June 2007

(Extract from book 8)

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

By authority of the Victorian Government Printer

The Governor

Professor DAVID de KRETZER, AC

The Lieutenant-Governor

The Honourable Justice MARILYN WARREN, AC

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Deputy Premier and Minister for Water, Environment and Climate Change	The Hon. J. W. Thwaites, MP
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Minister for Skills, Education Services and Employment and Minister for Women's Affairs	The Hon. J. M. Allan, MP
Minister for Gaming, Minister for Consumer Affairs and Minister assisting the Premier on Multicultural Affairs	The Hon. D. M. Andrews, MP
Minister for Victorian Communities and Minister for Energy and Resources	The Hon. P. Batchelor, MP
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Minister for Planning	The Hon. J. M. Madden, MLC
Minister for Sport, Recreation and Youth Affairs	The Hon. J. A. Merlino, MP
Minister for Mental Health, Minister for Children and Minister for Aged Care	The Hon. L. M. Neville, MP
Minister for Roads and Ports	The Hon. T. H. Pallas, MP
Minister for Health	The Hon. B. J. Pike, MP
Minister for Industry and State Development, Minister for Major Projects and Minister for Small Business	The Hon. T. C. Theophanous, MLC
Minister for Housing and Minister for Local Government	The Hon. R. W. Wynne, MP
Cabinet Secretary	Mr A. G. Robinson, MP

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

Speaker: The Hon. JENNY LINDELL

Deputy Speaker: Ms A. P. BARKER

Acting Speakers: Ms Beattie, Ms Campbell, Mr Eren, Mrs Fyffe, Ms Green, Dr Harkness, Mr Howard, Mr Ingram, Mr Jasper, Mr Kotsiras, Mr Languiller, Mr Lupton, Ms Marshall, Ms Munt, Mr Nardella, Mrs Powell, Mr Seitz, Mr K. Smith, Mr Stensholt and Mr Thompson

Leader of the Parliamentary Labor Party and Premier:

The Hon. S. P. BRACKS

Deputy Leader of the Parliamentary Labor Party and Deputy Premier:

The Hon. J. W. THWAITES

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

Mr E. N. BAILLIEU

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

The Hon. LOUISE ASHER

Leader of The Nationals:

Mr P. J. RYAN

Deputy Leader of The Nationals:

Mr P. L. WALSH

Member	District	Party	Member	District	Party
Allan, Ms Jacinta Marie	Bendigo East	ALP	Lindell, Ms Jennifer Margaret	Carrum	ALP
Andrews, Mr Daniel Michael	Mulgrave	ALP	Lobato, Ms Tamara Louise	Gembrook	ALP
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Brooks, Mr Colin William	Bundoora	ALP	Mulder, Mr Terence Wynn	Polwarth	LP
Brumby, Mr John Mansfield	Broadmeadows	ALP	Munt, Ms Janice Ruth	Mordialloc	ALP
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Carli, Mr Carlo Domenico	Brunswick	ALP	Northe, Mr Russell John	Morwell	Nats
Clark, Mr Robert William	Box Hill	LP	O'Brien, Mr Michael Anthony	Malvern	LP
Crisp, Mr Peter Laurence	Mildura	Nats	Overington, Ms Karen Marie	Ballarat West	ALP
Crutchfield, Mr Michael Paul	South Barwon	ALP	Pallas, Mr Timothy Hugh	Tarneit	ALP
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Howard, Mr Geoffrey Kemp	Ballarat East	ALP	Tilley, Mr William John	Benambra	LP
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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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Wednesday, 6 June 2007

The SPEAKER (Hon. Jenny Lindell) took the chair at 9.33 a.m. and read the prayer.

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, at 10.00 a.m. I would be grateful if as many members as possible could accompany me to the presentation. Members may meet me in Government House Drive at 9.50 a.m.

MAGISTRATES' COURT AND CORONERS ACTS AMENDMENT BILL

Introduction and first reading

Mr HULLS (Attorney-General) introduced a bill for an act to amend the Magistrates' Court Act 1989, the Magistrates' Court (Family Violence) Act 2004 and the Coroners Act 1985 and for other purposes.

Read first time.

GAMBLING REGULATION AMENDMENT BILL

Introduction and first reading

Mr ANDREWS (Minister for Gaming) introduced a bill for an act to amend the Gambling Regulation Act 2003 to regulate the number of gaming machines in a region or municipal district, to regulate the payment of accumulated credits, to alter the arrangements for community benefit statements, to amend a provision regarding the Community Support Fund and for other purposes.

Read first time.

PETITIONS

Following petitions presented to house:

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 Mr STENSHOLT (Burwood) (7 signatures)
Dr HARKNESS (Frankston) (15 signatures)**

Rosebud Hospital: obstetric services

To the Legislative Assembly of Victoria:

The petition of the residents of Victoria draws to the attention of the house that obstetric services have been removed from the Rosebud Hospital, forcing mothers-to-be to travel to Frankston to have their babies.

Your petitioners therefore request that the Legislative Assembly of Victoria ask the Minister for Health to provide sufficient funding to enable Peninsula Health to provide the necessary infrastructure and resources to attract obstetricians to work in Rosebud Hospital.

By Mr DIXON (Nepean) (270 signatures)

Tabled.

Ordered that petition presented by honourable member for Frankston be considered next day on motion of Dr HARKNESS (Frankston).

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

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

PLANNING: MINISTERIAL INTERVENTION

Statement 2006–07

Mr THWAITES (Minister for Water, Environment and Climate Change), by leave, presented statement on ministerial intervention in planning matters, May 2006 to April 2007.

Tabled.

**SCRUTINY OF ACTS AND REGULATIONS
COMMITTEE**

Alert Digest No. 7

**Mr CARLI (Brunswick) presented *Alert Digest*
No. 7 of 2007 on:**

**Accident Compensation Amendment Bill
Courts Legislation Amendment (Judicial
Education and Other Matters) Bill
Outworkers and Contractors Legislation
Amendment Bill
Payroll Tax Bill
Professional Standards Amendment Bill
State Taxation Acts Amendment Bill
Superannuation Legislation Amendment
(Contribution Splitting and Other Matters) Bill
Wills Amendment Bill**

**together with appendices and extract from
proceedings.**

Tabled.

Ordered to be printed.

DOCUMENTS

Tabled by Clerk:

Auditor-General:

Follow-up of Selected Performance Audits Tabled in
2003 and 2004 — Ordered to be printed

Results of Financial Statement Audits for Agencies with
other than 30 June 2006 Balance Dates — Ordered to be
printed

Confiscation Act 1997 — Asset Confiscation Operations
Report 2005–06

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

Bass Coast — C60
Campaspe — C51
Corangamite — C3
East Gippsland — C39
Frankston — C39
Greater Bendigo — C85
Greater Dandenong — C79
Hume — C94
Melton — C53 Part 1
Mildura — C35

Port Phillip — C60
Southern Grampians — C11
Wellington — C38
Whittlesea — C94
Yarra — C65
Yarra Ranges — C66

Statutory Rules under the following Acts:

Aboriginal Heritage Act 2006 — SR 41
Architects Act 1991 — SR 40
Extractive Industries Development Act 1995 — SR 37
Guardianship and Administration Act 1986 — SR 36
Road Safety Act 1986 — SRs 38, 39

Subordinate Legislation Act 1994:

Minister's exception certificates in relation to Statutory
Rules 38, 39

Minister's exemption certificate in relation to Statutory
Rule 39.

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

Aboriginal Heritage Act 2006 — Whole Act — 28 May 2007
(*Gazette G21*, 24 May 2007).

ROYAL ASSENT

Message read advising royal assent on 29 May to:

**Equal Opportunity Amendment Bill
Fair Trading and Consumer Acts Amendment
Bill
Gambling and Racing Legislation Amendment
(Sports Betting) Bill
Howard Florey Institute of Experimental
Physiology and Medicine (Repeal) Bill.**

APPROPRIATION MESSAGES

Message read recommending appropriations for:

**Accident Compensation Amendment Bill
Courts Legislation Amendment (Judicial
Education and Other Matters) Bill
Payroll Tax Bill**

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 pm on Thursday, 7 June 2007:

Courts Legislation Amendment (Judicial Education and Other Matters) Bill

Health Professions Registration Amendment Bill

Payroll Tax Bill

Professional Standards Amendment Bill

Water Acts Amendment (Enforcement and Other Matters) Bill.

This government business program provides for five bills this parliamentary week. When this program was first canvassed amongst respective parties, we were unaware that the house would not be sitting last night. But the government believes that we will still be able to get through this government business program. There has been an understanding that we may sit a little later tonight, but not too late, so we can move through the five bills today and on Thursday. In that context I think this is still an achievable work program for this parliamentary week.

I would also like to point out to you, Speaker, and to members of the house that, as a result of discussions between the parties in this chamber, we propose in the lead-up to question time today that each of the parliamentary leaders be provided with 5 minutes to reflect on and make comments about the tragedy that has occurred in Kerang following the truck crashing into the V/Line train which was travelling between Swan Hill and Bendigo yesterday. The leaders will be able to reflect and make comments on behalf of all members of this chamber. We propose to do that by leave on the eve of question time this afternoon.

Mr McINTOSH (Kew) — The matter just raised by the Leader of the House about providing each parliamentary leader with 5 minutes before question time today is certainly something that we support. Given the gravity of the Kerang tragedy, it is more than appropriate that both the media and the Victorian community have the opportunity to clearly focus their attention on the parliamentary leaders prior to question time. We will be supporting the proposal outlined by the Leader of the House.

The opposition does not oppose the government business program. We believe with the possibility of extra time this evening that we will be able to complete the program, giving everybody an opportunity to speak on each of those bills and having the matters dealt with in accordance with the processes of this house.

I will raise one matter which is of profound concern to me. I am grateful that we are now regularly notified on Thursday evenings prior to sitting weeks of the government business program. This provides a little bit of comfort to the opposition. We are given at least two working days notice of a government business program, but it is still an onerous task to complete all of the various discussions and, most importantly, to prepare the papers necessary to report both to shadow cabinet and to the party room by the following Tuesday.

It is a matter that I have raised on previous occasions. I find it bizarre that a government is not aware well in advance of a sitting week what business program it has in mind. I find it incredible that a government would not be in a position to determine its legislative program well in advance of a sitting week. However, that is the nature of the beast and democracy.

Proof of the pudding that this government is lagging behind on its legislative program is that last Friday we had another example — from my recollection, the third in a number of sitting weeks since last year — of the government announcing on the Thursday a government business program for the following week, yet on the Friday morning it changed that program. As I said, it seems incredible that the government seems to be lurching from one sitting week to another and is perhaps treating this Parliament with some degree of contempt if it has not already worked out its government business program well in advance of each sitting week. However, having said that, the opposition does not oppose the government business program.

Mr DELAHUNTY (Lowan) — On behalf of The Nationals, I comment on the government business program. Firstly, I would like to thank the government for the opportunity that will be given to the Leader of The Nationals, who, like the other leaders, will speak at 2 o'clock today for 5 minutes about the rail tragedy at Kerang.

On behalf of the member for Swan Hill, who went up to the accident site yesterday with the Minister for Public Transport, I thank the minister for facilitating his going to Kerang. He has obviously been in contact with us to inform us of what can be done up there. It is a tragedy of untold circumstances, and we need to work

through all that. Today the Leader of The Nationals has gone up to Kerang to view the site personally, and obviously his comments will be listened to, like those of the others, at 2 o'clock today.

In relation to the government business program, the member for Rodney would have been our lead speaker on the Accident Towing Services Bill. I informed him last Thursday night that for the second sitting week in a row, he was to be prepared to make a contribution to debate on that bill, but, as was the member for Kew, we were informed on Friday that that bill would be deleted from this week's list. I am sure he is very disappointed; he was waiting with bated breath to comment on that bill, and he is shattered that he cannot do so!

We will all wait patiently to see when that bill will be debated. There are five bills on the government business program, and we have amendments to one of them. We have some concerns, particularly in relation to the Water Acts Amendment (Enforcement and Other Matters) Bill. A lot of members of The Nationals want to speak on that bill.

The Leader of the House has said we will go further into tonight to try to get through all the bills this week. We do not see there being an overall problem to be able to finish by 4 o'clock tomorrow, particularly when we see there are only two second-reading speeches listed today, so that will take less time to go through those. We believe we should be able to get through the government business program by 4 o'clock tomorrow, and we will not be opposing this motion.

Motion agreed to.

MEMBERS STATEMENTS

Sudanese Lost Boys Association of Australia: services

Mr BATCHELOR (Minister for Victorian Communities) — I rise to thank a wonderful not-for-profit, volunteer-based organisation that has been instrumental in helping many Sudanese youth come to Australia and overcome the difficulties associated with resettlement in a foreign country: the Sudanese Lost Boys Association of Australia, which was founded by Akoc Manhiem, who is also currently their director and does a fantastic job.

It provides recreational and support programs for Sudanese young people in Australia. The Sudanese represent the largest nationality in recent arrivals in Victoria under the humanitarian program. Many of these people have lived in refugee camps and most

have lost family and friends in the bloody civil war. Many confront issues relating to the effects of torture, trauma and family displacement.

The Sudanese Lost Boys Association endeavours to provide a support network for Sudanese youth to enable them to overcome some of these difficulties. They do this by providing training in communication skills, by encouraging integration into the wider Australian society and by providing education opportunities to Sudanese youth. They organise movie nights, dances and excursions. They celebrate what they call Appreciation Day, which provided a recent opportunity to show their cultural traditions to the Australian community. They also undertook physical maintenance work one Saturday morning at the Collingwood Children's Farm and joined in the roadside collections for donations for the Salvation Army.

Western Health: funding

Mrs SHARDEY (Caulfield) — I rise to express my deep concern about the financial crisis being faced by Western Health. This network is said to have to find savings of some \$15 million in the next financial year. Hospital staff have claimed that while demand for emergency services in particular has risen on an annual basis by some 10 to 15 per cent, the overall WEIS (weighted inlier equivalent separations) allocation has increased by only some 2 to 3 per cent. The outcome for Western Health in being over WEIS at some 117 per cent means that essential health services for western suburbs communities and western Victorian country communities who access the Western, Sunshine and Williamstown hospitals will be dramatically cut despite the hard work of hospital staff.

Sadly it is expected that there will be a cut of some 2000 elective surgery procedures during the next financial year; the closure of a ward, thereby reducing patient numbers by 100; a reduction in paediatric services; and longer waits in the emergency departments. Already in the last reporting period Western Hospital saw a decline in the emergency department performance. The failure of the Minister for Health to sustainably fund Victorian health services is once again evident, and the people in the western suburbs and western Victoria will suffer as a consequence.

Kingswood Primary School: multipurpose hall

Ms MUNT (Mordialloc) — I would like to highlight to the house this morning the community spirit of Dingley Village. On 25 May I attended the opening of Kingswood Primary School's new multipurpose hall.

This hall will provide a new hub for the Kingswood primary community and the wider community. Some \$280 000 was raised by the community to make this hall happen.

Congratulations to the whole school community, principal Rosemary Cosentino, school council president Grant Hope, parents, staff and students for their hard work. Congratulations also go to the Bendigo Bank at Dingley Village and the Rotary club of Dingley Village for their generous contributions and community spirit. Our children for many years to come will both enjoy and benefit from this wonderful facility.

Dingley Village: church celebration

Ms MUNT — On 27 May I attended the celebration to commemorate 54 years of public worship and community service at the village church in Dingley Village, where a large crowd was assembled. The church began in Dingley Primary School in 1932 with a Sunday school. Athol Faulkner and Norm Smith purchased the church land in 1949 and worked until the church was actually built and opened in 1953. I was chatting to a friend from Dingley Village a little later, and she pointed out to me the remarkable service of the village church to the young people of Dingley Village. I congratulate them on their years of community dedication and send them my best wishes for their future.

Rutherglen Winery Walkabout

Mr JASPER (Murray Valley) — Rutherglen's famous Winery Walkabout will be on over the coming Queen's Birthday long weekend. I want to remind the house that this is the longest-running and most prestigious wine festival in Australia and has been the recipient of a number of state and national awards over the years.

As a member of the Rutherglen Apex club I was very much involved in the early years of the wine festival, both when it commenced in 1966 and later in 1974 when it was renamed the Rutherglen Winery Walkabout. Over 20 wineries are now involved in producing the highest quality wines together with excellent food and entertainment for the thousands of visitors to the Rutherglen area.

As part of the activities the Rutherglen country fair is conducted in the closed main streets of Rutherglen, with 300 stalls on the Sunday of the long weekend. Entertainment and food are provided for all. For over 20 years I have competed in the celebrity grape tread, where I annually challenge two MPs to be part of the

event. Unfortunately I lost last year to the current Minister for Public Transport. This year I will be joined by the Minister for Agriculture and the consumer affairs and gaming minister in what will be stiff competition, but I am in training and will seek to win back the coveted trophy. It is great entertainment: there will be wine tasting at its best, together with fun for all. Members should visit Rutherglen over the coming weekend and have a great time at the renowned Winery Walkabout and country fair.

Sophie Dunn

Mrs MADDIGAN (Essendon) — I would like to congratulate one of my young constituents this morning, Sophie Dunn of Moonee Ponds. She has been selected by the National Youth Science Forum to represent Australia at the forthcoming London International Youth Science Forum to be held in July this year. Sophie is a year 12 student at Penleigh and Essendon Grammar. She is one of five students in all of Australia to be selected to attend this forum. The forum is a prestigious international event held each year and involving around 300 students from over 70 countries. Its aims are similar to those of the National Youth Science Forum in Australia, and it attracts the best science students from Britain, plus overseas visitors. Therefore I think Sophie can be extremely proud of her efforts, and I wish her well at the forthcoming forum.

Local government: itinerant traders

Dr NAPHTHINE (South-West Coast) — Action by the state government is urgently needed to increase the powers of local councils to deal with itinerant traders who blatantly breach long-established local planning rules. Itinerant traders take money and jobs out of the local community and often leave behind unhappy customers who have been conned with shoddy, cheap and second-rate merchandise.

It is made even worse when these itinerant traders operate illegally without council-approved planning permits. One such trader, Chris and Marie's Plant Farm, has been operating illegally for 10 days in Warrnambool, and the only action the council has been able to take is to impose a measly \$500 fine. The trader has also been ordered to stop trading, but it thumbed its nose at the council and the law, leaving the council to take the matter to the Victorian Civil and Administrative Tribunal while the illegal trader continues to sell its products.

Action is needed to change the law to allow councils to impose a substantial and increasing daily fine on illegal traders and to give councils the power to physically

shut down traders who continue to operate illegally in defiance of the law. I urge country people to shop locally, to support their local traders and to boycott these fly-by-night itinerant traders who come to town to take dollars and jobs out of the local community.

Gembrook electorate: community facility grants

Ms LOBATO (Gembrook) — On Monday I had the pleasure of delivering the long-awaited news of \$200 000 in arts funding for the Gemco theatre group in Emerald. Gemco, which has for many years delivered quality arts for Emerald and the wider community, requires adequate facilities in which to perform. Late last year the Bracks government committed \$200 000 through the Arts in the Suburbs program, along with funding from Cardinia shire and the federal government, for the construction of a \$1 million complex.

Also on Monday I announced on behalf of the Minister for Sport, Recreation and Youth Affairs two very important projects to provide more opportunities to get physically active and enjoy the outdoors. Cardinia shire will receive \$60 000 for Emerald Lake Park to construct new playground equipment, which will be a fantastic addition for local families and the many visitors who frequent this park when travelling on Puffing Billy.

Pakenham Upper residents will also benefit through the minor facilities category of the Community Facilities Fund from the resurfacing of the existing tennis courts, which will encourage more participation — and most importantly, safe participation — at the courts. This club is increasing in membership, and its Friday family nights have proven very successful, increasing the need for quality facilities.

This funding by the Bracks government will be matched by Cardinia shire. The community facilities funding program shows what great results can be achieved when the government and local communities work together to benefit the general community. Congratulations to Gemco, and in particular to David Greenaway, Cardinia shire and Pakenham Upper Tennis Club, for their quality arts and recreation — —

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

Templestowe Park Primary School: teacher's aide

Mr KOTSIRAS (Bulleen) — I stand to condemn the Minister for Skills, Education Services and Employment for not caring about students with special needs. I wrote to the minister on 8 May 2007 requesting funding for a teacher's aide for a student at the Templestowe Park Primary School. As yet I have had no response from the minister.

The student has been diagnosed with Asperger's syndrome but is unable to apply through the school for an aide in the classroom because applications for this year have closed. Unfortunately Charlotte cannot wait for next year, as the gap in her learning will become greater and greater with each new day. According to Marilyn McEwan from the eastern region, there is nothing that can be done unless Charlotte poses a threat to other students. Of course Charlotte does not pose a threat, but how about a fair go for Charlotte — and how about the opportunity to have an education and to be part of the school community?

While I appreciate the need for rules and regulations, they should, however, be flexible enough to cater for individual cases. This is one such case that needs special attention, and I call upon this minister to show some understanding and compassion. I urge the minister to get out of her ivory tower, start acting as a minister and look after the interests of all Victorians, not simply the interests of herself. Charlotte needs an aide now, not next year. The minister should do something about it today, not next year, and she should respond to my correspondence.

Bill Toon

Mr ROBINSON (Mitcham) — I want to acknowledge the recent sad passing of a veterans stalwart in Victoria, Mr Bill Toon, who has died aged 86. As an army private captured in World War II and forced to work on the infamous Thai-Burma railway, Bill Toon knew more than anyone else about life as a prisoner of war. He was a key member for many years of the Ex-Prisoners of War and Relatives Association. On numerous occasions he returned to Thailand and raised money to help preserve the Hellfire Pass and its memorial — quite an outstanding achievement. For his widespread community work, he was later recognised with an Order of Australia award. He will be sadly missed.

Anzac Day: Greens statement

Mr ROBINSON — While I have the opportunity I also wish to respond to the Greens representative for Western Metropolitan Region in another place, who recently stated in Parliament that the Greens believe Anzac Day is the day on which to remember and honour those killed or injured in war, including millions of civilians.

With the greatest of respect, the Greens are totally wrong on this point. Anzac Day commemorates the service of Australians and New Zealanders who have served in numerous conflicts since 1915, many of whom have never returned. Other opportunities exist for the Greens to reflect on the wider impact of war, notably Remembrance Day. I urge the Greens to reconsider their very misguided view about the purpose of Anzac Day.

Omeo Highway: sealing

Mr INGRAM (Gippsland East) — I rise to inform the house of a very successful meeting that was held recently at the Blue Duck Inn on the Omeo Highway. Together with the member for Benambra, I was there with representatives of the community, both from the north-east and Gippsland, to discuss the sealing of the Omeo Highway. The member for Benambra, like his predecessor, is a very strong supporter, and there is a lot of support within the community to increase the campaign to have this section of the Omeo Highway sealed.

Members may know that this is a spectacular tourist drive, linking the north-east and Gippsland. It travels along the Upper Mitta Mitta River and the Lower Mitta Mitta River and goes over the top of the Great Divide in an area with an incredible goldmining history. It is quite a spectacular drive. There are sections of this road which are unsealed, and we would like to have those sections sealed. I would like to inform the house that this is the first step, I suppose, in the ongoing campaign to have this section of the road sealed.

Members would know that many hire cars do not allow tourists to drive on unsealed sections of road. Linking areas of the north-east — the Albury-Wodonga area — to the Gippsland Lakes region would be of great benefit to both our communities. I would like to encourage all members of this place to visit this area, and I encourage the government to seal this road.

International Men's Health Week

Mr PERERA (Cranbourne) — I rise today to remind members of the house about International Men's Health Week, which has been celebrated in Australia since 2003 and which this year will run from 11 June through to 19 June. It is clear from many men's health organisations and agencies that men and boys face different health concerns from those faced by women and girls, and International Men's Health Week is an opportunity to both acknowledge these differences and look for ways to improve the health and wellbeing of men and boys.

There are many factors impacting on the physical, social, emotional and spiritual health of all Australian men and boys — the changing social and economic roles and loss of identity; the changing notions of men's roles in society and families; relationship breakdowns; racism; homophobia; negative attitudes towards disability; a propensity to specific life-threatening diseases and injury; mental health issues, including depression, anxiety and suicide; unemployment, low wages, working patterns and hours; and fathering and the issue of separated fathers, as well as services which are lacking in responsiveness to men's health needs.

I have been actively driving a one-stop-shop for men in Cranbourne. I am happy to report — —

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

Australian Building and Construction Commission: trade unions

Mr K. SMITH (Bass) — It is great that we now have a building industry watchdog keeping an eye on the weak-gutted union thugs who prey on building sites and terrorise the owners, builders and contractors into paying unreal, unwarranted and job-destroying payments!

Those Trades Hall thugs were sending building companies and owners into a downward spiral of bankruptcy by being caught with overpriced buildings they could not sell — that was, until the ABCC (Australian Building and Construction Commission) came along. The threats of physical violence to builders, contractors, workers and their families had gone too far, and it does credit to the strong Howard government that it accepted the recommendations of the royal commission into the building industry and set up the Australian Building and Construction Commission.

The Construction, Forestry, Mining and Energy Union and the Australian Council of Trade Unions, which support the Bracks government and the federal Labor opposition, are now being called to account for their thuggish behaviour, which was supported by this Labor government and its communist, union mates in Trades Hall. It has taken a strong Howard government to make it happen in the Australian building industry. It is time this socialist Bracks government stood up for all Victorians and supported John Howard and the ABCC in weeding out these union thugs, although you only have to see the likes of commos such as Brian Boyd, Dave Noonan and Sharan Burrow supporting the Bracks government to see where this weak, pinko government is heading. It totally supports the trade union movement and its illegal actions.

Climate change: federal policy

Dr HARKNESS (Frankston) — Yesterday was World Environment Day, which is celebrated annually on 5 June. Organised each year by the United Nations, it promotes public awareness of the plight of our environment. I fear for the future that my baby daughter will live in whilst we have a federal government of climate-change deniers. The federal government's solution to climate change is to build nuclear power stations, possibly in the electorate of the member for Hastings, but I am sure the member for Hastings will stand up to his Liberal colleagues in Canberra and fight for his concerned constituents. The Howard government's plan for nuclear energy just goes to show that when it comes to climate change, the federal government has no idea.

Luckily for the people of Victoria the Bracks government has a plan to fight the negative effects of climate change. This government initiated Victoria's renewable energy target scheme, which we know the Liberal Party does not support. The scheme has attracted much investment to our state and has catapulted Victoria as a state recognised for its care of the environment. The report of the task group convened by the Prime Minister, which was released last week, advocated that Victoria's renewable energy target scheme be abolished and re-established in 2012.

Victoria is attempting to lead the way in initiatives to preserve our environment, but we are being stifled by the climate-change sceptics of the Liberal Party, specifically the Howard government, which wants to wait until 2012 to establish an emissions trading scheme and impose targets for the cutting of emissions. The environment will not last another five years while the Howard government gets its act together. We need

to act now, and that is exactly what the Bracks government is doing.

Fortunately the people of the federal electorate of Dunkley have a Labor Party candidate, Graham McBride, who is willing to make the environment a key priority. The federal Labor Party has already indicated its plan to cut greenhouse emissions by 60 per cent by 2050. I invite the Liberal Party at all levels to follow the lead of the Labor Party.

Omeo Highway: sealing

Mr TILLEY (Benambra) — We heard the member for Gippsland East speak about the Omeo Highway. Some 26 kilometres of unsealed road needs to be sealed. I share his drive and his vision in working together with the constituents of both Gippsland East and Benambra to seal the unsealed section of the highway, and I look forward to lobbying the Bracks government to see that this vision is fulfilled.

Housing: tenant repair bill

Mr TILLEY — Whilst I have the time and the opportunity to speak I want to mention Mr and Mrs Anthony McCready, who were tenants of public housing for 14 years. They were very good tenants and left their house confident that it was in a better condition than it had been prior to them moving in. Six months after they moved out the McCreadys were sickened to receive a bill for \$7176.41 from the Office of Housing. Thankfully the matter went through the Victorian Civil and Administrative Tribunal; VCAT's decision made sense, and the bill for repairs was decreased to \$883.29.

A term that should have been used in the assessment was 'fair wear and tear', because over those 14 years the house did not get a lick of paint, nor were carpets replaced or blinds seen to. Over that period the McCreadys applied for a repayment card but heard nothing from the Office of Housing, and after about two months received a final notice from a collection agency. I applaud the efforts of the McCready family to get out of the public housing cycle and to save rigorously to buy their own home.

St Peter's Primary School, Clayton: cultural diversity day

Mr LIM (Clayton) — I would like to congratulate St Peter's Primary School, Clayton, for its highly successful cultural diversity day, which was held last week. I had the pleasure of attending and seeing very

enthusiastic students, teachers and more than 60 parents participate in a range of activities.

The day started in a hall with singing and dancing under a banner with the message 'Let's bond'. The students then broke into groups and undertook a range of activities, such as art, music, workshops, sport and gardening. St Peter's community garden program was very impressive, especially the composting facilities. Other environmental initiatives include recycling, which has cut rubbish by 50 per cent, and water conservation, with St Peter's being declared a water-efficient school. The aim of the day was to promote cultural diversity at the school. There is a richness and vibrancy at the school, with students having 40 different language backgrounds and a number of them being recent arrivals to Australia.

I would particularly like to congratulate the deputy principal, Nigel Rodrigues, and teacher Anita Wilcosz on organising the day. I also congratulate the principal, Paul Muling, on his leadership. I thank St Peter's for the invitation to attend and play the drums in one of the workshops. I understand St Peter's intends making cultural diversity day an annual event, and I wish it all the very best for the future.

Police: Yallourn North

Mr NORTHE (Morwell) — I rise today on behalf of the residents of Yallourn North, who have requested a permanent night-time police presence in their township. In response to this lengthy campaign to have a resident police officer reinstated in the town it was announced in early May that a Moe-based police officer would be stationed in Yallourn North on the fourth Wednesday of each month as part of a trial. The arrangement has been welcomed by residents, who view the move as an important stepping stone towards regaining a permanent police presence in the town.

I commend the local police command for implementing measures to address residents concerns and their proactive approach to building relationships between police and the community. There remains, however, a strong belief among the Yallourn North community that the town is most in need of a police officer at night when, residents claim, unwelcome activities are most prevalent. They have expressed concerns that by the time hardworking officers from the Moe police station are dispatched to respond to their calls, those demonstrating antisocial behaviour have fled the scene. Frustrated residents say many have given up reporting incidents to police as they feel the perpetrators are aware that they have ample time to abscond, and they

have begun to worry that police may feel their time is being wasted.

Members of the Yallourn North action group recently presented me with the names of over 300 residents who support the request for an officer at night in the town. Given the population of the town is approximately 1200, I am sure members will agree that this is a significant show of support. The community of Yallourn North has asked me to relay its concerns to the Minister for Police and Emergency Services, and I trust these concerns will be given the due consideration they deserve.

Bentleigh Secondary College: Solar in Schools program

Mr HUDSON (Bentleigh) — Recently I attended the launch of the Victorian Solar in Schools program at Bentleigh Secondary College with the Minister for Water, Environment and Climate Change. Bentleigh Secondary College has taken a strong interest in environmental issues and is the first school to receive funding under the program. Under the program the 5-kilowatt system will be installed on the roof of Bentleigh Secondary College and will generate about 20 kilowatt hours a day, which will contribute to the school's energy use. When the school is not in use — on weekends and during school holidays — the solar panels will feed energy back into the electricity grid.

This is a great initiative because science teachers at the school will be able to incorporate the themes of sustainability and energy use into the curriculum by monitoring and recording energy usage in the school as well as output from the solar panels. Students will be able, for example, to monitor through computers how much power the solar photovoltaic panels above their heads are generating at any point in time.

Overall the Solar in Schools initiative will cut the energy bills of schools by \$75 000 a year and greenhouse gas emissions by more than 1000 tonnes per year. Particular congratulations are due to Bill Thomas, who is the driving force behind the initiative at Bentleigh Secondary College, and Bill Leaf, the principal. The students at Bentleigh Secondary College should also be commended for their strong interest in environmental issues, as should the teachers for the way in which they are incorporating these issues into the school curriculum.

Buses: Warrandyte service

Mr R. SMITH (Warrandyte) — I rise to speak on the lack of adequate bus services in the Warrandyte

township. Warrandyte is notoriously ill served by buses, leaving residents to rely on either their own cars or on taxis, which, if travelling to the city, means a fare of up to \$70. Buses do not run directly from the Warrandyte township into the city outside peak times from Monday to Friday, and there have also been a number of complaints made to me about the services available during weekends. NightRider services have also let my community down. They only go as far as Eltham or Ringwood, leaving travellers, often the younger members of our community, stranded a good 10 kilometres from home.

The Warrandyte Community Association has been taking an active role in advocating for improved public transport options in the area, and I welcome this association's voice on the matter. It does not seem, however, that this government wants to listen to this community. Despite several years of dissatisfaction with the local bus services, it is quite clear to me that this government is just not prepared to act in the interests of the Warrandyte community. I am well aware that the community has raised the matter with government members, but seemingly it has been to no avail.

Fortunately for this community there are others who realise the importance of a reliable bus service. The local Warrandyte Bendigo Bank is currently looking to see if it is able to fund a community bus for local groups. We also see that the Manningham City Council has established a strategic transport advisory committee, which is working to deliver improved public transport services for the community. Like so many areas of state government responsibility, it seems to increasingly fall to others to fill the gaps that the government has left.

Casey Idol awards

Ms GRALEY (Narre Warren South) — A star is born! Naomi Horsley, a 25-year-old private nanny of Narre Warren South who sings in her spare time, has won the 2007 Casey Idol award with an accomplished jazz-influenced rendition of *Carolina*. And watch out Keith Urban, because seven-year-old Dwayne D'Cruz strummed his guitar and sang country with *All I've Got to Do* to take out the primary section of Casey Idol. Seventy-five Casey residents auditioned and 18 performers made the final of Casey Idol, and they all gave fantastic performances on the night at the Arthur Wren Hall in Hampton Park.

In the open category second prize went to Sonyta Trahar, who danced and sang her heart out to *Popular*, and third prize was awarded to A. J. Iuta for his fine

acoustic performance and his singin' of the blues. Unda-Size, a performance crew stunningly decked out in blonde wigs, hip-hopped their way to second prize in the primary division. Talk about energy girls! And Corey and Travis Ernsdoerfer sang and danced to *What I've Been Looking For* from *High School Musical* on their way to third place.

Encouragement awards went to Sunsets in Suburbia, the lads from Beaconhills College, who performed their own composition *Tightropes*; Rhys Locke, who tap-danced to *Moon River*; Shannon Arfaras, who sang Jewel's *Foolish Games*; little Teah Petrusic, who gave a big performance of *A Moment Like This*; and the Kambrya Secondary College students, Black Ribbon, lead by the charismatic Tara Leigh Dowler — very Chrissy Hynde — with another original *I Like You Anyway*.

Organised by the indefatigable Cr Janet Halsall and her husband, actor Bob Halsall, with his sidekick, the multit talented Cr Wayne Smith, and supported by the City of Casey and the BATS Theatre, Casey Idol was attended by over 500 people, who voted Black Ribbon the people's choice winner. Loud and sustained applause for all involved!

Healesville RSL: reconciliation week luncheon

Mr HARDMAN (Seymour) — I rise to congratulate the Healesville RSL for holding its second reconciliation week luncheon in memory of those Aboriginal Australians who fought during the wars. The ceremony was the vision of the local Healesville elder Auntie Dot Peters, who has been trying to make something happen to see her father and all other Aboriginal soldiers, returned and not returned, recognised for their service to Australia. The support from the Healesville RSL and the Shire of Yarra Ranges has ensured that our indigenous Australians will be recognised into the future.

Alexandra Truck, Ute and Rod Show

Mr HARDMAN — The Alexandra Truck, Ute and Rod Show will be held at Alexandra this weekend. The event attracts many thousands of visitors, and I encourage everybody to come along this weekend.

Yvonne Nobes

Mr BROOKS (Bundoora) — I wish to highlight the many years of community work done by Yvonne Nobes of the Diamond Valley Learning Centre in Greensborough, who recently retired after 32 years. The Diamond Valley Learning Centre is an adult

community education centre in Greensborough which is widely respected for its educational and community activities.

Yvonne's commitment to the centre over the years has been extraordinary. It has included being part of the work group which established the centre before it was incorporated in 1984. She went on to serve on the committee of management from 1984 until her retirement earlier this year, which included eight years as president, two years as vice-president and five years as public officer. She was also the facilitator of the Exploring Women's Issues Group, which was conducted over 28 years. She was catering coordinator for the celebration day at the centre for over 20 years, and acted as Santa Claus at the centre's Christmas party for 28 years.

The DEPUTY SPEAKER — Order! The time for making members statements has now finished.

GRIEVANCES

The DEPUTY SPEAKER — Order! The question is:

That grievances be noted.

Rail: Kerang accident

Mr MULDER (Polwarth) — Today I will address issues in relation to public transport. The majority of the matters that I will speak on today relate to the metropolitan rail network.

As all members would be aware, yesterday we experienced one of the worst rail accidents in the history of Victoria. I asked, and he granted me permission, to travel with the Premier to Kerang last night to view the accident site. At the same time I asked that the government involve the Australian Transport Safety Bureau in an investigation into this particular accident. I am pleased to say that last night the Premier announced that the Australian Transport Safety Bureau would in fact be involved in this accident. By no means am I undermining the expertise that exists within the Victorian division of the rail safety regulator's office, but given the magnitude of this accident, I think it is important that the people of Victoria see the investigation as completely and totally independent.

I also put on record my condolences to the families of those who have lost family members and loved ones. As Parliament conducts its debates today there will be bedside vigils at a number of hospitals around the state to which seriously injured people have been conveyed.

There are also the walking wounded to be considered, and of course we should think of the emergency services workers at the accident site, doing what they do best to deal with the outfall of this horrific event. It has been a very sad day for public transport to have an accident like that occur with such tragic consequences, but it is something that needs a degree of bipartisan approach by opposition and government in getting the communities through this particular crisis.

Public transport: management

Mr MULDER — On the issue of Melbourne's public transport, it is very important that we do not allow the government of the day to rewrite the history of public transport and what has taken place. The system was handed over to franchise operators in August 1999. We can all recall those rolling strikes that used to occur down at Flinders Street station, and the appalling level of service provided to Victorians who use the public transport network, the inadequate services, the train cancellations and the problems that existed with that.

The government of the day made a decision not to sell the public transport network or not to sell the assets but to place them in the hands of a franchise operator. That decision was made in August 1999, with National Express, Connex and Yarra Trams. Under those arrangements, National Express took half the metropolitan trains and half the trams; Connex took half the Melbourne trains; and Yarra Trams took the other half of the Melbourne trams. That was the catalyst for a new beginning for public transport in Melbourne.

Under those franchise agreements the franchise operators were asked to order 65 new trains for Melbourne and 95 new trams. That would have dealt with the backlog in terms of old rolling stock and the comfort of passengers and safety of passengers who use the metropolitan network. Also involved in that was the replacement of V/Line trains.

Along with the upgrade of rolling stock there was the issue of Metrol, the signalling system which had caused so many problems and did not allow for world best practice in terms of slotting in trains, and Metrol was to be upgraded as part of that overall package. Bombardier Transportation, a Victorian company, actually won the tender to carry out that work — an \$11-million contract — to put in place a new signalling system.

It must be remembered that Metrol controls the trains out as far as Caulfield, Burnley, I think perhaps a station beyond North Melbourne, and Clifton Hill, but there are a lot of other stations further out in other parts

of the network that are not controlled under Metrol. The recently announced upgrade does not include those areas, which came as some surprise to us.

In 2002 National Express pulled out, partly because of the pressure that was applied by the then Minister for Transport, who wanted to implement the fast train project, which would have involved disruption to V/Line services and the National Express V/Line contract, and of course there was a fair bit of union pressure. There had been some tension between the former minister and National Express, and it agreed to exit the scene. It has to be pointed out that, under the franchise agreements, when National Express agreed to exit the scene it had in place a significant bond to allow for the smooth transition of business, which took place. As I say, that was part of the original contracts that were set up by the former Liberal government.

At the time when National Express pulled out the government set up V/Line Corporation to run the V/Line train services. That was going to remain, according to the former transport minister, in the hands of V/Line Corporation until the fast train project was completed; then that V/Line business would be handed over to one of the private operators. That has not taken place to this point in time. In the meantime the government followed Liberal Party policy and decided to take back the Pacific National rail lease on country rail lines.

It is interesting to understand what has happened since those events occurred, which leads to a good understanding of why we find ourselves in the position we are in today. We still have an antiquated signalling system in the metropolitan area, the reason being that in 2003 the former transport minister announced that he was cancelling the upgrade to the signalling system. The rationale behind that cancellation, according to the minister, was that the current system was adequate. That was all that was said at the time the work was cancelled — and I repeat what he said, ‘The current system is adequate’.

A lot of the \$11 million that had been allocated to that project had already been spent and was wasted as a result of the cancellation of that work. The minister also claimed at the time that the government was going to get international experts in to see what they could recover out of the work that had been undertaken up to that point in time. To this day we do not even know whether those so-called international experts ever actually turned up to carry out that work.

The 95 new trams that were promised under the franchise agreement were delivered. Ten of the

65 trains that were promised by the government were delivered, and the government has now been forced by pressure from the public, commuters and certainly from the opposition to move forward and purchase further new trains for the metropolitan network. It is very important that we understand what the 10 new trains will do. At the moment there are six Hitachi trains — the sweatboxes that commuters continually complain about — on the lines, and another one will arrive once the Hitachi train that was dragged out of a paddock in New South Wales is upgraded and put back on the tracks; that will make it seven. If the government is true to its word, it will replace them. Those trains were supposed to be taken out of service after the Commonwealth Games, and the 10 new trains it is talking about ordering now would really only be a replacement for those Hitachis. In actual fact, what we are talking about here in Victoria is three new trains.

I would like members to consider this: the New South Wales government is ordering 72 new trains for the New South Wales metropolitan train network. In Queensland 22 new trains have been ordered for Brisbane. In Perth they have just put into operation 15 new trains. We often hear people who have travelled interstate talk about Brisbane and particularly Perth, about the state of their rail infrastructure and system, and about how positively that has been received by the community and particularly by interstate visitors who use that service and are able to compare it with what we cop on a day-to-day basis here in Melbourne.

It is simply not right that Victorian commuters be asked to accept a substandard service and that Victoria is placed in a position where it trails Sydney, Brisbane and Perth in terms of the purchase of stock and the upgrade of the rail network. It is almost getting to the point where in Victoria we will be claiming that we do not actually have a rail system here but that we have a historic rail system. We could promote it this way: ‘If you want to travel on carriages from a bygone era, come to Victoria’. We could run it as some form of a tourist attraction. It is very sad indeed that we have got to this stage.

We know that in 2004 the government sat down behind closed doors with Connex and Yarra Trams and renegotiated contracts to the value of \$345 million for Connex and \$115 million for Yarra Trams. They had their hands out and were squealing that they could not make a go of it; they wanted more money. The government decided not to go to tender but to sit down and do a ‘You show me yours, I’ll show you mine, and we’ll come up with something in between’, ending in an arrangement with these two operators. But it was lacking terribly in terms of probity and of competitive

edge to get the best value for taxpayers. The Liberal Party raised that issue as well.

We have the new ticketing contract, which the government has awarded to the Kamco consortium, worth \$494 million over 12 years. That contract is in the hands of the Auditor-General at the moment due to financial information from individual bidders being leaked to their opponents. That entire process has turned out to be nothing other than an incredible sham. Its implementation is late, and it will be costly.

The Transport Ticketing Authority is in charge of that particular tender and rolling out that contract. We have made a number of statements in regard to that contract and the authority's performance, particularly its lack of enthusiasm to even endorse the use of public transport in Melbourne, much less promote it, given that its executives seem to have a hunger for the use of taxis to travel around the city rather than use and endorse public transport.

Over the last four to five months the operator, Connex, has failed to meet the performance targets. In fact in one of the months where it just dragged itself across the line the only reason it occurred was the performance of the Williamstown line — the Premier's home line — and of course the Werribee line, which services the electorate of the Minister for Public Transport. If those particular lines had not performed to the degree that they did, Connex once again would not have reached its performance target — it would have been well below it — and compensation to metropolitan rail users would have applied.

We have some lines, particularly those out towards Pakenham, where 25 per cent of trains are still running late. It is completely and totally unacceptable that people are asked to put up with that level of service on a day-to-day basis. The government claims that we are facing unprecedented demand, yet in 1999 some of its policy calls included things like carrying 30 per cent of freight on the train network by 2010, 20 per cent of people taking trips on public transport by 2020, and Melbourne 2030. What it is doing now is back-peddalling away from those commitments and saying they were more aspirations than targets.

We have a government in place that has gone through the process of telephone advertising, ringing people up and telling them to climb on board public transport. It has been running all types of promotions for public transport through Metlink and Connex, and the Transport Ticketing Authority is doing all sorts of surveys of the people who use the system and, through

that process, again encouraging people to climb on board.

Of course they turn up to climb on board a train, and what happens? The train goes straight past them. All they get is the wind in their hair as the train goes through, chronically overcrowded. Given, as I say, that some of these trains, particularly in the summer months, do not even have basic air conditioning, we are going backwards. We are paying more, we are getting less and we are going slower. That is what is happening in Victoria compared to what is happening in other states.

We often look at examples overseas. France recently introduced high-speed trains, and we were supposed to get those in country Victoria. We know that was nothing but a joke and nothing but a sham. In actual fact we know that most of the major infrastructure upgrades to the Victorian rail network that should have occurred fell victim to the fast-train project. Almost \$1 billion of taxpayers money went into that project, and look what we got out of it — absolutely nothing! It was all about speed and about high-speed trains. We have got a very small number of people who climb on board the express service and save a minimal amount of time — that is all we have got out of that.

As a result of that particular project we found we did not have the money available to purchase the new trains and we did not have the money available to upgrade the Metrol system. That is why the former Minister for Transport failed to order new trains for the metropolitan network and also cancelled the upgrade of Metrol.

We are going to have this problem as we move forward. It is not going to go away. As the government moves towards November and renegotiates these franchise arrangements with Connex and Yarra Trams, the infrastructure problems are not going to go away. The government is very happy to have Connex out there as its shield, taking most of the flak on a day-to-day basis, when in actual fact Connex does not order new trains, Connex does not order and upgrade the Metrol system, and Connex does not make policy announcements or policy decisions on rail extensions. They are all responsibilities of the government, and they are responsibilities that sit fairly and squarely in the lap of the government. It has been the government's inaction that has caused the problems we have on the public transport network. You cannot point the finger at the franchise operators.

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

Climate change: national emissions trading scheme

Mr BATCHELOR (Minister for Energy and Resources) — I join the debate to express my real concerns about the impact that the recent announcement by the Prime Minister has had on Victoria's energy supplies and the security of energy here in this state. The Prime Minister's announcement about emissions trading was really a non-announcement, and it poses a great and real threat to energy supplies here. The most recent example of that is the impact of the announcement on the decision to build the Mortlake gas-fired power station, where the indecision of John Howard has been translated into indecision and uncertainty in the private sector.

Climate change is a real threat to Victoria's energy supplies and our energy security, and that is why this government has been trying to deal with this issue. We have been working to address the issue of climate change since we were first elected in 1999. Unlike the federal Johnny-come-lately, the Bracks government has really expressed long-term and ongoing support for the development of a national emissions trading scheme. Since 2004 Victoria has taken a leading role in the National Emissions Trading Taskforce (NETT), the interjurisdictional task force, which has been working to develop an agreed model for a national emissions trading scheme (NETS) here in Australia.

This national emissions trading scheme being developed by the states is a comprehensive, practical scheme that is designed to be compatible with any international schemes that might occur in the future. It really reflects our learnings from similar schemes in other countries around the world. Our scheme, the NETS, has been developed here in Australia through very close stakeholder consultation.

State and territory governments have always supported the involvement of the commonwealth in any emissions trading scheme within Australia or across the states and territories. In fact we have frequently invited the commonwealth to join in the design work on a national emissions trading scheme, but John Howard has consistently refused to do that. He has consistently refused to allow national officials to join in, and last Friday we found out why. The reason is that the emissions trading scheme proposed by the Prime Minister's task group and supported by Prime Minister Howard has all the hallmarks of a climate change denier and a climate change sceptic. John Howard is a climate change sceptic.

Honourable members interjecting.

Mr BATCHELOR — Once a sceptic, always a sceptic. Once a denier, always a denier! To make it worse, this report actually recommends going backwards and scrapping key climate change initiatives in the states, and particularly here in Victoria, like our VRET (Victorian renewable energy target) scheme. The Prime Minister's task group report regards Victoria's VRET scheme as inappropriate, and in doing so it makes a number of claims. I quote from page 137 of the report of the Prime Minister's task group on emissions trading, where it says, referring to VRET, that 'the recent commencement of the scheme means less investment has been undertaken'.

We know that is not true. The Prime Minister should come to Victoria and see what has actually been going on. The VRET scheme has been responsible for more investment taking place. More than \$2 billion worth of investment decisions in renewable energy projects in Victoria have been announced since the VRET scheme was proposed two years ago. This is leading to the creation of some 2200 jobs, mostly in regional Victoria. For example, the Solar Systems project, which is using world-first technology to power a 154-megawatt solar power station in Victoria's north-west, will see some \$420 million invested in the Victorian economy and will provide about 1000 jobs during the construction phase.

The chief executive officer of Solar Systems, Dave Holland, has already publicly said that the project would not have been viable without the VRET scheme. Yet John Howard wants to get rid of VRET. What does he want to do? Does he want to stop investment in Victoria? Does he want to scare off jobs for regional Victoria, as he is currently doing with the Mortlake power station?

It is not just the VRET scheme that the Prime Minister's task group wants to get rid of. As the group's report goes on to suggest at page 137:

... the Australian government should seek a moratorium on proposals by state and territory governments to introduce new abatement measures or expand existing ones.

The federal government wants the states, including Victoria, to sit on their hands and do nothing. We will not do that, however. We value the environment too much, and we value the generation of electricity too much. We know how important it is to our economy. That is why we will resist the pressure from John Howard not to introduce the Rebates for Being Green program and the Victorian energy efficiency target scheme — the VEET scheme.

John Howard himself has announced that energy costs will have to rise in the future, especially if there is an emissions trading scheme in place, as he proposes there will be. Yet John Howard says we must stop the measures the Bracks government is implementing to ensure that Victorian households can reduce their energy use and hence reduce their energy costs. Both the VEET and Rebates for Being Green schemes are essential for all Victorian families, especially those who are needy or disadvantaged. They are really essential so that families can continue to afford to pay their energy bills as prices increase, as the Prime Minister has signalled will happen under a national emissions trading scheme.

We want to get households ready to reduce their energy use and their energy costs, yet John Howard wants to get rid of the two schemes we are proposing to put in place — the VEET scheme and the Rebates for Being Green scheme. We will not leave our householders exposed to paying these costs that John Howard wants to impose upon them. What about targets? Why has John Howard refused to set a target for his national emissions trading scheme?

Mr Hulls — He's weak! He's a jellyback!

Mr BATCHELOR — The Attorney-General is right: John Howard is weak. Introducing an emissions trading scheme without a target is like driving a bus without any directions. You do not know where you are going, and you are bound to get lost — and that is what will happen to Australia if we follow John Howard. Business needs leadership and direction, not dithering. John Howard does not need any economic study to set long-term targets. A realistic long-term target must be set to stop the dangerous effects of climate change.

John Howard only needs to refer to what the business community is saying about this. Noel Purcell from Westpac said:

The long-term target should be determined by the science rather than the politics.

If the long-term reduction goal is not consistent with keeping global warming below catastrophic levels there will be widespread community outrage ...

He is reported as saying that in the *Herald Sun* of 5 June. Even Ziggy Switkowski, John Howard's right-hand man on nuclear energy, agrees with what Labor has said and with what Noel Purcell said. Ziggy Switkowski said on *Lateline* on 4 June:

... the science of climate change I think is very sound. The forecasts that suggest we have to get a 60 per cent reduction relative to 1990 levels by 2050 speaking globally, are also appropriate. So that's where we must head.

Of course we know that Labor's policy is to reduce greenhouse gas emissions by 60 per cent relative to 2000 levels by 2050.

Even without caps and without targets, John Howard's proposed scheme is bad news for business. The commentary goes on. The investment banking giant Goldman Sachs JBWere says that the Prime Minister's scheme lacks certainty. The company has been quoted in the *Australian Financial Review* as saying:

If this lack of certainty is not resolved in the near term, it is likely to limit the construction of new capacity, which could continue to place upward pressure on wholesale electricity prices.

That is exactly what we are seeing at the moment, yet once again John Howard is dragging his heels on this issue. He needs to understand what is really going on here in Victoria and that he and his actions are putting Victoria's future energy supplies at risk.

Finally, we want to know why John Howard wants to wait so long for his emissions trading scheme to start. The states NETT scheme has been well developed and well researched. It has a process under way that will deliver a scheme that can start by 2010. If John Howard were serious about emissions trading, he would sign on to the NETT scheme proposed by the states.

Action sooner rather than later will help business develop and create new opportunities in the carbon-constrained world of tomorrow. Business also agrees with that. I would like to quote what Paul Anthony, the chief executive officer of AGL, said on *Lateline Business* on ABC TV on 4 June:

I think conventional wisdom was that it could be done by 2010.

He went on to say:

First mover advantage in these types of markets is very powerful.

Once again we see that business is giving advice to John Howard, and he is refusing to take notice of it.

In summary, the Prime Minister is offering a Clayton's emissions trading scheme, one that delivers very little certainty to business, that will do little to combat the dangers of climate change, that will jeopardise investment in the fledgling Victorian renewable energy industry and that threatens to undo all the good work the Bracks government has done to help Victorian families deal with climate change now and in the future. The Prime Minister's proposals on an emissions trading scheme are bad news for all Victorians.

They are bad news for business and they are particularly bad news for disadvantaged households right across the state, which the Bracks government wants to look after through its VEET scheme and its rebate scheme, but John Howard wants to punish these households and make it more difficult for disadvantaged communities in Victoria.

Water: rural and regional Victoria

Mr WELLER (Rodney) — I grieve because of the way country Victorians have been treated in regard to water issues. Stage 4 restrictions have been applied to citizens living in country Victoria; but rather than stage 4 restrictions being applied in Melbourne, it has only stage 3A restrictions. It is all right to adjust the water restrictions for the city, but it is not all right to adjust them in the country. Country people have continued to suffer from the water restrictions and the ongoing pain they have caused.

The government quite rightly brought in tank rebates to help people save water. However, if you are not connected to a particular system, you are ineligible for these rebates. We need to have water savings right cross Victoria. We need to encourage all Victorians to save water. If people who are not connected to the reticulation system wish to use tanks to catch more water and become more efficient with their water use, they too should receive the tank rebate incentives.

What we need to understand is that in a lot of cases when people run out of tank water on their property, they then use a reticulation system in which there is a downpipe, and they then source that water. Not giving tank rebates to the people who are on the non-reticulated scheme defeats the purpose of tank rebates, because it is creating pressure on the reticulation scheme when these people run out of water.

The people of Bendigo have also been let down. There was a warning signal in 2002 for the government to do something about water problems in Bendigo. There was an opportunity for the piping of the Coliban rural system, which was put in place in the gold rush days. It was a good system for the late 1800s; in fact, it was a state-of-the-art system in the 1800s. However, over the years it has cracked; now it leaks and has become quite an inefficient system of delivering water. Chicken farmers, organic dairy producers, mixed farmers and horticulturists receive water from that line. Had the opportunity to save 6000 megalitres of water per year been pursued in 2002, there would not have been such a rush or such pressure to build the Bunnings hose from the Waranga channel to Lake Eppalock.

Another option for Bendigo available to the government was the reuse of water from the Huntly sewerage farm; that has just been put in place. Had that been in place in 2003, after the 2002 drought, a Bunnings hose from the Waranga channel to Lake Eppalock would not have been required.

The Campaspe irrigators have also been required to pay for water they have not received. The water allocation for this year for Campaspe irrigators was zero, yet they have to pay bills. The government brought in a package, to a maximum of \$5000, that supported the hobby farmer, not the real farmers. Dairy farmers and other horticulturists who had bills of \$40 000 still had to pay \$35 000, but they received no water. A grant of \$5000 looked after all of the hobby farmers, but the other farmers have a \$35 000 bill that has to be paid over the next three or four years.

The Loddon diverters were in a similar situation. With regard to the Goulburn system, they were fortunate but also were very unfortunate in that they received 29 per cent of their water. They did a very good job in keeping their farms together. The support package should have been paying for water that was not delivered. In the Goulburn system, 29 per cent of the water was provided and the government should have paid for 71 per cent rather than picking winners and losers. Drainage diverters are vital to the irrigation systems because they collect the tail water and reuse it. The tail water contains phosphorus, salt and nitrogen and keeps our rivers healthy.

The diverters reuse that water and prevent the phosphorus, nitrogen and salt from returning to the Murray River. That has contributed greatly to the improvement in the health of the Murray River. The diverters were quite unfairly deemed ineligible for the support package for irrigators. The diverters are also irrigators and have bills which mount to thousands of dollars; they were denied the opportunity for the support package. They should have been treated as unregulated diverters, which is what they are.

I have read with interest that we have a super-pipe, a north-south pipe and another known as the Bunna Walsh Canal. All of these projects create no extra water. The focus should be on investing in projects which actually save water. I will read from the government's own Victorian Water Trust report which was issued in June. It says:

The target to increase the efficiency of irrigation distribution systems by 25 per cent by 2020 assumes that more than 3 million megalitres (per annum)₂ of irrigation water is delivered across the state, that distribution systems are about 75 per cent efficient, and that up to 980 000 megalitres —

that is, 20 000 megalitres short of 1 million megalitres —

p.a. savings are available.

This is from the government's own papers. Then there is a reference footnote 2 as to where this figure was obtained from. It states:

Water for the future: Labor's plan to secure Victoria's future water needs, 2002, R. Lindell, West Melbourne.

The government's own plan tells it that there is 980 00 megalitres to be saved in Victoria through infrastructure investment. Why do we not get on with the infrastructure investment and actually create more water for industry and communities?

We have an untenable situation in some of the traditionally better parts of our state such as South Gippsland and western Victoria, where traditionally they get rain which runs off into the dams, but the dry seasons have meant that the dams are empty. Dairy, beef, sheep and alpaca farmers — all sorts of livestock farmers — are carting water for their livestock. It is a great impost on the farmers and a great stress for them to be going through this pain. Fortunately over the last few weeks it has rained, but at this stage there has not been run-off into the dams, and farmers are still carting water, which they have been doing since last November. A regular and exceptional cost to them — and the government needs to assist these farmers in their hour of need — is the carting of water for stock.

As a knee-jerk reaction this year the government brought in a carryover system in the irrigation districts in northern Victoria. One would have thought that the proper process for a carryover system would have been to actually consult with the industry. There was what you would call a communication process through which farmers were asked whether they wanted a carryover system, despite the fact that they were going to have it anyway. When the consultation process was over, the government came out and said to farmers, 'You are going to have a carryover model', which the farmers did not like.

The problems with the current model are that it suits the urban water authorities; it does not suit the farmers. If you are a dairy farmer, you need your full allocation of high-security water entitlements. You also have built your business, traditionally, over the full allocation of your medium-security entitlements. With the current model in which you have to give back any carryover water when your full allocation of high-security entitlement has been delivered, you have to go back

into the market and buy more water to make up for your medium-security allocation.

In that case the dairy farmers would be purchasing water twice, which makes it more expensive and less competitive for dairy farmers on the international market. It would have been a far better model to have allowed people to still have their carryover when medium-security entitlements were delivered in full, rather than just when high-security entitlements were delivered in full. The model actually suits the urban water authorities rather than the farming community.

If you are going to have changes in how water is used and managed in the system, the process should be to consult with industry, get industry to work up the new model with government and the departments and then have a consultation and education process on how the new model works, how farmers can take advantage of it and how it will affect their business. Then you have a 12-month introduction period so that farmers know what it is going to do. You do not bring it in right at the end of the season.

As a person with a dairy farming background, I understand that you need to know if carryover is going to be in that season — that is, on 15 August when the season starts, not in the middle of March, with the season finishing on 15 May. You need to know at the start of the season so that you can trade water at any time during that season when there is an opportunity to trade. You do not do it as a knee-jerk reaction at the end.

We need to have good public policy where there is a consultation process and where the industry makes this decision and works out with government how we go forward. We need a process where the farmers, the users and the industry are educated on how it will affect their business, and then a full 12 months introduction. This time it has been introduced right at the end of the season, which has been a disastrous approach.

Water users across country Victoria have been severely disadvantaged. We have had promise after promise from this government. In 2002, \$40 million was committed to the Goulburn and Broken River regions for measurement, to be spent over the following four years, concluding in 2006. Of that \$40 million, only \$23 million was committed, and only part of that has been spent. Also, \$20 million was committed to be spent on piping systems in the Sunraysia area, yet none of that has been spent. It has been recommitted and announced again.

What country Victorians need when it comes to water is action rather than announcements, and we need the money that has been offered to actually be spent. There was also \$50 million in the 80:20 deal which was committed to upgrading infrastructure in the Goulburn-Murray irrigation district. Very little of that \$50 million has been spent. I could take members there and show them a couple of channels that have been piped, but only a very small percentage of the \$50 million has been spent.

When it comes to water, country Victorians expect more than promises; they actually expect action. They expect the government of the day to start to deliver on some of the 980 000 megalitres that it has identified in its own Victorian Water Trust report this June. We need the government to start to deliver on some of those 980 000 megalitres of savings rather than pipelines that are going to run air around because there will be no water to put in them.

Multiculturalism: community awareness

Ms GRALEY (Narre Warren South) — A number of recent events have prompted me to stand up today to speak in the grievance debate. I grieve that in a traditionally cosmopolitan and prosperous Australia one large word is being struck from our lexicon, and another word is yet to be uttered or offered. I am talking about the deliberate demise of the term ‘multiculturalism’ and a failure to say the word ‘sorry’. They cause me to grieve.

Australian history has always been a story of migration. Since the First Fleet arrived, the need to populate or perish has been uppermost in Australian government policies. This has had many incarnations and many versions, and we have moved from wanting to attract mainly white Anglo-Saxons or the like to a time even today when we are trying to attract skilled workers and provide for the needs of refugees, regardless of race, creed or colour. That is a very good thing.

Last week I watched with interest how a sport issue took over the front pages of our dailies. The chief executive officer of the AFL (Australian Football League) was marched up to Canberra to meet those sporty chaps, Howard, Costello and Pyne. I must say I like footy, and I prefer to see pictures of young athletes taking specky marks or kicking dazzling goals on the front page — —

Honourable members interjecting.

Ms GRALEY — No, the Bulldogs are my favourite, Attorney-General. This was reconciliation

week, but the spotlight was on drugs in an attempt to try and bench the AFL on a fairly popular and controversial issue.

A second episode relates to my parliamentary colleague, the member for Burwood, who is an excellent member. Most of us like to attend citizenship ceremonies. I was at one myself last week at Casey, where people from 22 countries became Australian citizens. It was a great celebration. I would just like to remind members that the state seat of Burwood takes in the federal conservative seats of Kooyong and Higgins. I know that must upset some people on the other side of the floor, but it does. The member for Burwood arrived at our shared office the other day and told me that, for the first time that he could recall, Petro Georgiou, the member for Kooyong, did not include the words ‘multicultural’ and ‘multiculturalism’ in his usual eloquent address. I know that the government has struck it off the departmental letterhead, and it seems as though Petro now has sadly followed suit. It has become a bit of a dirty word, and that is a very unfortunate and very sad thing.

I announced in my inaugural speech that I am fond of Paul Kelly’s song *From Little Things Big Things Grow*. A bit over a week ago, with the assistance of the Victorian Multicultural Commission, I had a workshop at my office that was attended by a dozen or so groups and people from all sorts of backgrounds, including Indians, Latinos, Afghanis, Greeks and Sri Lankans. They have traditionally not got as many grants as they might have liked to hold their celebrations and events, and I was trying to introduce them to the officers and resources of the multicultural commission.

Life in the outer suburbs — as members probably know, my seat takes in many, many new houses and families — can be a bit lonely. To have the opportunity to mix with and meet with other people will I am sure bring out the best of the electorate of Narre Warren South. I know from being around the table that night that lots of ideas were developed, and I expect that lots of colour and movement, lots of thinking and hard work and lots of caring hands and soothing words will be associated with multiculturalism in my electorate.

Multiculturalism has always been about participation. The Victorian Multicultural Commission is actively engaged in trying to get people participating in the community and making it better for everyone. Sadly I think this is not the case for some people, certainly those in the opposition, who often think multiculturalism is about people getting something at other people’s expense. That is a very sad thing. There

is in Australia opportunity for all, and multiculturalism encompasses that notion.

I note that we have always had official support — or in the last 30 or 40 years we have had official support — on multiculturalism. It is unfortunate that that is now being denigrated and washed away. James Jupp explains that the four prime ministers prior to John Howard all supported the policy, with institutions to back it up. John Howard has seen most if not all commonwealth agencies stop using the term ‘multiculturalism’.

The migrant experience has always been an important one, as I said before. Tolerance of diversity, or reciprocal respect for other cultures, has been a formative and important way of making Australia the very welcoming country it has traditionally been. We are a very accepting and acceptable sort of people, and I find very disconcerting the fact that our federal government is leading us somewhat astray on this.

I relate this back to the AFL. A couple of years ago, before drugs in sport became worthy of a trip to Canberra and a front-page issue, Andrew Demetriou had a few words to say on Australia Day. I noted with interest the comments in an article in the *Age* just last week by sports journalist Greg Baum under a banner suggesting that it was a minister’s ‘campaign trail ploy’:

Two years ago, AFL boss Andrew Demetriou made an Australia Day speech in which he questioned whether Australia was now as tolerant and generous as the country his parents migrated to 50 years ago. The government took it personally. The distance has remained.

Demetriou at least spoke with authority on multiculturalism. Costello and Pyne have on drugs in sport the authority of the jailer: a set of keys to jangle, but nothing else.

In the original article that Baum is referring to, Demetriou, who was the child of parents who came from Cyprus in 1951, wrote very simply but powerfully about the changing attitudes of Australians towards outsiders. I will quote from what he had to say, which I know took people by surprise at the time because it was so out of keeping with the prevailing government agenda. The article states:

‘If a *Tampa* suddenly appeared in our waters today, I’d like to think we might ask how do we embrace the people on board, rather than how do we rid ourselves of a problem’, he said.

Mr Demetriou said political leaders after John Howard needed to challenge their values.

‘I want the generosity we have shown during the tsunami crisis to be part of our daily lives.

‘I want us to be a respected and integral part of our world community, not subservient or arrogant. I want our boundaries to be open and our welcome without prejudice’, he said.

In fact what Mr Demetriou was talking about was not about invasion by the outsider. He was actually urging Australia’s leaders to think beyond self-interest, think beyond the electoral cycle for a change and show more tolerance, stop promoting fear and be a little bit more broad-minded and adventurous, I would think, and offer up a little bit more hope.

I read in today’s papers that 150 000 people have been coming to Australia every year. It is wonderful that people still want to come to our country and make a new life for themselves. However, I am aware that even in my own community and out here on the streets of Melbourne we see some disconcerting signs of unwelcomeness. I know, and members know, that with an election in the air, with fear as its main electoral tool, with many people it is very easy to scratch the surface and come up with a little bit of a racist agenda. I really hope that does not happen in the forthcoming election.

Thankfully, as you can also see in the streets of Melbourne — you just have to go down here from Spring Street to see the many students from the Subcontinent — the welcome mat is out in Victoria. I must say that when Andrew Demetriou made those comments some years ago, the Premier supported his comments about how important it is to welcome migrants to Australia. So welcome to multicultural Victoria, and maybe a change of government later in the year can restore a multicultural Australia.

I would like to quote from an excellent article written by Paolo Totaro. He is a former chairman of the Ethnic Affairs Commission in New South Wales. He asked if we were to lose multiculturalism as a guiding policy, what would we lose?

A sense of being relaxed and safe, the very asset John Howard extolled in coming to power.

Mutual compassion and absence of fear and loathing when we meet in our streets, at work, in the schools, at play.

A sense of being internationally more secure, by not projecting an aggressive stand-offish attitude.

A sense of being civilised, of not being back in an age when a man was wolf to another man, and where a different scent was a reason to attack.

A sense of shared knowledge, passion or just fun with other people, on this continent, across this whole world, and of not being insulated in a buttressed fortress where the only rules are ‘attack’ or ‘defend’.

They are very important words. We need to, where we can, make the effort and invest in multiculturalism.

The way Australians feel about and talk about themselves and how they engage with newly arrived migrants and people from around the world is pivotal to the way we prosper in the future. How we reconcile with our own history also impacts on our future identity and success, and I think we need to take this opportunity — because we have not already done it — to really commit to helping to address the desperately large disadvantages our Australian Aborigines are suffering.

I noticed in a newspaper article only a few days ago that Aboriginals are four times more likely to die before the age of 25, twice as likely to be obese, twice as likely to smoke, and 13 times more likely to be in prison. Rates of injury are five times higher, and rates of child protection orders and out-of-home care are four times higher. I am pleased that federal Labor has committed to closing the 17-year life expectancy gap between indigenous and non-indigenous Australians within a generation and to halve the indigenous mortality rate inside a decade.

During the last couple of weeks, when we were celebrating the 40th anniversary of the 1967 referendum which supposedly ended discrimination against indigenous Australians, it was equally heart rending to see Lowitja O'Donoghue describe our Prime Minister's lack of an apology by saying 'either he doesn't get it or doesn't care'. I think it is about time somebody in Canberra had the guts and the emotional feeling to say sorry, because saying sorry is the first step in any process of forgiveness and healing in anyone's language or experience. It is a tragic disappointment for all Australians, new and old and from all cultures and backgrounds, that this has not been done.

We have all had the opportunity to welcome other people and walk together. Each of us has a contribution to make, but it would be better if our leaders showed the way. Martin Flanagan said in the *Age* last week that he was talking to an Aboriginal footballer who said 'Footballers are role models, but so are politicians'. So I invite and implore our leaders to say sorry and to join the likes of Michael Long and company and march to the words of the song by Archie Roach and Shane Howard:

Walk with me,
Come talk with me,
Set your spirit free,
Come dream with me,

Create history.

'Sorry' and 'multiculturalism' are welcome and helpful words for Australians' future and sense of nationhood, and I grieve that we cannot have and have not got a federal government that can use them generously.

Rail: Kerang accident

Ms WOOLDRIDGE (Doncaster) — I would like to start by passing on my condolences to the people who have family members who passed away in the Kerang train crash and also to those many individuals who are fighting for their lives and the family members who are supporting them.

Public transport: Doncaster electorate

Ms WOOLDRIDGE — Today I grieve for Doncaster commuters who endure daily battles attempting to use limited public transport while this Labor government ignores calls to improve it.

The government has failed to adequately address concerns about current bus services, which are the only means of public transport in Doncaster. The Minister for Public Transport has shunned repeated pleas to bring forward the expansion of these services. In fact she will not even bring forward the review of these services. She has ruled out, as did her predecessor, strong resident calls for additional public transport options, such as the expansion of the tram.

She has even failed to acknowledge, let alone take up, the offer I made last December, nearly six months ago, to come and visit Doncaster and see and hear from residents firsthand about the failure of public transport and the impact it has on their lives. Yet while she has refused to acknowledge the problems faced by residents in Doncaster, she has found time to raise fares by 3.4 per cent — higher than the current rate of inflation. It is now going to cost travellers from Doncaster \$46.60 a week to travel on buses they regard as overcrowded and limiting their lives.

Doncaster's problems are just part of a long list of issues ignored by this current minister. Earlier this year there were widespread service disruptions for commuters, but she was unwilling to return from her holiday to deal with the crisis that crippled our train services. Then she sent a letter to her colleagues in effect saying, 'Don't bother me with your problems. Don't tell your constituents to send me their problems. I am not interested in hearing about your public transport concerns'. Now our chaotic public transport system has been labelled by some as the cause of Melbourne losing its most livable city crown to Vancouver.

I would like to talk a little bit about Doncaster. We are 12 kilometres from the central business district, but we are the only municipality in Melbourne that has no form of rail or tram access. Commuters wanting to use public transport have only buses to get to school, get to work or socialise, and as a result public transport patronage in Manningham is about 15 per cent less than the Melbourne average and significantly less than the municipalities surrounding us.

I would like to go through some of the current public transport problems and mention the groups that are specifically affected by the lack of public transport services. I will start with overcrowding. Unlike the minister, who is not interested in hearing from constituents, I have listened to many constituents bitter concerns about the overcrowding on our bus services. There have been protests when they have been left behind at bus stops, standing by as buses already filled with passengers drive off without them being able to get on. One 71-year-old passenger who did manage to get on a bus told me it was 'jammed full of passengers, sardine-can style', and there were many passengers standing up who were unable to reach proper hand grips.

Another female commuter told me:

Most mornings, travelling to the city during peak hour, commuters boarding in Blackburn Road are lucky if they manage to get on a bus, let alone sit down, due to overcrowding. A lot of the time buses simply cannot pick up more passengers and drive by, leaving us to stand for up to 10–15 minutes for the next bus.

This commuter told me that for the last five months she has walked 15 minutes in another direction to catch an alternative bus so she can at least get a seat to get into town. Yet another commuter, fed up with the packed buses every morning, contacted the bus operator. She was told that the Department of Infrastructure would be undertaking a review of bus services in the near future! What the company did not tell her was that this review is not due to take place until at least 2008–09, nearly 18 months away. While government ministers point to the introduction of the Doncaster area rapid transit program, they do not point out that it is not due to begin until 2009–10. Clearly this situation is in the hands of the minister to fix and fix now, but what has she done? Absolutely nothing!

In addition to overcrowding, there are also significant safety issues that commuters see, particularly some of our older people and people with disabilities and other challenges. A female passenger asked me:

How does standing for an entire 40-minute trip sound, while it travels at speeds up to 100 kilometres per hour along the

freeway, constantly swerving, braking and adjusting speed while you are seven months pregnant? I would hate to think what would happen to me and my baby if the bus was involved in an accident.

Safety, in terms of using our public transport, is a major issue also for parents. A mother of a teenage son told me recently that her son rang from the city to say he was on his way home and would be there shortly. It was nearly 3 hours before he arrived home. He had travelled to Blackburn station to find there were no buses and waited nearly an hour for a taxi. She told me:

It really concerns me that there is little transport available for young people after hours and on weekends, particularly at railway stations where they have been so many incidents of violence.

In addition to overcrowding and safety, there are also the lifestyle impacts of our lack of public transport. There are limited services outside the peak hours and on weekends, and the lack of public transport has a significant economic impact as well as a lifestyle impact for Doncaster families.

Another pregnant mother told me that, with their small daughter, she and her husband had moved to Doncaster to be close to family and to access the services and public transport it provided. Unfortunately, what they are finding is that the reality is quite different and that her husband must leave for work very early or very late to avoid late and overcrowded buses. At the weekends they cannot use public transport to catch a bus to get to church or to go on day trips due to the infrequency of the services. Their story is not uncommon.

One 57-year-old female resident who contacted me said she often travels by tram or train into the city or to the MCG at weekends. She said:

The buses are so few and far between that it would take hours to get there if I waited for a bus. Sometimes on Sunday afternoons I meet friends in Fitzroy for a drink or a meal and the last bus leaves for Doncaster at 5.10 p.m. There are no other options after this, and I am forced to get a taxi home whether I want to or not.

Another male resident told me:

Our current situation appears to be designed to encourage public transport usage in our area in the so-called 9-to-5 time bracket only.

He talked about how he finds it impossible to connect with Box Hill trains for an early morning start or to get to the closest tramline without using his own transport. He told me:

Although Metlink is most forward in its advertising of extra trains to the 'G' for the weekend football matches, we have

difficulty in obtaining transport from Box Hill train station to Doncaster after a football match.

It is generally a matter of arranging private transport or a taxi fare of around \$15 to Doncaster.

Mothers also are finding the lack of public transport in Doncaster very challenging. One mother told me that an improvement in the transport system would definitely increase the independence of children to travel and would free up parents — especially her — to get back to full-time or part-time work. Another ‘taxi mum’, as she calls herself, said that not one day went by on which she did not receive a phone call to pick someone up due to the lack of transport. Another long-suffering parent said that at the moment the last bus to the area finishes around midnight and is absolutely useless for the lifestyles currently lived by people in the 16-to-30 age group.

Young people who wish to meet and go out with friends in the city have repeatedly told me about the limited public transport options to get home when it is late or during the weekend. Therefore they are very much reliant on their own cars, which is difficult if they wish to have a drink or two. They are not left with any choices.

Older residents, who are prevalent in Manningham, face many challenges due to limited public transport. The lack of transport worries them. They want to remain independent, but they are finding that the lack of public transport services is disempowering. They are unable to get to social or physical activities that they may wish to access. It can also have some dangerous implications. I have been told by one older resident that she sometimes feels that older people hang on to driving themselves longer than perhaps they should, purely because they have no public transport options. Older residents complain to me about the limited weekend bus services. One older resident said that the government has seen fit to give seniors free transport on Sundays, but first you need to have access to public transport to be able to use the offer.

There are many challenges within the system and many people are affected, yet the Minister for Public Transport, like her predecessor, the transport minister, has failed to address public transport problems for the residents of Doncaster. I call on the government to bring forward the review of the Doncaster bus services as well as the implementation of the DART program.

The problems I have outlined need more than improved bus systems; they need additional public transport options for the residents of Manningham. During the election campaign the Liberal Party showed that it

listened to and supported the arguments of the residents for further necessary infrastructure for Doncaster’s public transport. The Leader of the Opposition announced that a Liberal government would extend the no. 48 tram from Balwyn North to Doncaster Shoppingtown, and said that the 4-kilometre extension would be completed within two years.

This government, desperate to find fault with the plan, has offered a plethora of excuses for why it should not go ahead, including the steepness of the gradient on Doncaster Road — despite the fact that there is an equivalent gradient on Burwood Highway where the tram line has been extended — its cost and traffic congestion. I have put a question to the minister via Richard Dalla-Riva, a member for Eastern Metropolitan Region in another place, asking for further information about the cost and gradient of a tramline constructed for that road, but despite the question having been asked more than 30 days ago, I am yet to receive a response.

The Liberal promise of a tram service on Doncaster Road was well received by residents and has since continued to attract a lot of support and discussion, most recently from Manningham city councillors, who propose funding a feasibility study on the idea so as to get some progress from the government on it. This council constantly bemoans the cost-shifting from state government to local government. Here is a classic example of a state government abrogating its responsibility to another level of government, which has had to fund the investigation itself so that things can happen.

The Premier promised to govern for all Victorians, but so far this government has not been prepared to do anything but ignore the needs of Doncaster residents and hope that this problem will go away. It will not. This government needs to realise it has to make decisions for the quality of life of all Victorians, which for Doncaster residents includes public transport services. Doncaster residents do not deserve the infrequent and inappropriate public transport services they receive, and they do not deserve a minister who will not hear their concerns and will not answer their elected representative’s questions. Victorians are paying more for, getting less from and going slower with this state’s public transport. Victorians and the residents of Doncaster deserve better.

Rail: Kerang accident

Mr ROBINSON (Mitcham) — I want to commence my grievance contribution this morning by grieving for the victims of yesterday’s horrific train collision near Kerang and for their families and friends. I wish to

assure them that they are very much in the thoughts of the people I represent.

Corporations: federal regulation

Mr ROBINSON — I also wish to grieve for the thousands of Australian families, many of whom live in Victoria, who are experiencing hardship as a consequence of the collapse in recent times of a number of financial institutions. I grieve that their hardship has been accompanied by a callous disregard for their situation by the federal government and in particular the federal Treasurer, Peter Costello, and his parliamentary secretary. That disregard is evidenced by an abrogation of responsibility of those two individuals by their failure to make public comment on these collapses and by a total failure to show any leadership.

It is worth reflecting on the collapses that I am referring to. In 2005 the Westpoint group of companies, which had been set up by the spruiker Norm Carey, went under and 4000 investors kissed goodbye to \$320 million.

A more recent case is Fincorp, a company set up by Eric Krecichwost, a former vacuum cleaner salesman, who managed in a short space of time to suck \$300 million from 1100 investors. At the same time he managed to claim some \$10 million in salaries, fees and dividends for himself before his companies went under. He also managed to secure from the company interest-free loans of \$7 million for other companies he was associated with.

More recently we have seen Australian Capital Reserve go under. That company consisted of little more than advertisements, a call centre and a glossy prospectus. It has claimed 7000 investors and \$330 million. If they are very lucky, some of those people may get some of their money back, but it will take them many months, if not years, and they will suffer tremendous anxiety through that process.

We also need to understand that the three companies that have collapsed are part of a much larger space in the financial service industry. In yesterday's *Australian*, consumer advocate Denise Brailey referred to a document she handed to the Australian Securities and Investments Commission in 2005, in which she listed 12 property companies engaged in these sorts of tactics of offering unsecured investment opportunities. She offered 12 names to ASIC in 2005; of those 12, 3 have gone under — Westpoint, Fincorp and Australian Capital Reserve. The article says:

As events of the past two years have unfolded, those fears were well founded, but it's the next property company

collapse — a company deliberately omitted from her original list to avoid being sued — that has her most worried.

The group is a \$1 billion operation, and if it goes under, the losses will be about the same as those of Westpoint, Fincorp and Australian Capital Reserve combined.

We need to understand, further, that these companies are part of a still larger sector. According to yesterday's *Australian*:

The corporate watchdog, the Australian Securities and Investments Commission, has its eye on another 83 companies that have issued similar types of products, raising an estimated \$8 billion from the mum-and-dad market.

This is a monumental problem. The common denominator with these companies is that they offer unsecured investments, and they promote these investment opportunities ruthlessly.

The same *Australian* article yesterday referred to a former Australian Capital Reserve salesman, who told the *Australian* that retirees were targeted with aggressive sales tactics:

'You said whatever you could to get money out of people', the salesman said.

'We targeted pensioners'.

There were compliance issues, he said: 'The four best salesmen worked behind closed doors'.

Others were instructed how to get the maximum amount of money in the door while still complying with the black letter of the law.

These ruthless operators were not hard to spot. They should have been spotted and acted on some time ago by the federal government. Indeed, Denise Brailey refers to how she, out of frustration, has now gone public. For several years she was simply given the cold shoulder by ASIC and by senior figures in the federal government.

Similarly my concerns, which I expressed to ASIC in 2003 about the Fincorp company and a prospectus it was putting out, were ignored by ASIC. I wrote to ASIC in June 2003 to express concerns about what I believed were unsustainable claims and about the very shaky foundations of that company, as evidenced by material in the prospectus. I certainly do not consider myself to be overly literate in financial matters, but if I could spot problems, it is a fair ask that ASIC and indeed the federal government should have seen problems coming.

My letter to ASIC was never responded to. I followed that letter up with a couple of letters, including one in

February 2005 to the federal Treasurer, Mr Costello, because the financial services industry and the way in which it operates is front and centre the responsibility of Mr Costello. In my letter to him of February 2005 I referred to the current spate of advertisements for investment opportunities promoting high rates of return. I put it to him that many of these advertisements were unclear in the way they put to potential investors that what was being offered was unsecured notes. I expressed to him the hope that surely it was not too much to require those offering unsecured investment opportunities to display exactly that qualification in the advertisement.

I am sorry to advise the house that back in 2005 the federal Treasurer did not consider this an important enough matter to respond to, and he palmed me off to the parliamentary secretary, who responded a month later by saying that I should be aware that the Corporations Act contains a mechanism designed to protect and inform investors who are considering acquiring financial products. We could comment now — it should have been known then; it is certainly known now — that those mechanisms designed to protect and inform investors have failed miserably. The parliamentary secretary went on to say that, more generally, the government is supporting efforts to increase financial literacy in the community. Again we would say in 2007 that those efforts have failed miserably.

Then the parliamentary secretary did something odd. He closed off by saying:

Through these and other measures the government is committed to maintaining an appropriate balance between protecting investors and avoiding overregulation of the financial services industry.

Certainly no-one is going to accuse Mr Pearce of overregulating the space in which people, like the former vacuum cleaner salesman, Eric Krecichwost, have operated. If it was his and the federal Treasurer's objective to encourage the spivs and charlatans to get into this space and rip people off, they have succeeded brilliantly. If it was his and the federal Treasurer's objective to encourage the spivs and charlatans to rip out millions of dollars in fees before these companies collapsed, we say, 'Congratulations!'. They have succeeded brilliantly. If it was their objective to encourage these frauds to walk away from the wreckage of their company uttering pious statements of contrition, then they have succeeded brilliantly.

I wrote back to the federal parliamentary secretary enclosing an advertisement which demonstrated the point I was making, that it did not contain sufficient

qualification as to the unsecured nature of the investment. Mr Pearce responded briefly. He said that as the responsible minister — he promoted himself to minister from parliamentary secretary! — he has only limited powers of direction over ASIC, and he left it at that. He palmed the matter off to ASIC.

This is intriguing because two years on, in the aftermath of the Fincorp collapse and the earlier Westpoint collapse, the outgoing chairman of ASIC, Mr Jeff Lucy, went on ABC's *Inside Business* program at the end of April this year to claim quite boldly that his organisation, ASIC, had not launched a formal investigation into the actions of the directors who oversaw that company's demise. He told *Inside Business* that ASIC was still not investigating Fincorp but was looking into the collapse. This is simply too little too late. We are rightfully entitled to expect more of the corporate watchdog. Indeed in this respect ASIC is doing the federal government's bidding, and the federal government's policy in this regard is simply to hear no evil, see no evil and certainly speak no evil. The last point is particularly true, because while the federal Treasurer has lots to say about lots of things and has the time and inclination to comment on things that interest him, he has said nothing about these collapses and the underlying causes of them.

I have checked his federal parliamentary website, which is his official website as Treasurer of the commonwealth of Australia. In recent times the federal Treasurer has seen fit to comment on all manner of things. He has commented on emissions trading, government advertising, Labor tax policy, consumer sentiment, Telstra, executive salaries, Qantas, BHP, Rio Tinto and the Australian cricket team — we all understand that must be a central concern and responsibility for him! He has even deigned to get involved in the Australian Football League's drug policy. It is well known that he sent two of his acolytes down to lecture Mr Demetriou, with all the effectiveness of a squib lettuce. He has found an opportunity to talk about everything. He has talked about and put out a press release on the Australia-Finland taxation treaty. I am sure that is of vital importance to families in middle Australia! But when it comes to actually ascertaining what the federal Treasurer has said about companies like Fincorp, a search of the website draws a blank. He has said absolutely nothing. The same is true of his parliamentary secretary. Again you will find on the parliamentary secretary's website no reference to Fincorp.

It is not as if the parliamentary secretary has not had the opportunity. Last Friday he addressed the Australasian

Investor Relations Association at a conference held at Federation Square. The parliamentary secretary used the opportunity of speaking at that conference to talk about his Simpler Regulatory System Bill. Of his bill he said this:

The proposals in the bill have been designed to ensure that companies can raise funds in the most effective way, without facing any unnecessary impediments.

There we have it! Two years on, three company collapses later and many others at risk, and with all the warning lights and bells sounding, and the parliamentary secretary, it has to be said, is still on the side of the spivs and charlatans. He still does not want any regulation when regulation is desperately needed. It is nothing short of a disgrace that the federal Treasurer would deign to say nothing.

When it suits him the federal Treasurer has lots to say, including platitudes about families and their aspirations. He falls over himself when it suits him, but when those Australian families who are facing hardship — and there are thousands of them who are facing hardship at the moment and thousands more at risk of facing hardship and losing their savings as other potential collapses emerge — require him to take a position of leadership, to stand up for them and to put in place protections which are desperately needed, he is struck dumb. He says nothing. That is a disgrace; it is shameful. It shows that the federal Treasurer and his parliamentary secretary are very much on the side of the white shoe brigade in this regard.

Why is this a concern? It is a concern for the number of reasons I have outlined and what is likely to happen. It is also a concern because those two individuals — the federal Treasurer and his parliamentary secretary — more than anyone else in the federal government are responsible for the recent decision to hand the management of the \$51 billion Future Fund, money that belongs to all Victorians and other Australians, to the Northern Trust Company, which is a Chicago-based international banking firm which came to light some time ago because of its involvement with a company called Enron. When it comes to corporate collapses and dodgy corporate conduct, Enron is right up there on the pinnacle of Mount Everest.

In the Enron situation, according to a recent article in the *Australian*, Northern Trust was directed to lock down the two employee funds for nearly a month, at the very time that stock was going into freefall. The lockdown prevented thousands of employees from selling their shares and getting out with at least something. In the end many of them lost the lot. That bank conducted itself in that way while simultaneously

allowing Enron's principals, such as Ken Lay and Jeff Skilling, to continue selling off their own stock, and they sold that stock off for months. This is the company that the federal Treasurer and his parliamentary secretary have decided is appropriate to manage \$51 billion of Australian savings.

In this respect the federal Treasurer and his parliamentary secretary have shown a culpability without precedent. They have demonstrated that by their culpable silence on the matter of corporate collapses here in Australia, by their unwillingness to do anything to step up the regulation required to afford Australians the necessary protection and now by their decision to hand money — —

Mr O'Brien interjected.

Mr ROBINSON — The member for Malvern ought to be a bit careful. He ought to know that his good friend Shane Stone, who is the principal of City Pacific in Brisbane, has been warned by ASIC about misleading advertisements. I look forward to the member for Malvern defending Mr Stone if anything happens to that company.

This is a shameful episode in the history of the federal Treasurer. By his culpable silence he has shown why he is unsuited to ever take the position that he so aspires to. He is unfit for the job of Prime Minister.

Public transport: Ferntree Gully electorate

Mr WAKELING (Ferntree Gully) — I am pleased to join today's grievance debate. Unlike the previous member's contribution, I am going to be contributing to matters pertaining to this state and not matters pertaining to the commonwealth. I will be talking about the way in which my residents, the residents of Ferntree Gully, and the residents of Melbourne's east and Victoria are having to shamefully put up with an appalling public transport system.

Last Saturday night the plight of our public transport system was brought home to me in that not only did I have to put up with an agonising night while watching, with Dean Henderson and Jason Barrie, the mighty Brisbane Lions fight out a draw with Richmond, but like thousands of people I was stuck afterwards at Southern Cross railway station — where there was no signage, no advice and no staff to advise passengers about which platform they were meant to catch their trains from and which trains were arriving. In fact, the commuters were saying to each other they hoped they were on the right platform. This situation sums up the

plight of the current public transport system that besets this state.

Public transport in Victoria, in Melbourne and more importantly in Melbourne's east, which I represent, is in a deplorable state. To make matters worse, this government has just overseen a price hike that is in excess of the consumer price index. I would like the Minister for Public Transport and the Premier to come out and talk to people in Melbourne's east — to people in Knox and in the Ferntree Gully electorate — and explain or justify the fare hikes, considering the fact that large parts of the electorate do not even have accessible public transport.

Since 1999 the Bracks Labor government has treated my community as a political backwater. In 1999 this government promised a lot for my community. If one refers to the government's *Rebuilding the Transport Network* policy document, one sees it includes, amongst other things, a commitment — and I assume a commitment means a promise to be delivered — of:

... \$19 million to extend the East Burwood tram route to the Knox City shopping centre.

I would have thought that wording was clear. Further in regard to that, I note that the outer east was to be subjected to a feasibility study for a preferred train route to Rowville via Glen Waverley or Huntingdale. That was presented to the electorate and to the Victorian community; that is what this government promised people in my electorate. From that point the government issued various media releases confirming that it would act upon those promises.

A media release dated 26 April 2000 from the Premier and the Treasurer talks about the fact that this government, in its first budget, was delivering on its commitment to construct the East Burwood tram extension to Knox City. It states:

The member for Burwood —

who is not in the house —

said the government was delivering —

and I emphasise 'delivering' —

on an election commitment to extend the tramline —

to Knox City.

On 8 August 2000 another media release was put out, this time by the then Minister for Transport. In regard to the construction of the Scoresby freeway project, the minister said there would be an integrated approach to public transport which would include:

... identifying a preferred train route to Rowville via Glen Waverley or Huntingdale.

This was not said once; it was said on numerous occasions. Another media release by the same minister, on 9 February 2001, talks about the fact that the Scoresby corridor would be the subject of a feasibility study for the preferred train route to Rowville.

Like most things this government has promised — it promises a lot but delivers little — not 1 inch of tram track has reached the city of Knox. This government promised a tram to Knox City, but it went as far as Vermont South, and then the government said, 'That's the point. Enough's enough. We are not going to go the full length, as promised'. Not one cent has been expended by this government on a feasibility study of the Rowville rail line. Knox City Council engaged Professor Bill Russell to conduct a pre-feasibility study, at a cost of \$40 000, of the Rowville rail line feasibility, which outlined the basic route and alignment. The Liberal Party, at the last election, committed \$2 million to conduct the full feasibility study.

The Public Transport Users Association congratulated the Liberal Party for listening to the concerns of the Rowville community and advocating for necessary public transport. The PTUA said:

This is in stark contrast to the attitude of the Bracks government and the current Ferntree Gully —

member —

who has failed to advocate for the Rowville community and failed to honour her government's 1999 promise for a detailed assessment into the Rowville rail line.

In 1999 the government promised it, but it failed to deliver. The Liberal Party, unlike this government, was prepared to do the hard work.

What the government did was provide the SmartBus route 900 from Rowville to Caulfield. Whilst we will recognise and support the introduction of any form of additional public transport, my community has told me very clearly that that bus service will not provide the long-term solution it is looking for. The time my residents take to get on the bus, wait while it fights its way through traffic, and then get off the bus at Huntingdale railway station to swap over to the train system — hoping there is actually a train to meet them and get them to the city — is quite significant when compared to the indication in the pre-feasibility study that:

A heavy rail line from Huntingdale to Rowville could offer many benefits to the Knox area and to Monash University at Clayton including a travel time of —

approximately —

30 minutes from Rowville to the —

Melbourne central business district. The study estimated a travel time of 30 minutes as opposed to the lengthy time my residents have to put up with under the current system.

The government is now trying to twist its position on the Rowville rail line. It has rolled out a spokesperson from the department, who said:

... a rail extension to Rowville would be considered only if the new SmartBus service was successful.

In other words, now its examining of a feasibility study will depend on the success of the bus service, but the many residents I speak to do not use the bus because they cannot afford to wait for an hour or an hour and a half to get to the city and are forced to drive to the city. The government is now telling my community that if patronage on the bus is low, it will not persevere with the Rowville rail extension feasibility study. It is a self-defeating argument, and the government has no intention of delivering on its promise.

But do not take it just from the Liberal Party that the government has a lack of commitment to this policy. On 6 June 2006 the former transport minister, Mr Batchelor, is reported as saying that the government had ruled out the rail extension because:

... no reservation was available for a Rowville extension, regardless of whether it started from Huntingdale or Glen Waverley.

Unfortunately the minister had failed to read the pre-feasibility study prepared by Professor Bill Russell, where it indicated that only a very small section of industrial land would need to be purchased and that the land situated in the middle corridor of Wellington Road, whilst not technically a rail reservation, is owned by the government and that it was purely an administrative matter to make it a rail reservation. Effectively the government has used every opportunity it can to walk away from its commitment.

On 1 August last year the former member for Ferntree Gully also ruled out the rail extension when she told the Rowville community — and I am sure the member for Scoresby would be well aware of this — that the feasibility study was unlikely because it was dealing with a train that was ‘on the never-never’. That was the commitment by this government to improvements in those services.

The government recently commissioned, through the Victorian Competition and Efficiency Commission, a

report headed *Making the Right Choices — Options for Managing Transport Congestion*. One of the recommendations identified on page 282 of that report is:

The commission supports the view that the existing rail infrastructure will need to be extended or have new lines built to service increased demand, but these should be the subject of thorough cost-benefit analysis.

That is something that we support and something that was consistent with the government’s policy, but it is something that the government has not delivered.

It is interesting to look at the Victorian government’s response to that report, which was tabled recently in this house. What was the government’s response to point 10, under the heading ‘Additions to rail network including new lines, line extensions, duplication of single tracks and track triplication, consistent with demand’? It supported the calls for line extensions! So there is no excuse: the government has ticked it off, and it should get on with the job.

In terms of the tram to Knox City, as I have explained the tram stops halfway to Vermont South, something which is opposed by many people in my electorate, including the PTUA, which has called on the government to commit to its 1999 pre-election policy. The Knox City Council and the then mayor, David Cooper, called on the government to deliver on the commitment to extend the service to Knox City. But do not just take the calls from the PTUA or the Knox City Council. In a debate during the 2006 election the former member for Bayswater — I am sure the member for Scoresby will recall this — was asked by a member of the public, ‘What is your position on the Knox City tram?’, and he said, ‘I personally support the extension of the tram to Knox City’. He was the Labor member at the time and was actually saying he agreed with the community that the government should have delivered on its promise.

But something else has brought this home even more starkly. I recently wrote to the new Minister for Public Transport. I understand that she is not keen to receive correspondence from the community on public transport issues, but I did receive a response. In regard to the Vermont South tram crossover — and the bus service continuing on to Knox City — the minister said:

... the need to change between trams and buses at Vermont South is not the preferred option for passengers travelling to Knox ...

She spelt it out in black and white: it is not the preferred option. Of course it is not the preferred option. The

community's preferred option was to build the tramline to Knox City in the first place. The government promised it but failed to deliver. The Liberal Party, the PTUA, the Knox City Council and local residents recognised that, and fortunately the minister recognises that. What the minister has to do now is act on her correspondence and deliver a solution for my community.

Finally, the other point I wish to raise is about the Ferntree Gully railway station. Many in my community feel unsafe using that facility. The shadow Minister for Public Transport, the Leader of the Opposition and I spoke to residents, traders and the police, and as a consequence we agreed to commit \$1.5 million to upgrade that facility to premium status during the 2006 election. This government has done nothing to resolve this issue. When I raised the issue locally the government wheeled out a spokesman who said:

The Bracks government recognises that staffing on public transport is important, as it provides a deterrent to unacceptable behaviour and to those intending to travel without a valid ticket.

The government spokesman is right: it is needed, and it is important. But what the minister needs to do is start listening to her bureaucrats, get on with the job, deliver improvements and make sure that people in my electorate get the services they rightly deserve.

Women: war crime victims

Mrs MADDIGAN (Essendon) — Today I wish to grieve on behalf of women who are victims of war, and in doing so I wish to congratulate Amnesty International on its current Stop Violence against Women campaign. The coverage of the Amnesty campaign is broader than women as victims of war. Amnesty provides some alarming statistics concerning violence in the community, generally identifying that one in three women have been either beaten, coerced into sex or otherwise abused in their lifetimes.

But today I wish to highlight women who are subject to physical and sexual abuse in war. Figures supplied by Amnesty show that 70 per cent of casualties in recent conflicts have been non-combatants, and of these 80 per cent have been women. We in Victoria and indeed Australia have been lucky enough never to have had a war in our country. Therefore we have not been exposed to some of the atrocities that have been reported in countries torn by war and internal conflict. However, we have a responsibility to speak up on behalf of women and children who are often not in a position to speak for themselves. Unfortunately

instances of this sort of abuse are not rare, and in fact it appears to be an increasing problem.

If you think about the nature of war, you realise that in earlier years conflicts tended to be military engagements between national governments. However, more recently warfare has involved civil and regional conflicts that are often fought along religious, racial and ethnic lines and are therefore fought closer to home, where families are.

A report done for the United Nations called *Sexual Violence Against Women and Girls in War and Its Aftermath — Realities, Responses, and Required Resources* identifies that between 1989 and 1997 an estimated 103 armed conflicts were launched in 69 countries across the world. Some further figures provided from a book called *Broken Bodies, Broken Dreams — Violence Against Women Exposed* gives an idea of how extensive this problem is, and it is perhaps far more extensive than we in Australia realise.

These are some of the figures that have been provided about the effects on women of warfare in various countries across the world. By 1993 the Zenica Centre for the Registration of War and Genocide Crime in Bosnia-Herzegovina had documented 40 000 cases of war-related rape. Of a sample of Rwandan women surveyed in 1999, 39 per cent reported being raped during the 1994 genocide and 72 per cent said they knew someone who had been raped. An estimated 23 000 to 45 000 Kosovar Albanian women are believed to have been raped between August 1998 and August 1999, the height of the Serbian conflict. In 2003, 74 per cent of a random sample of 388 Liberian refugee women living in camps in Sierra Leone reported being sexually abused prior to being displaced from their homes. Fifty-five per cent of them experienced sexual violence during their displacement.

During and following a rebel offensive launched in 1998 on the capital city of Brazzaville in the Republic of Congo, approximately 2000 women sought out medical treatment for sexual violence, 10 per cent of whom reported rape-related pregnancies. United Nations officials estimate that the real number of women who were raped in Brazzaville during this period was closer to 5000. Based on the outcomes of a study undertaken in 2000, researchers concluded that approximately 50 000 to 64 000 internally displaced women may have been sexually victimised during Sierra Leone's protracted armed conflict. Nineteen per cent of 1500 Burundian women surveyed by the United Nations Population Fund in 2004 had been raped, and 40 per cent had heard about or had witnessed the rape of a minor.

Of a sample of 410 internally displaced Colombian women in Catagena who were surveyed in 2003, 8 per cent reported some form of sexual violence prior to being displaced, and 11 per cent reported being abused since their displacement. Between October 2004 and February 2005 Medicins Sans Frontieres treated almost 500 rape victims in Darfur, Sudan. Since that time incidents of rape have continued, and MSF strongly believes that the number of women who have been raped is much greater than the number of those who have received medical care. That is an outline of just some of the more recent conflicts that explains the huge problem that war crimes are causing women in the community.

Even though it would be fair to say that women being sexually abused in warfare is not new, it has really only been recently that anyone has actually identified that occurrence, has attempted to measure it and has been prepared to try to do something about it to assist women. The paper which I referred to before and which was delivered in Belgium last night identifies that humanitarian attention to this problem is really in its infancy. The United Nations High Commissioner for Refugees formally recognised the needs of women and children in armed conflict only 15 years ago. Following the Third World Conference on Women in Nairobi in 1985, the first working group on refugee women was convened to advocate for the needs of women affected by conflict.

Part of the problem is, of course, that even if women survive the conflict, they often end up in refugee camps or other institutions where the offences may continue or where indeed there is very little assistance for women with either psychological or physical problems as a result of their abuse in war, and there is not a great deal of understanding of that abuse in the courts that hear war crimes.

The crimes against women are often not reported by women, as often women are not in a position where they are prepared to speak up. Often they do not want their families to know about the sexual experiences and the sexual abuse they have suffered from armed forces if they can possibly help it. This makes it very difficult for some of these crimes to be assessed and for people to be brought to justice. As a result of this form of abuse and also violence in other areas, Amnesty International has started a program seeking public support from people perhaps more in western countries for women who find themselves in these situations, and it is asking all of us to be aware of these sorts of problems and to see what we can do to assist those affected.

It is quite awful, in the context of a social commentary, if rape is seen as a weapon of war either to frighten people into submission as a form of ethnic cleansing, which has been used in some areas, or otherwise to try to intimidate communities through abuse by other parts of their community or by other forces. Amnesty International has a program of asking people to raise this issue amongst their communities and to write to various governments where this abuse has occurred, especially where there are international criminal tribunals currently hearing cases, to ensure that women and children who are affected get some justice.

Question agreed to.

STATEMENTS ON REPORTS

Public Accounts and Estimates Committee: budget estimates 2007–08 (part 1)

Mr STENSHOLT (Burwood) — I would like to comment on the Public Accounts and Estimates Committee *Report on the 2007–08 Budget Estimates — Part One*, which was tabled in this house several weeks ago. This represents a change in the arrangements for the Public Accounts and Estimates Committee's reporting back to Parliament insofar as the reporting emphasises the importance of the estimates and the hearings as part of providing an accountability mechanism back to Parliament and making the executive of the state of Victoria directly accountable to Parliament. This is achieved by bringing the results of those hearings with the Premier, the various ministers and also the Speaker and the President of the Parliament back into Parliament so they can actually inform members, and of course the Victorian public, on what has been happening.

The estimates hearings are essential to an awareness and an understanding of the key strategic directions and initiatives that are under way in the state of Victoria, and it is very important that matters regarding our productivity and matters regarding performance and accountability in the portfolios right across government are actually made available to Parliament and to the people of Victoria as soon as possible. We have done that, and we are looking forward to some further reports in regard to the estimates coming forward.

I note that when the Premier was in front of the Public Accounts and Estimates Committee he made what I think were some very good comments regarding the committee. He said that he was of the view when he was previously before PAEC, and it has been a consistently held view for some time, that:

PAEC has a different role and function to other joint parliamentary committees. It is a different function. It ranges over the whole of government. It has an estimates hearing in which ministers make submissions, and it can call in government departments for those submissions as well.

He went on to say that the recommendations are very important for government activity, that he was pleased to provide additional funding for the Public Accounts and Estimates Committee of \$360 000 to help with that scrutiny and that he was prepared to provide further details of the government's views in terms of supporting the accountability mechanisms, the resources and the allocation of funding, particularly in regard to the additional resources to support that committee.

I should note that on 16 May the Acting Premier followed those comments up with a letter to me, as chair of the Public Accounts and Estimates Committee, in which he said:

In your letter to the Premier dated 13 March 2007, you sought additional funds for PAEC.

I am pleased to confirm that an additional \$250 000 will be provided to PAEC for the remainder of this financial year, and from 2007–08 the budget will be increased by \$359 000 ongoing.

The additional budget should enable you to undertake your planned changes to the structure of the secretariat and recognises our commitment to PAEC. The Department of Parliamentary Services will be separately advised of the funding increase by the Department of Treasury and Finance.

On behalf of the committee, I welcome the commitment of the executive to the process of accountability to Parliament. The committee regards this as very important. It is very important that this accountability is maintained and strengthened as part of the role of the committee.

The committee has now undertaken some 27 meetings, and most of those have actually been public hearings with the Premier and with ministers. We have had well over 50 hours of hearings, hundreds of questions have been answered and quite a lot of material has been provided, particularly in the questionnaires which have been answered by the various departments.

I would like to thank the Premier, the ministers and the departmental officers for their assistance before the committee. I would also particularly like to thank the members of the secretariat, who I think have done an absolutely magnificent job over the last couple of months in servicing the committee, in making sure that the reports have been produced and in ensuring that the hearings have run very smoothly. I commend their efforts publicly in the Parliament.

Public Accounts and Estimates Committee: budget estimates 2007–08 (part 1)

Ms ASHER (Brighton) — I also wish to make a few comments about the Public Accounts and Estimates Committee's *Report on the 2007–08 Budget Estimates — Part One*, and my comments will be directly opposed to the comments of the member for Burwood, who has just spoken. In the previous Parliament I spoke often on Public Accounts and Estimates Committee reports, in particular in my previous portfolio of major projects. The committee had the guts to criticise the previous government in almost every report. In almost every report delivered by the previous membership, the PAEC was quite willing — and it did not seem to harm the career prospects of the current Minister for Sport, Recreation and Youth Affairs either — to come down with very strident criticism of the government, which I have to say is what the Public Accounts and Estimates Committee has traditionally done in the history of this Parliament.

I note also that there is a new committee. We have three very fine members from the Liberal Party on that committee.

An honourable member interjected.

Ms ASHER — And a good Nat! I note we have new membership from the ALP, and I will give them the benefit of the doubt at this stage that maybe they just do not realise what the role of the PAEC should be. I note that we now have two reports, and maybe two with a lesser impact.

I turn to the section on the department that interests me the most, the Department of Sustainability and Environment, to see what observations the committee had after the absolutely pathetic performance by the minister before that committee. What we find is that the committee's report is almost a regurgitation, in the first few lines, of items that were listed in the budget. I read the budget on budget day and am aware of what is in the budget, and the first few comments from the committee are a virtual regurgitation of the budget. I do not need the budget regurgitated. What I am looking for from the PAEC, and what every member of this Parliament is looking for, is some expansion on those particular matters.

I note that in the days when the membership of the PAEC included the now Premier and the now Attorney-General, there was a fair amount of vigour there. I might add that people on my side of politics

were always willing to put ministers to the test at PAEC hearings — —

Mr Stensholt interjected.

Ms ASHER — And don't I know it? I appeared before the committee.

I was very interested, given my initial response to this lame report by PAEC, to see an item entitled 'Minority report'. I tried to turn to 'Minority report' — my contents page advised me it was on page 247 — and what did I find? The report finished at page 245. The minority report had been excised from the report I picked up from the papers office last week. I ask the house this question: how many other reports have had the minority report excised from them? If one report has had its minority report excised, in what I can only assume is political interference — —

An honourable member interjected.

Ms ASHER — It is outrageous. It may be that other copies have been doctored as well. I have now had the opportunity to read the minority report, and I can see that my indignation is shared by my parliamentary colleagues the member for Scoresby and, in the other place, Gordon Rich-Phillips, a member for South Eastern Metropolitan Region, and Richard Dalla-Riva, a member for Eastern Metropolitan Region. They say:

This latest report of the committee contains no analysis whatsoever, no key findings and no recommendations.

The minority report also says that this report is a failure:

... due to its lack of analysis, consideration, findings and recommendations.

The minority report goes on in that vein. I have to say that I am at least pleased to read that three members of PAEC — in something quite unprecedented on budget estimates — agree with my preliminary assessment of this very weak report.

Law Reform Committee: de novo appeals to the County Court

Mr HUDSON (Bentleigh) — I have spoken on a number of occasions on the report delivered by the Victorian parliamentary Law Reform Committee, which I chaired, on de novo appeals to the County Court. The Victorian government recently released its response to this report, and I am pleased to say that the government has agreed to implement all our recommendations.

Our first recommendation is that the Magistrates' Court Act should be amended to require County Court judges hearing an appeal to give an appellant a warning, as early as possible during the hearing, that he or she faces the possibility of receiving a more severe sentencing order than what was originally imposed in the Magistrates Court. The committee was concerned that the changes introduced by then Attorney-General Jan Wade in 1999 allow a County Court judge to increase a custodial sentence on appeal without warning the appellant as to the potential for that to occur, therefore undermining the principles of procedural fairness.

The committee was concerned that the 1999 changes to judicial warnings could discourage appeals of merit. The committee received a lot of evidence to the effect that the changes to the judicial warning provisions had not reduced the proportion of appeals that were abandoned. That point was acknowledged by the Director of Public Prosecutions, Paul Coghlan, QC, before the committee. I am pleased that the Bracks government has supported the committee's recommendation.

The second recommendation of the committee is that clause 6 of schedule 6 of the Magistrates' Court Act be repealed so that an appellant is not required to seek the County Court's leave and demonstrate exceptional circumstances in order to abandon an appeal. Currently an appeal to the County Court can be abandoned without the leave of the court only if it is done within 30 days or if the appellant can demonstrate to the court that they have exceptional circumstances as well as reasons for abandoning the appeal.

We agreed with the views of witnesses that these requirements, introduced in 1999, are administratively inefficient. We do not want to have a situation where those who wish to abandon their appeals are not allowed to or have to request the leave of the court. We think this clogs up the court and that it is far more efficient, if people want to abandon appeals, to allow them to do so. It is inevitable that there will be a rate of abandonment: typically people will lodge appeals immediately after findings in the Magistrates' Court and then, after more sober assessment, come to the conclusion that they are in fact not worth proceeding with. It seems absurd to say, 'Sorry, you cannot abandon your appeal. You have to go ahead nevertheless'.

The third recommendation of the committee is that audiotapes of the proceedings of the Magistrates Court be retained for six months. I quote from the report at page 165:

Victoria Police told the committee that it was concerned about the use, and potential misuse, of evidence in de novo appeals on two grounds. First, Victoria Police noted the potential for an appellant to present a different version of the facts in a de novo hearing to those given before the original court, effectively allowing perjury to go unchecked. Second, Victoria Police noted that the de novo hearing provides both parties to the appeal with an opportunity to improve or refine their evidence and questioned whether this was a legitimate use of public funds, particularly in defendant appeals.

In the committee's view the potential for abuse identified by Victoria Police is an avoidable feature of the de novo appeal. The police indicated that the transcript of evidence from the Magistrates Court can be used to put prior inconsistencies in evidence to the appellate court during the hearing. That is why we made that recommendation. The government in response has indicated that the question about how long tapes are kept in the Magistrates Court is essentially a matter to be regulated by the court. We accept that.

Finally, the committee recommended that de novo appeals from the Magistrates Court to the County Court be retained in their current form. I have spoken on this issue at length in this house and about why we recommended that. I am very pleased that the government has accepted that recommendation.

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

Public Accounts and Estimates Committee: budget estimates 2007–08 (part 1)

Dr SYKES (Benalla) — I wish to comment on the Public Accounts and Estimates Committee report which was tabled in Parliament last week. I would like to inform members of the Parliament of the circumstances under which the committee report was prepared.

Firstly, there is a major loss of corporate memory amongst the parliamentary members of the committee. However, we are fortunate to have a chair with considerable experience and relevant skills in the areas of concern, but there is still some work to be done to compensate for that lack of corporate memory. Equally, there is a lack of ongoing experience amongst our staff. That is not a criticism of the staff; it is a statement about the situation. More importantly, the committee is grossly underresourced at the moment. We do not have an executive officer; we have only one research officer instead of three; and we have two consultants, both of whom are finishing up this week. That level of staffing is grossly inadequate. It is critical that it is addressed, in particular by putting in place an executive officer of an appropriately high status in recognition of the important

role that the Public Accounts and Estimates Committee performs in holding the government of the day accountable to the Parliament of Victoria and therefore the people of Victoria.

I would like to briefly comment on the conduct of the inquiry and the interviews we have undertaken of the Premier, the Treasurer and various ministers. I have to say that I have found it enlightening to see how different people respond to questions; some are extremely confident and treat the exercise as a bit of sport, while others refer extensively to their notes. I would particularly like to commend the Minister for Police and Emergency Services for his preparedness to answer questions directly and concisely. The Chief Commissioner of Police and the Secretary of the Department of Justice also did this. I also would like to note the enthusiasm of the Minister for Local Government. I will look forward to working with him on addressing many local government issues which impact on country Victoria, particularly funding issues.

I would like to concentrate on the education of country students. This issue was raised with both the Minister for Skills, Education Services and Employment, who is at the table, and the Minister for Education in the other place. The undeniable fact is that the year 12 retention rate of country students is 69 per cent, whereas the rate for metropolitan students is 85 per cent. That is simply unacceptable. The Minister for Education agrees that all Victorian students should have an equal opportunity when it comes to education. He recognises that there are some additional educational challenges in country Victoria, such as distance and student numbers, which make it difficult to provide a full curriculum. I would add to these challenges building standards in a number of schools, particularly, for example, Myrtleford Secondary College and Mansfield Secondary College.

The Minister for Skills, Education Services and Employment emphasised the importance of alternative education streams for young country people. I share that view so long as it is not based on the premise that young people in country Victoria are less suited to or less deserving of a secondary education, which leads to the completion of the Victorian certificate of education. To this end, last week the education services minister came to Wangaratta to attend yet another opening of the Wangaratta Technical Education Centre. That centre will ensure a close link between secondary college students and the Wangaratta TAFE. The centre provides a range of alternative educational opportunities. It is a great initiative. It is well supported by the local community and the state government.

I would also like to take the opportunity to thank the Minister for Skills, Education Services and Employment for alerting me to her presence in the area and involving me in the events she attended, including those at Edi Upper Primary School where we joined students from the primary schools of Whitfield, Moyhu and Myrree. Those schools were joint recipients of a Stephanie Alexander kitchen garden project grant which helps children to become healthier and more active by involving them in growing and cooking their own fresh food.

Returning to the report, the first part is a narrative of what has been said and written so far. The critical part of the report is the analysis and recommendations. It is this aspect of the report which has contributed significantly to the high esteem in which previous Public Accounts and Estimates Committee reports have been held far and wide. Therefore it is critical that the Public Accounts and Estimates Committee be staffed adequately as a matter of urgency to enable it to perform its function of ensuring the accountability of the government of the day to the Parliament of Victoria and the people of Victoria.

Public Accounts and Estimates Committee: budget estimates 2007–08 (part 1)

Ms GRALEY (Narre Warren South) — I am very pleased to be able to speak today on this Public Accounts and Estimates Committee (PAEC) report. In my first term as a member of Parliament, it is a great honour and responsibility to be a part of this committee. I can assure the member for Brighton that all of the new members of the Public Accounts and Estimates Committee from both sides of the house are well aware of their responsibilities and are working hard to make sure that the prestige of the work of this committee is maintained and improved. We have done a lot of work. There have been 21 hearings in just over a month. We have all found it an educational and fascinating political experience.

The quality of this report is based on the fact that you have to ask good questions to get good replies, and you have to ask probing questions to get good answers. If people take the time to read the report and the key questions which were asked by members from both sides of the house, they will see that all members of Parliament have done their homework and have put the ministers under the spotlight.

Mr Wells interjected.

Ms GRALEY — It is up to the member for Scoresby. We are very fortunate — as the member for

Benall has already commented — to have a very well resourced and hardworking chair. Not only does he know the budget papers back to front, but he has also been very inclusive in the way he has approached the committee members. He has allowed everybody a fair go.

One of the key aspects of this committee report is its timeliness. I would say to anybody on any committee that it is good to do the work, but it is also very good when the committee report is in the house for everybody to have a look at. I think it is especially timely for new members of Parliament — in fact, all members of Parliament — because there has been a degree of change in the way departments are organised, and of course there are new ministers in the job. At its most basic, the committee report shows which minister is responsible for what legislation and the responsibility that each ministers has. In that respect it is a very good guide for members in getting their way around the new Parliament and the new government.

If you delve into and have a good look at the report — and I suggest that the member for Brighton get another copy because the minority report is there for all to see; there is nothing at all conspiratorial about it; my copy has it and I suggest that most will — the minority report is very small. It must have taken a few minutes to put together, and it does not really say much. However, what it does say is something that the committee is really keen on — that is, producing a robust part 3.

In the committee discussions I was instrumental in raising the issue of how to get the PAEC analysis, findings and recommendations up-front, as has been its tradition. So we all look forward to part 3, and I think it will be very good reading for all parliamentarians and organisations outside the Parliament.

I would like to stress that if you are interested in a number of key issues like climate change, the schools rebuilding program, the shared facilities, which the Minister for Education spoke so eloquently about, and also rural issues, which is a particular interest of the member for Benalla, who got a lot of rural questions on board and received some good answers, I think you will see that the answers will well and truly say that the Bracks government is committed to growing Victoria together.

I would also like to draw members attention to some questions about work, family and community balance, which is a big issue out there in the electorate. Certainly as WorkChoices is an issue in the upcoming federal election, there is some really good resource material in the report around those issues.

I would like to thank the Premier and the ministers for making themselves available and doing a very good job. I would also like to compliment the secretariat, whose members worked long into the night to complete this report.

**Public Accounts and Estimates Committee:
budget estimates 2007–08 (part 1)**

Mr WELLS (Scoresby) — I rise to speak on part 1 of the Public Accounts and Estimates Committee report on the 2007–08 budget estimates. In particular I refer to the minority report submitted by the three Liberals on the committee, including me. I have to say I am very concerned by the comments by the member for Brighton that in the copy she picked up from the papers office, the report went as far as page 245, but for some reason the minority report on page 247 was not included. I hope that it was only an oversight on that one particular document that was handed out.

From the outset I would say that the committee was very well run under the stewardship of the member for Burwood. I share his frustrations about trying to organise our staff and getting the staff that we need. I have been a member of both the Law Reform Committee and the Drugs and Crime Prevention Committee, but the workload undertaken by the Public Accounts and Estimates Committee is by far more intense than the other committees.

I note that when the Premier appeared before the committee he said:

PAEC is an important accountability mechanism to scrutinise the executive, to assess the estimates and to make recommendations to the Parliament about those matters which are ultimately, on numerous occasions taken up by the government.

I also make the point that under ‘Duties of the committee’ it states:

The committee carries out investigations and reports to Parliament on matters associated with the financial management of the state. Its functions under the act are to inquire into, consider and report to the Parliament on:

any proposal, matter or thing concerned with public administration or public sector finances ...

Over the years the Public Accounts and Estimates Committee has built a reputation for bringing down reports without fear or favour, and which include analysis, consideration, findings and recommendations. The committee decided that it was important to submit a report to Parliament as quickly as possible after the public hearings were completed. The Liberal Party does not have any objections to this part of the argument, but

what we wanted was for it to be titled something different to what was tabled in Parliament in the last sitting.

You cannot compare the report on the 2007–08 budget estimates to the previous reports that have been tabled in Parliament. We wanted, for example, what has been tabled this time to be called something different, such as ‘Public hearing summary on the budget estimates’. That would at least have differentiated it from other reports.

This report does not tell the Parliament anything new. The member for Narre Warren South said it was timely. It is timely, but it is actually a set of minutes of what took place. There is nothing that we can tell Parliament about what took place. There are no analyses, no reports, no recommendations and no findings. It is a rubberstamp of what took place. It is for that reason that the Liberal Party decided that we had no choice but to put in a minority report to make it clear that we expected something different.

Previous speakers have pointed out that part 2 of the report will be tabled tomorrow, and that is a continuation of part 1. Part 3, which everyone is quite excited about, is earmarked to have analyses and findings, but the Liberal Party needs to be convinced that this will be the case.

We have heard it, and they make the comment in the next report that that is what will take place. I can give the assurance that the Liberal Party members on the committee will be working very hard to make sure that when part 3 comes out it will be of the same quality as previous years’ reports on the estimates.

I also would like to thank the members of the secretariat. They worked very hard around the clock to put together the public hearings and the report. But we are very keen to ensure that part 3 will have the analysis and recommendations to ensure that Parliament learns from the hearings.

STATUTE LAW REVISION BILL

Statement of compatibility

Mr BATCHELOR (Minister for Victorian Communities) tabled following statement in accordance with Charter of Human Rights and Responsibilities Act:

In accordance with section 28 of the Charter of Human Rights and Responsibilities, I make this statement of compatibility with respect to the Statute Law Revision Bill 2006.

In my opinion, the Statute Law Revision Bill 2006, as introduced in the Legislative Assembly, is compatible with the human rights protected by the charter. I base my opinion on the reasons outlined in this statement.

Overview of bill

The bill makes statute law revisions to acts of Parliament to correct spelling and grammatical errors. The bill makes any other amendments that should have been made as consequential amendments when legislation was first passed, but were overlooked.

The bill also amends legislation to make it consistent with changes that have been made indirectly to the legislation through administrative arrangements orders (AAOs), to ensure the acts correctly reflect the changes made by those AAOs.

Human rights issues

1. *Human rights protected by the charter that are relevant to the bill*

This bill does not raise any human rights issues.

2. *Consideration of reasonable limitations — section 7(2)*

As the bill does not raise any human rights issues, it does not limit any human rights and, therefore, it is not necessary to consider section 7(2) of the charter.

Conclusion

I consider that the bill is compatible with the Charter of Human Rights and Responsibilities because it does not raise any human rights issues.

HON. STEVE BRACKS, MP
Premier

Second reading

Mr BATCHELOR (Minister for Victorian Communities) — On behalf of the Premier, I move:

That this bill be now read a second time.

The bill before the house, the Statute Law Revision Bill 2006, is a regular mechanism for reviewing statute law in this state. The bill is vital to the orderly management of the state's statutes so that the laws remain clear, relevant and accurate.

The bill corrects a number of ambiguities, minor omissions and errors found in statutes to ensure the meaning of acts is clear and reflects the intention of Parliament.

The bill corrects spelling and grammatical errors in acts.

The bill makes any amendments that should have been made as consequential amendments when legislation was first passed but were overlooked.

The bill repeals redundant transitional provisions of acts which are no longer required because of the passage of time and subsequent legislative enactments. The bill also repeals substantive provisions of acts which had fulfilled their purpose of amending or repealing other acts. These provisions are no longer required because they have amended or repealed the relevant provisions in other acts. These provisions include provisions in the Dairy Act 2000, Southern and Eastern Integrated Transport Authority Act 2003 and Veterans Act 2005.

Any residual effect of these transitional and substantive provisions will be saved by section 14 of the Interpretation of Legislation Act 1984.

The bill also amends statutes to make them consistent with changes that have been made through administrative arrangements orders under the Administrative Arrangements Act 1983. Administrative arrangements orders are made by the Governor in Council to amend references in acts to ministers, departments and secretaries to align with machinery of government changes to ministerial and departmental responsibilities. The bill amends references in acts such as the Building Act 1993 and the Child Wellbeing and Safety Act 2005.

The bill should be seen as part of the Victorian Parliament's regular housekeeping arrangements.

The bill will make technical improvements to the state's statutes, rather than substantive amendments. The technical corrections effected by this bill will make it easier for the state's statutes to be administered, interpreted and applied.

The bill will repeal redundant provisions of acts which have no further function and should be repealed from the Victorian statute book to ensure that Victorian statutes are updated and maintained in a regular and orderly manner to ensure they remain relevant to the Victorian community.

I commend the bill to the house.

Debate adjourned on motion of Mrs SHARDEY (Caulfield).

Debate adjourned until next day.

HEALTH PROFESSIONS REGISTRATION AMENDMENT BILL

Second reading

**Debate resumed from 2 May; motion of Ms PIKE
(Minister for Health).**

**Opposition amendments circulated by
Mrs SHARDEY (Caulfield) pursuant to standing
orders.**

**The Nationals amendments circulated by
Mr DELAHUNTY (Lowan) pursuant to standing
orders.**

Mrs SHARDEY (Caulfield) — I rise to speak on the Health Professions Registration Amendment Bill. The main purpose of this bill is to amend the Health Professions Registration Act, which was passed in November 2005. I probably should make it clear at this point in time that while we have moved an amendment to this bill in relation to the time of its implementation, we are in fact not opposing the actual changes that it will make to the principal act.

I probably should go back a little just to give some background. As I said, the act was passed in November 2005. It is due to commence operation on 1 July this year. Under that act this house repealed 11 separate health profession registration acts and created one act under which the 12 health professions were to be regulated in Victoria — medical practitioners, nurses, pharmacists, dental care providers, chiropractors, osteopaths, optometrists, podiatrists, Chinese medicine practitioners, psychologists, medical radiation practitioners and physiotherapists.

At the time the legislation was passed some very grave concerns were raised about it, and in the end we opposed the legislation. We felt at the time that it was being hurried through the house, given that it was not due to come into play until 1 July this year. We were rather concerned that there had not been enough support from the various professions and boards for the changes that were to take place.

What we are seeing in this piece of legislation today is that some things were found to be missing, and some things needed better detail added to the act. A couple of things that were of some concern to us, and still remain of some concern, were the powers given to the minister, particularly in relation to courses of study, which are the domain of the boards. We felt it gave the minister some quite extraordinary powers on those issues. In addition, there was to be introduced a new system for hearing very serious cases of complaint against

practitioners, and for the first time it was to introduce a tribunal to look at those cases through the Victorian Civil and Administrative Tribunal. While this has now been accepted, there were some concerns raised about that and the impending additional costs to practitioners as a result of this new regime.

While the minister and the government moved to introduce that piece of legislation — and it is supposed to be implemented on 1 July this year — the minister also went to the Council of Australian Governments (COAG) and sat down with her state counterparts from around the country and the federal health minister, and agreed on a national framework for registration and accreditation. This was agreed to in July 2006, some seven months after the principal legislation was passed in this place. The meeting agreed to establish a national registration and accreditation scheme for the nine health professions regulated by all the states and territories. There were some that would not be included immediately, but it was thought that they would be able to be included later.

This agreement will involve an intergovernmental agreement between the states to establish a national scheme, and one lead jurisdiction — Queensland is thought most likely — will pass the principal act, which will then be passed by the other states and territories.

COAG, which included the Minister for Health's agreeing, announced that the start date for the national scheme would be July next year. It is very likely that the boards here in Victoria, which have been forced to work very hard to meet the deadline of 1 July this year for a whole new system of registration and accreditation, are going to have to turn around and do the same work all over again for a national scheme. The boards and professional associations all agree — some are more concerned than others — that it seems somewhat bizarre and ridiculous for the Victorian government to be forcing them to change to a new system on 1 July this year, only for them to perhaps have to change to another system in July of next year under the national framework.

This is of grave concern, and I think the minister has chosen to ignore the boards and professional associations, which accepted at the end of the day that they really had to get ready for the Victorian legislation this July but which are nevertheless deeply concerned about having to deal with what is essentially three systems. So you could have complaints being heard under the old system that is operational now, complaints being heard against practitioners under the new system that is to be introduced here in Victoria as of 1 July this year, and then complaints being heard

under another system that is to be introduced perhaps in the middle of next year. How ludicrous is that, and what is the cost going to be for our boards in trying to accommodate all that?

The Department of Human Services says the costs will be something less than 5 per cent, so it is able to tell us exactly what the increased costs to be incurred will be. I will certainly be asking the minister to give us much more detailed information about that, because if practitioners' professional costs increase dramatically, they are in some way going to have to be reflected in what consumers pay for services. I think the Victorian community needs to understand that this government is all over the place with this stuff and that the state Minister for Health has not paid attention to the issue and has not been well informed by her department. At various times we have had different advice from the minister compared to what the Department of Human Services has provided.

This only reflects the performance of a minister who has had enormous trouble with knowing what is going on in her department and who has enormous trouble with knowing what the truth really is about certain issues. We express extreme concern about this whole situation. This is why we have been forced to put before this house an amendment which will move the implementation date of the act to July next year. We believe that would give the whole system a better chance to make a smoother transition to what we hope will be the new federal system.

I will go back and look at some of the actual changes to the act in this piece of legislation — and these changes have our support and the support of the boards and professions. In general terms the bill makes it discretionary rather than mandatory for boards to commence registering students who are going to be registered under this system and who are in clinical training, particularly if those boards have not completed that process. It will also make it discretionary rather than mandatory to enter certain information on the public register in relation to practitioners — for instance, their qualifications and their contact details. It will defer some regulatory initiatives which can now be handled administratively, and it will make the endorsement of registration more flexible in the recognition of some special skills.

Sitting suspended 1.00 p.m. until 2.04 p.m.

Business interrupted pursuant to standing orders.

RAIL: KERANG ACCIDENT

Mr BRACKS (Premier) (*By leave*) — I wish to make a statement on the rail accident at Kerang, which occurred yesterday.

On behalf of the people of Victoria I offer my deepest condolences to the families and friends of those who lost their lives in the level crossing accident north of Kerang yesterday. Our hearts also go out to the many other innocent commuters who were seriously injured in this horrific accident and who I know are receiving care and attention right around our state today.

Our government shares in the shock and grief at this tragic loss of life and devastation. At 1.40 p.m. yesterday a semitrailer ran into a passenger train at the Murray Valley Highway level crossing located at Fairley, 5.5 kilometres north of Kerang. The three-carriage train had left Swan Hill at 1.00 p.m. and was due to arrive in Melbourne just after 5.00 p.m. yesterday. The semitrailer hit the centre carriage, causing significant damage and derailment. Tragically at least 10 people have lost their lives in this accident. Many other people have been seriously injured. In fact I understand that one of the three people who were missing has today reported to police, which is comforting, but two people are still missing. Regrettably that devastating toll may rise.

Last night I travelled to the scene of the accident north of Kerang where I was joined by the Minister for Public Transport, the member for Swan Hill who had already arrived, the Shadow Minister for Public Transport, Assistant Commissioner of Victoria Police, Noel Ashby, and the head of public transport in Victoria, Jim Betts. I understand that today the Leader of the Opposition, the Leader of The Nationals and the Minister for Police and Emergency Services also attended the scene.

I think it is fair to say that we witnessed a scene of indescribable damage and destruction. What we also witnessed at the site, however, was an exceptional spirit — an unbelievable spirit — of support, assistance and community support. Many victims received medical assistance at the scene. Others were taken to hospitals around the state, including the Alfred hospital, the Royal Melbourne Hospital, the Royal Children's Hospital, the Swan Hill District Hospital and the Kerang and District Hospital.

Secondary triage was conducted at the Kerang Memorial Hall, and I, along with other members of Parliament, was deeply impressed by the work that is being undertaken by the community in that area.

Several local doctors cancelled appointments to attend to the wounded, and nursing staff on days off were called in to help.

Victoria's emergency response plan, which is designed to cope with major emergencies, including mass casualties, was activated immediately in this case, and the Displan process was instituted, with Victoria Police taking control.

The Department of Human Services sent personnel and support teams, and an emergency coordination centre was established with a toll-free number. Counselling services for friends and families of victims were organised through local councils. Furthermore, a relief centre was opened at the Kerang Memorial Hall, where people could take shelter or wait for news. That relief centre was operated by staff and volunteers from local government, the Department of Human Services and the Red Cross, who were in attendance.

I would like to thank those dedicated men and women who provided support and assistance yesterday and in many cases are still providing support and assistance today, along with the emergency services relief crews for their compassion, courage and professionalism at this harrowing time. I also commend the actions of V/Line staff, passing motorists who rendered assistance at the scene as soon as they attended, and injured passengers themselves who also assisted other passengers yesterday. They battled together to save people who were trapped in the wreckage.

This is an extremely serious accident — one of the worst in Victoria's history and certainly the worst for at least 66 years. We understand the grieving process is only beginning. We also understand this is going to be an extremely difficult and traumatic time for many families and communities across our state.

Our government will do everything in its power to provide counselling and support for anyone involved in or affected by this tragic accident. An accident of this severity and magnitude will inevitably raise questions about the safety of the rail and road systems. I can assure Victorians that there will be a full and thorough investigation into exactly what happened. That investigation will be in three parts: a coronial inquest — and I know the coroner attended yesterday and is there today; a separate police inquiry, which will report to the government once concluded; and a rail safety investigation conducted in full consultation with federal authorities.

I am grateful for the offer of support from the Prime Minister and the federal government, which was

offered yesterday and has been accepted. We will not be in a position to make a judgement about the cause of this tragic accident until the relevant investigations are concluded. There will be some progress reports, and of course many of those will be publicly available and available for the government to consider. Our government will continue to provide resources and every possible support to the individuals, families and communities who are coming to terms with what happened.

This is a deeply sad time for Victoria, and I know that all Victorians are feeling that way currently. The impact of the accident has been felt right across the country. Today I am sure I speak for every member of this house when I say that our prayers and our thoughts are with the victims and their families, and we certainly offer them every assistance that the state can undertake.

Mr BAILLIEU (Leader of the Opposition) (*By leave*) — Just a little over 24 hours ago the bells starting ringing and the lights started flashing at an otherwise pretty and peaceful part of northern Victoria, some 6 kilometres north of the very beautiful Kerang and a couple of kilometres north of the Loddon River. This is a community that is tied together by road and rail. But what occurred was a truly horrendous event. The crash of a north-bound fully laden semitrailer and a V/Line passenger train from Swan Hill was simply horrific. Many lives have been lost, families have been devastated, and others are fighting for their lives in hospital now. The trauma and grief are enormous.

As the Premier said, I visited the site this morning with the Leader of The Nationals. We both gained a much better understanding of the circumstances, and we were able to at least acknowledge the trauma and pay tribute to all of those now dealing with the aftermath. We join the Premier in extending our condolences to the victims, their families and friends, and other loved ones.

As the Premier said, there is an extraordinary display of good spirit and goodwill on site. That runs through the police led by Noel Ashby; the local inspector from Swan Hill; the Gannawarra council, which is running the emergency relief centres and recovery processes; V/Line; the train staff themselves — and there are staff members who were on the train and are dealing with this issue; VicRoads; Rural Ambulance Victoria; the emergency helicopter service; medical teams; hospital staff in a range of hospitals; and the Northern District Community Health Service, which is working overtime with families at the relief centre, where you could not help but be moved.

There are also Department of Human Services staff; the Red Cross, Country Fire Authority and State Emergency Service volunteers — and spare a thought for those volunteers who as we speak are dealing with the trauma of removing bodies from the train; and of course, local property owners, other passengers on the train who assisted, and other motorists. They are good Samaritans, one and all, who have come together to deal with the tragedy. They have come together from far and wide: from Kerang, Cohuna, Swan Hill, Bendigo, Mildura, Melbourne and obviously other cities and towns around about.

There is little we can do to stop the hurt. There is nothing we can do now that will undo this tragedy. But we can help communities rebuild. We can support those who are suffering. And we can do whatever is possible to prevent it from ever happening again. Now is not the time to speculate on the cause, and we will not. As the Premier said, there will be three investigations: by the coroner, by the police and one into transport safety — and we trust the government will take up the offer by the Australian Transport Safety Bureau. We should not be shy about those investigations. They should be thorough, and I am sure they will be. But if we need to look more closely at broader issues concerning transport safety, then let us do that too. And if we need to make that a public process, then let us do that. We owe that to all those who have been involved in this tragedy, all those who are dealing with it now.

We know from having been there this morning — as, I am sure, the Premier discovered last night — that the lights are still flashing there today. Let us calmly and professionally heed their warning and do whatever we can to prevent it from happening again. For today our condolences, our thoughts and our prayers are with the families and friends of all those who have suffered and are suffering. There will be many tears yet and a lot of comfort to give — let us give it.

Mr RYAN (Leader of The Nationals) (*By leave*) — How fickle is life and how final is death. We have seen that in the last 24 hours. Together with the Leader of the Opposition and the member for Swan Hill, I was just outside Kerang this morning to view the scene of this appalling tragedy. A number of lives have been lost, as we know, but we are not certain yet as to how many. Our thoughts and prayers go to those who have died in this terrible tragedy and also to the loved ones of those who have died.

Only 2½ hours ago I was in the hall at Kerang where a young mum was keening for her 13-year-old son. You feel such terrible pain for people such as her because she does not yet know. In addition, those who have

been injured by this appalling accident will, in so many ways, experience changes in their lives. They have suffered brutal injuries — not only to speak of those that are physical; of course there has also been injury to spirit, which may never recover. The human frame has the capacity to withstand an enormous amount of damage, but this will test so many.

When I stood at the scene I realised that the force of the impact must have been utterly horrendous, especially when the side of the railway carriage had been taken out, remembering there were no fitted airbags or seatbelts. One cannot help but have a mind's eye as to what occurred in that awful moment, that flash when the impact actually occurred. That the driver of the truck could have survived, when I looked at the state of his vehicle, is in itself nothing less than amazing.

In the midst of all of this dreadful carnage there are heroes, and there are many of them. The police are indomitable and as committed as ever. The ambulance officers are so absolutely professional. There is also the State Emergency Service volunteer personnel, and it is remarkable that many of them still out there today were there last night. As I understand it, a deliberate decision was made to have the same crews actively involved today in the removal of the bodies of those who so tragically died. The commitment of those people is staggering. We spoke to a young fellow whose Christian name I remember as being Craig. He works in Kerang. He was out there last night, and he is out there again today. They are just astounding.

There was also the Country Fire Authority personnel and the Red Cross ladies, who said to us, 'Please stop and have a cup of coffee', because people at these times want to do something that they feel comfortable doing. These amazing people are all out there on site. There was also the Gannawarra shire personnel and the V/Line personnel. We spoke to the two senior investigators who were there on site for V/Line. Some of its people were actually on the train, and they have been terribly traumatised by all of this as well. There are the local heroes who came to the scene soon after the event happened, and then there are the medical personnel in all their forms, who have done such remarkable work in preserving the lives of those who have been so terribly injured in this dreadful event.

The Premier visited last night, as did the Minister for Public Transport, the shadow Minister for Public Transport and the member for Swan Hill. As I said, this morning the Leader of the Opposition, the member for Swan Hill and I were at the site. It is important even at this stage that the Parliament makes firm decisions about the future for this tragedy. We have obligations to

these people — to those who have died, to those who have been injured and to those who live on. We have obligations to the community.

The first, of course, is to care for those who have borne the brunt of the accident itself. Harsh as it sounds, there will come a time to bury the dead, repair the injured and move on. As I said before, our thoughts and our prayers are with them. Then we will also have clear obligations as a Parliament to find out what happened and why it happened. I understand three investigations will be undertaken, and it is up to us as a Parliament to have the responsibility and commitment to ensure that those investigations are carried out — in as much as we are able to be involved in that process — in an appropriately clinical and independent way so that we can get the answers as to what eventuated, which these people are due. We have to learn from what this experience has dealt us, and then, where appropriate, we will have to implement the changes that are necessary to ensure this never happens again.

Finally, I must say it is imperative that everybody resists jumping to conclusions about what happened. In fairness to everybody involved in this, and despite a natural inclination to do so, I think we have to be very, very careful about jumping to conclusions.

What we do know is that over the last 17 years in the state of Victoria about 65 people have died in accidents of a nature similar to this. We must ensure that everything is done so that we do not have a repeat of this appalling tragedy. On behalf of The Nationals, and indeed the Parliament at large, I offer condolences to everybody concerned.

The SPEAKER — I ask all members to stand in their places as a mark of respect for those who have lost their lives in this tragedy.

Honourable members stood in their places.

ABSENCE OF MINISTERS

The SPEAKER — Order! Before calling for questions without notice, I inform the house that the Minister for Police and Emergency Services will be absent from question time today, so questions directed to the minister will be answered by the Minister for Gaming, and that the Minister for Health will be absent from question time, so any questions directed to the Minister for Health will be answered by the Minister for Mental Health.

QUESTIONS WITHOUT NOTICE

Williamstown Hospital: gynaecology unit

Mrs SHARDEY (Caulfield) — My question without notice is to the Premier. Will the Premier assure the house that the gynaecology unit of the Williamstown Hospital will not be closed, and will the Premier also assure the house that no further units at the hospital will be closed?

Mr BRACKS (Premier) — I thank the shadow health minister for her question. We have provided a lot of investment in the Williamstown Hospital over the last seven and a half years. Some of that was ongoing, I have to say, from the former Minister for Health, Rob Knowles, with whom I attended as a local member when he had some improvements done to the Williamstown Hospital at that time. We continued that by upgrading the geriatric section of the hospital. Since then we have upgraded the casualty section of the hospital. Decisions operationally on what occurs at each hospital are a matter for Western Health. I understand that it is concentrating most of its births in other hospitals around Sunshine and around Western as well. But it is concentrating around —

An honourable member interjected.

Mr BRACKS — Yes, I will take advice on that. But in relation to the concentration for Williamstown Hospital, we are providing more orthopaedic, plastic and general surgery to help meet the higher demand for those specialities. That is the case across all the health systems in the west: the allocation is based on what is appropriate for that region.

Mrs Shardey — On a point of order, Speaker, on the issue of relevance, I would like to point out that the Premier has not attempted to answer the question in relation to the gynaecology unit of this hospital.

The SPEAKER — Order! I do not uphold the point of order. The Premier was clearly answering the question as regards Williamstown Hospital.

Mr BRACKS — If I can conclude by saying something about the future of the Williamstown Hospital as well, obviously it is a matter of high regard for this government, and it is also of high regard to me. It will be a hospital that has a bright and strong future as well. It is well resourced and well supported. The decision on what particularly happens in the hospital is a decision for Western Health, but I am assured that it will provide all the support possible to make sure it continues —

Honourable members interjecting.

Mr BRACKS — Absolutely not. The hospital is actually — —

Honourable members interjecting.

Mr BRACKS — There is a bit of history here, and I am very pleased to provide the history. I was restraining myself from attacking the opposition, but I will not. When we came to government, despite the slight improvements to the Williamstown Hospital, it was earmarked to be privatised as a private hospital. It was actually earmarked as a private hospital. We stopped that in its tracks.

Mrs Shardey — On a point of order, Speaker, the Premier is now debating the issue, and he still has not answered the question about the gynaecology unit.

The SPEAKER — Order! The Premier, to answer the question.

Mr BRACKS — So not only has the Williamstown Hospital got a bright future, but it will continue to service the community effectively and well for a long, long time to come. The only threat to the hospital will be any change in government in Victoria and a reversion to the policies of the past.

Rail: Kerang accident

Mr HUDSON (Bentleigh) — My question is to the Premier. Can the Premier update the house on the status of the tragic accident at the level crossing at Fairley, north of Kerang, yesterday?

Mr BRACKS (Premier) — I thank the member for Bentleigh for his question. I will just add some more matters to the matters which were raised in the statement before in the house. To address the question of the member for Bentleigh, could I first of all congratulate the house, obviously, on the decision to adjourn last night. I think that was well received right across Victoria. I congratulate all the parties that made that decision. It was certainly well received in the region which we were in when it was heard, as a mark of respect for what had happened and for the concentration of effort that resulted, therefore, on the recovery effort more broadly.

All of Victoria's emergency services were involved in some way in the event yesterday. Rural Ambulance Victoria, one of the first on the scene, was involved extremely significantly right throughout the day and is also involved today. There were volunteers from the Country Fire Authority (CFA) and the State Emergency

Service. We have heard about the SES, and the Leader of The Nationals said we should spare a thought for the SES volunteers who have been there not only all day but sometimes for several shifts. I agree, and I support that. I think they do a magnificent job in very difficult circumstances. Victoria Police was there, and the Air Ambulance, of course, which was very busy right throughout yesterday afternoon and through the night as well.

This assistance included eight Rural Ambulance Victoria ambulances and personnel — a significant deployment of RAV activities in that region. Three fixed-wing aircraft from Melbourne were also involved, as well as two helicopters from Melbourne and one helicopter from Bendigo. A field emergency medical coordinator was also available. There were two rescue crews from the SES and the CFA, and an additional CFA unit was also on site. There were a CFA command vehicle and two SES lighting trailers, and numerous statewide and local police officers attended right through.

We also had support, as we have heard, from the local councils involved, from the Red Cross and also from other people who were helping and supporting as volunteers in their community at some of the posts that were staged to assist with the information provided.

Could I reiterate that this was a successful implementation of the Displan system in the state in tragic circumstances. I want to commend all those people involved, including all the emergency services involved. I want to thank them very much on behalf of the state for the work they did and the work they continue to do.

Again the purpose of the visit was to say, I think from all members of this house, two things: thank you for what you have been doing; and secondly, the resources of this state will be available to you via any of the support required in the recovery process for the community, the families and the friends involved in this tragic incident. All those resources will be available unconditionally.

Local government: water unbundling

Mr RYAN (Leader of The Nationals) — My question is to the Minister for Local Government. I refer to legislation that will come into effect on 1 July 2008 that will separate the value of water from land for rating purposes, thereby reducing the rate revenue for at least eight country Victorian municipalities, and I ask: what initiatives does the government propose to compensate those eight municipalities bearing the brunt

of this change to thereby protect ratepayers from the massive increase in council rates that will otherwise inevitably occur?

Mr WYNNE (Minister for Local Government) — I thank the Leader of The Nationals for his question. This matter has been raised with me by a number of councils in visits around the state, and it is a matter that was raised with me, the Premier and the Treasurer in a regular meeting with rural shires earlier this week.

As the member would be aware, there is a process in place between the Department of Sustainability and Environment and the Municipal Association of Victoria whereby we are undertaking further consultations across the affected councils. That work is ongoing. It is expected that a report on those consultations will be provided to the government within the next couple of weeks, and it will be considered by the responsible minister, the Deputy Premier.

Police: Purana task force

Ms D'AMBROSIO (Mill Park) — My question is to the Premier. I refer the Premier to the apprehension of fugitive Tony Mokbel, and I ask the Premier to detail for the house how the support and resources provided by the Victorian government to the Victoria Police assisted in his capture.

Mr BRACKS (Premier) — I thank the member for Mill Park for her question. It was only months ago in this house that I was congratulating the Purana task force for its efforts and work in laying over 400 charges for serious offences across Victoria.

I think we owe a debt of gratitude to the Purana task force, to the Chief Commissioner of Police, Christine Nixon, to Simon Overland, the Deputy Commissioner of Police, and to Detective Inspector Jim O'Brien, the current head of the Purana task force, for the work they have done and the work they did last night and leading up to last night in the apprehension of Tony Mokbel in Athens, Greece, and also the concurrent raiding by the police of 22 properties, with 14 charges laid and 8 of those coming before the courts today. That was a very successful, organised exercise by the Victoria Police and it deserves our congratulations and support on what it has achieved.

As the member for Mill Park suggested, there was a significant contribution given by this government to Victoria Police to undertake this work. That was done in two parts, and that was recognised and acknowledged by the chief commissioner, the deputy commissioner and the detective inspector today. That

included the extra resources allocated and provided in budgets to assist with reducing organised crime in this state. In particular we provided more than \$70 million to our police, to the courts and to the prison system to enhance their capacity to fight organised crime. As requested by the police, the courts and the prison system, that has been provided.

As important was the legislation which was passed by this house which gave the chief commissioner coercive powers — greater powers than any other chief commissioner in the country — in order to deal with organised crime in this state. Instrumental and important in securing the arrest of Tony Mokbel were the coercive powers given to Victoria Police. The power to coercively question was a part of what was used by the Victoria Police in securing these arrests.

The power to ensure organised crime can be tackled where it crosses state borders, or in this case internationally, was also part of that, as were exclusion powers and the work to seize the assets and profits from crime and to ensure that is implemented effectively and well. That was certainly undertaken in the 22 raids which occurred concurrently across Melbourne overnight, from Brunswick to Doncaster and to other parts of the state, and which included the seizure of cash, drugs and firearms which have all been seized as part of these raids.

This is a great credit to Victoria Police, to the attack on organised crime, to the work of this Parliament and this government in ensuring the police had the right legislation in place to do that task and to the work required to make sure they were equipped with the necessary resources to undertake the task also.

I can remember when there were calls at the start of the efforts on organised crime to abandon it and to have independent commissions to oversee this process. Our course of action was to give more power to apprehend criminals, to bring them to justice and to seek restitution for the community. That has been achieved in a spectacular way by the Purana task force. My congratulations and those of the government go to the chief commissioner, the deputy chief commissioner, Detective Inspector Jim O'Brien and all the staff in the Purana task force, who did a great job. They deserve credit and our praise today.

Electricity: supply

Mr CLARK (Box Hill) — My question without notice is to the Minister for Energy and Resources. I refer to the lack of government investment in water infrastructure which has led to the water crisis, the lack

of government investment in Melbourne's public transport infrastructure which has led to the public transport crisis and to the recent NEMMCO forecasts of shortfalls in energy reserves for Victoria this summer. I ask: what plans does the minister have to avert a future energy crisis for Victoria?

Mr BATCHELOR (Minister for Energy and Resources) — Under this government we have seen the introduction and increase of energy generation in Victoria, which is in stark contrast to the situation under the previous government, where there was not one single new power station built. We have put in place a series of initiatives that have provided extra generation capacity here in Victoria, but I remind the member for Box Hill that we operate within a national electricity market. This is the result of agreements at Council of Australian Governments meetings, where the national electricity market is being established. Victoria will be part of that, as will the other jurisdictions on the eastern seaboard of Australia — Queensland, New South Wales, Victoria, Tasmania and South Australia — all, of course, connected through various interconnects that have been established in recent times.

As well as the increased capacity of traditional power stations that have been put in place in Victoria, we have also established the VRET (Victorian renewable energy target) scheme which has seen the introduction of renewable energy supplies in Victoria in addition to the traditional sources of hydro-electricity. It is interesting to note that the Prime Minister is now seeking to abolish that VRET scheme. The biggest threat to future generating capacity here in Victoria is the Prime Minister, John Howard. The Prime Minister, John Howard, is a climate change denier. He is a sceptic, and his refusal either to join the state schemes in establishing a national emissions trading scheme —

Mr Baillieu — On a point of order, Speaker, the minister is debating the question. He has not addressed the question about what the government is going to do next.

The SPEAKER — Order! I ask the minister to come back to the question.

Mr BATCHELOR — Our plans are based around establishing a national emissions trading scheme on the one hand and establishing a truly competitive national electricity markets, and we are proceeding with both of those plans at the moment. We have set in place all the approvals for a new 1000-megawatt power station at Mortlake.

Honourable members interjecting.

Mr BATCHELOR — The member for South-West Coast is absolutely wrong. Origin Energy, which is the proponent of the Mortlake power station — a 1000-megawatt proposal — for which this government has provided all the regulatory approvals, both environmental and all the others, has indicated that its proposal for this power station has that on line for development in 2010.

This is a private market where all the generating resources here in Victoria are controlled by the various private companies. It is a process where the supply of electricity comes from the establishment of a national electricity market and where the future supply of electricity stems from the demand that is provided to that national market. The structure of this industry was determined and privatised by the previous government. Under that privatisation and the subsequent establishment of a national market, extra generating capacity will be brought on stream as the demand requires.

As I was explaining, in addition to that we have undertaken the VRET scheme, which has seen the announcement of wind farms. It has seen the announcement of in excess of \$2 billion worth of investment in extra generating capacity. It has seen the announcement of a \$420 million solar power station which is proposed for the north-west. It has seen the announcement of additional hydro-electricity at Kiewa. It has also seen the investment by this government and the private sector in carbon capture and storage through the geosequestration trial in the Otway Basin.

It has seen the development of new gas-fired power stations in Melbourne and the Latrobe Valley. It has seen the establishment of interconnects such as Basslink between Tasmania and Victoria. The VRET scheme has seen a whole range of initiatives which have provided additional generating capacity during our term of government and into the future — in stark contrast to what the Liberals did, when there was not one power station developed during its term of government.

Mr Clark — On a point of order, Speaker, the question related to the minister's future plans. The minister is not answering that question, and he is debating the issue.

The SPEAKER — Order! The minister, to answer the question.

Mr BATCHELOR — I had finished.

Rail: Kerang accident

Mr HARDMAN (Seymour) — My question is to the Minister for Public Transport. Can the minister update the house on how the railway community and in particular V/Line is responding to the tragic level crossing accident at Fairley?

Ms KOSKY (Minister for Public Transport) — I thank the member for his question. Firstly, can I join with the Premier, the Leader of the Opposition and the Leader of The Nationals to extend my condolences to the families and friends of those who were killed or injured in the tragic accident yesterday. As has been mentioned, our heartfelt sympathies are extended to all of the people who have been so deeply affected by this terrible accident. There will be much trauma and much grief as a result of this accident, and certainly as a government we want to respond and provide a lot of support over quite a significant period of time to the people who have been affected.

Counselling is a very critical component of the response to this tragic accident, and V/Line quickly established a support program yesterday which involved immediately providing professional counselling services for passengers and their families and for affected staff, alongside, of course, the extra services provided by the local council, the Department of Human Services and the Red Cross.

V/Line also provided transportation, accommodation and other logistical support for affected people, and opened the chapel at the Southern Cross station for the families who were waiting for their loved ones to arrive in Melbourne. An information line was also established, and it was widely publicised by the media and the website. That line has received more than 250 calls so far.

I extend my gratitude along with that of others in this house to the Victorian police, to medical and emergency response workers, to V/Line staff and to the many volunteers who responded so swiftly and with such great care and professionalism in what were very traumatic and difficult circumstances. The government will, as the Premier has mentioned, fully investigate this accident through the coroner, through the police and of course through a rail safety investigation in consultation with the federal authorities. Of course the government awaits those findings so that it can respond in an appropriate manner.

The government is very committed to the safety of our road and rail infrastructure, and it is constantly seeking out ways to improve the safety on level crossings for all

Victorians as a key priority, including education, obviously physical works and working with the various responsible authorities.

Less than a year ago V/Line raised concerns about the behaviour of motorists at this very crossing. As Victoria Police assistant commissioner Noel Ashby said this morning when we were up at Kerang, as a result of those concerns that were raised by V/Line the police had made extra efforts to step up activity in that area and to run a campaign at that time through the local paper. We stand ready to be able to respond when these issues are raised either in conjunction with the police or in other ways.

Both V/Line and the government have worked very hard on education campaigns about safety at level crossings and will continue to do that as well as looking at other measures that might be possible to implement. Yesterday's accident was indeed a dreadful tragedy. Please let me reiterate my condolences to the families and friends of the victims.

Melbourne Wholesale Fish Market: relocation

Dr NAPHTHINE (South-West Coast) — My question without notice is to the Minister for Agriculture. I refer to the fact that the Melbourne Wholesale Fish Market has been given its marching orders to vacate its present location by March 2009, and I ask: what action, if any, is the minister taking to find a new site for the Melbourne fish market?

Mr HELPER (Minister for Agriculture) — I thank the member for South-West Coast for his question. The Melbourne fish market is a market operated by Melbourne City Council, I understand, and I would have thought that the issue of where the market moves to and how the retailing function in the supply chain of seafood occurs as a consequence — —

Dr Naphtine — You are the minister responsible.

Mr HELPER — I don't know. The chamber — —

Honourable members interjecting.

The SPEAKER — Order! The question has been asked, and the minister will be given the opportunity to answer.

Mr HELPER — I repeat for the benefit of the member for South-West Coast that the Melbourne fish market is operated by and is the responsibility of the Melbourne City Council. The relocation of the fish market or any changes to the fish market are indeed a responsibility of the Melbourne City Council.

I know that the seafood industry plays a very important role in Victoria. The supply chain for it is important to the community of Victoria, and I look forward to the Melbourne City Council and the market community meeting the responsibility of having an effective supply chain for seafood in Victoria.

Mr Donnellan interjected.

The SPEAKER — Order! I warn the member for Narre Warren North.

Murray–Darling Basin: federal plan

Mr CARLI (Brunswick) — My question is for the Minister for Water, Environment and Climate Change. I refer the minister to his meeting with the Prime Minister on addressing Victoria's water concerns, and I ask the minister to inform the house of the outcomes of that meeting.

Mr THWAITES (Minister for Water, Environment and Climate Change) — I thank the member for his question. On Monday the Premier met with the Prime Minister, together with the commonwealth Minister for the Environment and Water and me, to discuss the commonwealth's proposal for the Murray–Darling Basin. These talks were constructive, and the commonwealth now has a clear understanding of Victoria's position. Prior to this meeting the commonwealth had provided three tranches of legislation to the states.

Dr Napthine — You've got a pen in your hand — just sign.

Honourable members interjecting.

Mr THWAITES — That is what we won't do. We will not sign a blank cheque, unlike The Nationals —

The SPEAKER — Order! I ask the minister to resist the temptation to acknowledge the interjections, and I ask the opposition benches to cease the never-ending stream of interjections.

Mr THWAITES — Unlike The Nationals and the Liberal Party, our government is not prepared to sign a blank cheque that would hand full constitutional power over water to the federal government without any safeguards, but that is what they want us to do. The legislation that has been supplied and which the Liberals and The Nationals —

Mr Hodgett interjected.

The SPEAKER — Order! The member for Kilsyth will stop that.

Mr THWAITES — Let us have a look at what is included in the legislation that has been supplied and which the Liberals and The Nationals would just want to sign without even checking and with no safeguards supplied. It includes the power for the commonwealth minister to unilaterally change bulk entitlements, to set seasonal allocations of water, to direct river flows and to prevent water authorities such as Goulburn–Murray Water from doing river flow works. In a practical sense, for a farmer this means that the amount of water that the farmer actually gets could be changed at the pen stroke of the commonwealth minister.

Not only that, it gets worse. The legislation also gives the commonwealth power over water prices, and even all planning and development activities in the whole Murray–Darling Basin. This is the legislation that The Nationals said we should just sign. No wonder it is a Nationals sell-out.

It is interesting that as the regional press — in this case, the *Shepparton News* — indicates, talking about The Nationals:

So, while at once betraying their rural supporters — —

The SPEAKER — Order! The minister should relate his answer to government business.

Mr THWAITES — Our government is not going to sell out. We do not just act on the dictates of the federal Nationals or the federal Liberal Party; we in Victoria follow what is best for Victoria, Victorian farmers and the Victorian environment.

At this meeting there was general agreement that there would need to be a significant modification in the commonwealth's position and the legislation if agreement is to be reached with Victoria. Victoria is prepared to give the commonwealth responsibility for enforcing basin caps, for the water market through the Australian Competition and Consumer Commission and for the measurement of water resources through the Bureau of Meteorology.

Victoria is prepared to give the commonwealth a central role in setting the basin-wide caps, and in doing that setting the caps in different catchments, but that will be subject to Victoria's water plans, which will continue until 2019, and subject to state participation in the process.

Other water-related decisions and processes should be left up to Victoria and other relevant states. This would include seasonal allocations of water, which The Nationals are prepared to hand over, bulk entitlements, pricing, land management and development controls.

Considerable negotiations will be required if final agreement is to be reached. The standards that would apply to the enforcement of caps, state plans and environmental management have not been agreed. Any legislation will need to support Victoria's twin objectives of securing water rights and protecting the environment, and that includes specifically the Snowy River.

This meeting was a step forward. It demonstrated that Victoria's position of not signing a blank cheque and handing over complete power to the commonwealth is the correct one. As the *Age* said today:

By holding out, Mr Bracks has protected the interests of the state and its farmers and brought much-needed scrutiny to bear.

That is exactly right. We will continue to work with the commonwealth and the Victorian community, including farmers and the environmental movement, to ensure we get the best outcome for the Murray–Darling Basin.

Bushfires: timber industry

Mr RYAN (Leader of The Nationals) — My question is to the Premier. I refer to the Australian Workers Union submission to the parliamentary inquiry into the impact of public land management practices on bushfires in Victoria and specifically the concerns that are raised about the access of the Department of Sustainability and Environment to heavy equipment:

Dozers, excavators and graders are urgently required. Little thought has been put into the fact that as more parks are created, there will be less logging contractors able to supply their valuable resources in case of emergency.

I ask: given that government policies are continuing to result in job losses in all aspects of the native timber industry, what steps has the government taken to ensure that country communities will still have access to skilled forest workers and their equipment in future bushfire emergencies?

Mr BRACKS (Premier) — I thank the Leader of The Nationals for his question. One of the tasks we set out to do some seven and a half years ago was to put the timber industry on a sustainable footing. When we came to government there was an overallocation to the timber industry of timber that was not there. We had to face up to the reality that previous governments had allocated a resource which could not be supplied to the businesses which were eking out a business and employing people in the timber industry in Victoria. We had to take the decision to reduce logging by a

third — by 33 per cent — to put it on a sustainable footing for the future, and we have done that.

We are also taking account of the recent occurrence of the bushfires to bring forward some of the contract work and to provide in the budget — as we all saw in the budget, which was delivered by the Treasurer recently — resources to bring forward the timber harvesting so that is not lost to Victoria because of bushfires. That will involve a significant employment of contractors, of staff and of employees right around the state, as it did in the bushfires of 2002–03.

Our commitment is to have a sustainable timber industry, not one which is unable to be sustained: one which is balanced with the environment and one which has long lead investment opportunities, not short-term opportunities. It is a pity that in the past we had governments, of which The Nationals leader was a part, which allocated coupes which could not be provided. The resource was not there — what a hoax that was!

We fixed that by having a sustainable industry based on a resource which was actually there and by compensating people when they had to move out — employers, communities and the workforce. We have done that effectively to make sure that they are involved in alternative industries. Our commitment is to have a sustainable timber industry for the future — it was the case seven years ago, and it is today.

Economy: performance

Mr STENSHOLT (Burwood) — My question is to the Treasurer. Can the Treasurer advise the house of any recent economic data that demonstrates Victoria is the best place to live, work, invest — put your shares into Victorian companies — and raise a family?

Mr Hodgett — Here's Johnny!

The SPEAKER — Order! The member for Kilsyth is warned. I will not have that behaviour in this chamber.

Mr BRUMBY (Treasurer) — I also join the Premier, the Leader of the Opposition and the Leader of The Nationals in extending my sympathy and condolences to the families of all those who lost their lives and to those who were injured in the tragedy at Kerang.

Can I just say in answering the question of the honourable member for Burwood that the Victorian economy continues to perform very well. I am referring of course to all the recent statistics which have been released in relation to growth, to building approvals and

particularly to the population growth figures which were released yesterday. Today the national accounts data was released by the ABS (Australian Bureau of Statistics). It shows that Victoria is on track to meet its gross domestic product forecast for this year of 2.75 per cent. It shows a growth in state final demand of 3.3 per cent over the year to the end of March.

Building approval figures were released yesterday. I am delighted to inform the house that we have now had 70 consecutive months of building approvals above \$1 billion. Until we got the first billion dollars under the Bracks government, Victoria had never had building approvals exceeding \$1 billion. What is more, I am delighted to say that if you look at the year through to the end of April and you look at total building approvals across Australia, you find that Victoria had the highest value of buildings approved of any state in Australia, at \$18.1 billion. New South Wales had \$16.2 billion, and Queensland had \$16.8 billion.

The honourable member in his question referred to making Victoria a great place to live, work, invest and raise a family. The population figures that were released yesterday show that in 2006 Victoria's population grew by 1.51 per cent. To put that in perspective, that is the biggest annual growth rate since 1972, when it was at 1.3 per cent. I will put the strength of these numbers in context. People get attracted to a place to live because it is great place to live and because there is a strong economy. Our population in the last year has grown by 77 000 people. That is bigger than the gold rush of 1852, when we grew by 70 800 people, and it is bigger than the biggest year in postwar migration, when Victoria grew by 76 600 people. It is in fact the largest —

Mr Hulls interjected.

Mr BRUMBY — It is the largest population growth in any year the state can see. As I would put it: you cannot get any bigger than the biggest — and this is the biggest increase we have had. I thank the Attorney-General for that!

We also attracted 41 870 migrants. The ABS started collecting statistics on the number of migrants going to individual states in 1981. That is the largest number of migrants that have ever been attracted to our state since the statistics were first collected.

The housing affordability data was released by the Real Estate Institute of Victoria in just the last week. It shows that Victoria is one of the most affordable states, and not just on the eastern seaboard, because we have

now moved past Western Australia as well. We are ahead of Queensland, we are ahead of New South Wales and we are ahead of Western Australia. Only South Australia and Tasmania are more affordable than Victoria, but I would obviously argue — and perhaps I am parochial — that overall we have more attractions than those states.

An honourable member interjected.

Mr BRUMBY — And better football teams.

The Westpac Australian Chamber of Commerce and Industry survey of industrial trends was released yesterday. Victoria reported the second-highest business conditions, behind only Western Australia. The Sensis business index was released yesterday, and it shows that the perceptions of Victorian small and medium-sized businesses of the current state of the Victorian economy increased to their highest level since November 2003.

All these things go back to the framework we have put in place in this state, building a competitive tax system, building an open economy —

An honourable member interjected.

Mr BRUMBY — The point of the story is that we are doing better than the other states. That is the part of the story that the member has missed. We are doing better than the other states because of the sound economic and financial management put in place in Victoria.

The recent budget cut WorkCover premiums for the fourth year in a row — 10 per cent, 10 per cent, 10 per cent, and a fourth 10 per cent. How many times did WorkCover premiums get reduced in the 1990s under the former Kennett government? They never did. Land tax has been cut from 5 per cent to 2.5 per cent. How many times was land tax ever cut during the former government? It never was. Payroll tax cuts and all of those things have built a competitive state economy. We are generating strong job growth, and we are generating a very livable state with record population growth. The outlook for Victoria continues to be very sound indeed.

HEALTH PROFESSIONS REGISTRATION AMENDMENT BILL

Second reading

Debate resumed.

Mrs SHARDEY (Caulfield) — I have completed the first section of my contribution on the Health Professions Registration Amendment Bill by providing the background. I have talked about the Liberal Party's proposed amendment which would change the date on which the act would begin operating. I started to talk about some of the changes to the act that are in this piece of legislation. I got to the point of saying that the legislation gives recognition to some older qualifications, where people with those older qualifications want to reapply for registration.

There are exceptions in the bill that allow medical practitioners to practise optometry and allow suitably qualified podiatrists to use acupuncture. This legislation puts back into the act provisions that enable people who are doing division 1 courses and are still in training to be recognised and registered as division 2 nurses so that they can work in the field. This was something that was in the old legislation, and the government failed to put it into the new act. In that sense it fixes up a problem with the act.

The health professions, generally speaking, are not unhappy about the proposed amendments in this bill. However, as I have said before, many of them are very concerned that the government wishes to proceed with the implementation of the act on 1 July this year, prior to the introduction of the impending national scheme in July 2008.

There have been a large number of deputations and letters written to the minister and the Premier on this issue from right across the board, including from professional associations, boards and so forth. There is a concern that health professions boards will have to undertake an increased burden of implementing the Victorian legislation, as I said earlier, and then have to make additional and potentially significant changes when a national scheme is implemented one year later. There have been claims and then changes of mind in relation to how significant this Victorian legislation is going to be as a template for the new national scheme. On the one hand the minister says, 'Yes, the Victorian scheme will be a template' but then the Department of Human Services says, 'Maybe it will not'. I think there is a lot of confusion on the side of the government, as is the norm, in relation to this whole issue.

In a letter to the Premier signed by various health professions that represent doctors, dentists, optometrists, pharmacists and physiotherapists the difficulty of the overlapping disciplinary systems for health professions under the proposed arrangements was outlined. It was actually outlined for the Premier in a chart so that he could see the very difficult and

complicated system that the boards were going to be operating under.

They made a couple of observations. Firstly, they felt that profound errors regarding registration could occur, as happened in a similar transition process in Queensland, because of the workload and the confusion about the change of the two systems. They said that the disciplinary processes already take up most of the workload on some boards and that the workload will increase, thus magnifying the chance of error with both registration and disciplinary processes.

They said the burden on the boards and the workload and the cost will be increased, leading to delays in all processes and, consequently, to a risk to the community. They believe the workload will increase for three reasons: the new act allows for unfettered right of review by notifiers, which will increase the workload; the new act allows for processing of a complaint by the boards and the health services commissioner, which is something that is different — most of the older acts allowed for either one or the other; and that the boards' workload will increase, as they are asked to give advice on and prepare for the implementation of the new national scheme.

I do not think anyone has a problem with the idea of a national scheme; I think it is strongly supported. The final point that was made was that they believe consumers and practitioners will become very disgruntled because of the rapid changes in the processes. Practitioners may find that they are disadvantaged in the outcome of their processes as part of the complaints process, because there will be three processes operating at the same time.

Concern has been raised that some of the boards are not ready. I know that the boards, recognising that the minister had completely decided she was not going to put off the implementation of this legislation regardless of any representations, got on with the job of trying to make sure they were ready. But from my discussions with the health commissioner and others I am aware that, while many of the boards have worked very hard to make sure they are going to be ready, some of the boards may in fact not be ready.

There was discussion about costs. The Chiropractors Registration Board of Victoria has noted in its newsletter that:

Under the new act the application process for initial registration and renewal of registration has become somewhat complex and time consuming, with both forms involving some nine pages, including explanatory notes.

The board believes this will become a very costly process.

Under the Council of Australian Governments a Department of Human Services (DHS) briefing has suggested that the Victorian act is consistent with the COAG decision so far, and it believes the Victorian act will be the template for the national framework. However, this is not guaranteed, and there have been letters and communications backwards and forwards between the minister and some of the organisations, which in fact implies that this is not the case at all.

Advice was given by DHS that Mr Peter Carver, the director of service and workforce planning for DHS, is presiding over the task force to draw up the interstate agreement under COAG for the implementation of the framework. Some meetings were held with Peter Carver. He was not able to give the sort of assurance that the sector is looking for in terms of the position of the Victorian legislation and the claim that it could be some sort of template for the federal scheme.

I certainly have had meetings with nearly all the associations. I spoke with most of the main boards and with the health commissioner for Victoria. I also spoke with the nurses board. They have concerns about the implementation of this legislation at this time. Although that may not have been their position originally, it certainly seems to be their position now.

I understand that a number of the health associations recently wrote to the health minister expressing their continued concern that the government intends to proceed with the implementation of this act. Those expressing their concern in this most recent letter of just a couple of weeks ago were the Australian Medical Association, the Australian Dental Association, the Pharmaceutical Society of Australia, the Australian Physiotherapy Association, the Chiropractors Association of Australia, and the Optometrists Association.

The view was expressed that it would be illogical to proceed with the implementation of this act given the agreement by the states under COAG to move quickly to a national registration accreditation scheme. The main reason given for proceeding with the implementation by the government on 1 July this year is that the act is supposed to be fully consistent with planned national template legislation, which would mean there will be little need for the Victorian act to be changed to any extent when the national legislation is decided.

However, when representatives of the health professions met with the DHS staff, as I said, they were not assured that the Victorian statute will be in fact a template for the national scheme. Apparently only one aspect of the national scheme is similar to the Victorian legislation, and that is the use of an administrative tribunal, VCAT (Victorian Civil and Administrative Tribunal), for the hearing of serious complaints. Not even this is assured as being something that will not need to be drastically changed. DHS had to admit that no other details of the national scheme have been agreed to.

More worrying is that apparently while there was an admission by DHS that the Victorian act will need amendment to fit in with the national template, there may need to be significant changes to the role of VCAT to fit in with the national framework. In any case this very element is still being debated across the states. I think therefore there is a very big difference between what is being said and what is actually believed.

It remains that if there are problems on this aspect, it seems bizarre to implement a complex VCAT system which in all likelihood will undergo significant changes again in 12 months. To me it scarcely sounds like a smooth transition — quite the contrary. If indeed there are urgent matters that need to be dealt with, such as indemnity insurance or any other matters, then of course they can be dealt with in this house very easily and very quickly.

I have been advised by the professional associations that they have been advised by the commonwealth that the commonwealth intends to meet the 2008 deadline despite the fact the minister is trying to claim that somehow this cannot occur and that it might be years before the changes are implemented. Again we are hearing different things. Given that Peter Carver from DHS will play a lead role in the preparation of the national framework, I sincerely hope that he will ensure that the changes take place as fast as they possibly can.

Today I received a missive from one of the boards that included an update on the act. The email says:

Although the letter talks about 'a smooth transition', the update shows that the model being adopted will potentially be one of perpetual turmoil.

I think some people are not all that happy about it. The minister's own letter says:

... with the prospect of facing further and more substantial changes over the next two years as the national system is progressed.

One minute the Minister for Health is claiming the Victorian act will be the template for the federal framework, the next she is talking about the need for substantial changes. I think there are enormous problems with enacting this legislation now.

I have just a small note on the update that was provided. There is one section near the end that says:

To ensure this, the ... act contains 'transitional provisions' that continue the existing boards, with their existing members so the same people will be in charge pre and post 1 July, continue the existing registrations and registers of practitioners —

that makes sense —

so there is no change to the registration status or arrangements for practitioners, and continue the existing disciplinary processes and hearings.

This implies that the existing disciplinary processes will continue. Clearly they will not continue under the act. The old processes will continue in play for those cases brought under the old legislation, and there would be a new process in play from 1 July this year, presumably while the old cases continue. Then in 12 months we are going to have yet another process brought into place, so we have here a fourth situation.

The question needs to be asked, I suppose quite genuinely: is there a risk to the public if the new act is delayed by 12 months? I have been advised that there is no real and obvious risk. The acts due for repeal under the Health Professions Registration Act 2005 are all relatively recent. The oldest dates back to 1993 and 1994, and most were considerably updated in the 1990s. There is ample reason given as to why we should agree to the amendment today to put off the implementation of this legislation until next year. We need to give the federal framework a good opportunity to bring together all those issues that are of concern and to provide a proper, national scheme.

Mr DELAHUNTY (Lewan) — Thank you, Speaker, for the opportunity to speak on the Health Professions Registration Amendment Bill of 2007. I have already circulated amendments which members will see are exactly the same as the member for Caulfield's. They were drafted about three weeks ago, so it is obvious that the two opposition parties do not consult! But members will see that we have similar reasons for our amendments.

This bill amends the Health Professions Registration Act 2005, which I have here in front of me. That was debated in early 2005 but it does not take effect until

1 July 2007 under the current proposal. This bill defers a number of changes in that act.

The Nationals have consulted widely in relation to this legislation, but before I get to that I just want to highlight some of the things that are currently in the act. The Health Professions Registration Act 2005 covers people wanting to register as health practitioners, whether they be chiropractors, dental health care providers, medical practitioners, nurses, optometrists, pharmacists, psychologists or many other professionals.

Up until 2005 there were 11 registration boards, and they will continue under this legislation. Also, back in 2005 we established a medical radiation practitioners board — I am not sure if that is in place at this stage, but hopefully it already is because it has to be operating before 1 July this year. The 2005 act transferred responsibility for the conducting of formal hearings into matters of serious unprofessional conduct from 12 separate registration boards to the Victorian Civil and Administrative Tribunal (VCAT).

The act gives greater powers to the minister to approve board-issued codes and guidelines, and the minister also has the opportunity to appoint up to half the members of the boards from non-practitioners. The minister also has the opportunity to appoint non-practitioners to office-bearing positions. The minister may also approve changes to the qualification requirements for registrations that may have substantial or adverse impacts on the recruitment and supply of health practitioners to the workforce.

The legislation also reforms the complaints handling and disciplinary process of registration of boards and is said to improve accountability and flexibility. As I said, the act does not take effect until 1 July this year. Back in 2005 when we debated that legislation, many professional groups were not happy with that bill. They included psychologists, nurses, the AMA and the Pharmaceutical Society of Australia. They were concerned about increased costs, increased time and importantly, the amount of red tape it created. Their concerns also related to the lack of procedural fairness and the cost implications. Many concerns were raised at that stage.

We know there are about 18 amendments to the current legislation in this amending bill. The Nationals have consulted widely — with the general practice divisions, the various health boards, the pharmaceutical guild, the nurses federation and various other associations — in coming to our position. Following these discussions and a lot of correspondence that I and the party have received, The Nationals decided a couple of weeks ago

to move an amendment, which basically means that the principal act will not take effect until 1 July 2008. The reason for doing that, as we all know, is that there has been agreement between all the states and the federal government to a national scheme. I will come back to that later. Firstly, I wish to highlight a couple of things.

The current legislation will take effect on 1 July 2007. Its aim, as we all know, is to protect the public through providing for the registration of health professionals, and The Nationals are strongly supporting that. The difficulty is that right across Australia many health professionals are being recruited into this country as well as others who are being trained in this country. We have seen examples where it has not worked well — we obviously look towards what has happened in Queensland, but my understanding is that Victoria has not had those problems, for which I am thankful. No health minister and no member in this chamber would like that to occur in Victoria.

Under the current legislation, which is supposed to take effect on 1 July, there is a common system of investigation into professional conduct, performance and ability to practice, and we know now that the health boards play a very important role in relation to that. With this new act coming into place we will have another process for serious offences, by which complaints will go to VCAT.

This new act, to take effect on 1 July, will transfer the conduct of discipline hearings into serious professional matters from the registration boards to VCAT. My understanding is that the boards — and I have not heard differently — have been performing a very important role in Victoria. I know some people do not get the result that they want, but The Nationals have not seen a lot of reason to support the transfer to VCAT. More importantly, there are issues in relation to the amount of time, and the cost involved, that will be taken up by the boards and health professionals.

As we know, since that act was passed back in 2005 there have been some big developments across Australia. In July 2006 the Council of Australian Governments (COAG) agreed to establish a national registration and accreditation scheme for the nine health professions — that is, medical practitioners, nurses, pharmacists, dental care providers, chiropractors, osteopaths, optometrists, psychologists and physiotherapists — which are now regulated by states and territories.

This followed a recommendation by the Productivity Commission which was entitled *Australia's Health Workforce*, published in December 2005. Back in July

2006 COAG announced that the planned starting date of the national scheme was 1 July 2008. As we know, there have been further meetings of COAG, and in April this year it was finally agreed that the scheme would proceed and be in place by 1 July 2008. It is planned to be a less fragmented and better coordinated registration scheme which will provide the levers required to improve workforce development, generate efficiencies and promote consumer protection in a consistent manner right across Australia.

As I said earlier, we are in a lot of ways unique across the world. We do not have the borders that other countries have, but in Australia we have state borders. This has created problems, more so for the area along the Murray River represented by my northern colleagues than for the area I represent along the South Australian border, where we do not have so many border anomalies. The issue of border anomalies is regularly raised at our party meetings, whether it involves water issues or in this case health issues. We need to make sure that we have nationally consistent guidelines in relation to both the registration and the operations of these people. Again, we think it is common sense that we now have a COAG agreement which has come up with a national scheme.

For the sake of time I will not go through the COAG communiqués of this year and July 2006, but as I said The Nationals have met with many of the groups that are impacted by this legislation. We met with them after the bill was brought into this house. They included representatives of the Optometrists Association Australia, the Australian Medical Association (AMA) and the Dental Association of Victoria. They spoke to us on behalf of doctors, dentists, optometrists, physiotherapists and chiropractors. They raised many concerns, most of them related to the actual implementation of this bill and, more importantly, the national framework that is being developed.

They believe the act should be deferred because it would be nonsensical to be operating under the scheme we are operating under now, a new scheme that will operate from 1 July this year and a third scheme we could have from 1 July 2008. They believe that within 370 days we could have three systems, which would be very difficult for the practitioners, very difficult for the boards, very difficult for the Victorian Civil and Administrative Tribunal — because the regime could be in for a short period of time — and importantly very difficult for the consumers. The implementation of this could be very costly. In other words, more time and more money will be needed to manage the transitional process, which would be very complex.

We think Victoria is well in front of a lot of the other states. There is no doubt about that, and it is to be welcomed. We are operating under a pretty good scheme at the moment, and we do not think we should jump with haste into a second scheme given that we could have a third scheme in 2008. It could be very cumbersome having three schemes operating over that very short period; but importantly, as I said, it could be very confusing, not only for practitioners but also for consumers.

I have a copy of a letter which was signed by seven different people, including the president of the AMA, the president of the Dental Association, the president of the Pharmaceutical Society of Australia, the president of the Pharmacy Guild of Victoria, the president of the Australian Physiotherapy Association and the president of the Chiropractors Association of Australia. The last one is Rod Baker, president of Optometrists Association Australia. They wrote to the Premier in May this year, which is only last month, to advise that they were happy with the 18 amendments proposed in the bill but remained concerned about the government's wish to proceed this year with the implementation of the act, given the impending introduction of a national scheme. They believe there is a genuine danger that Victoria will go out on a limb with a new process that could be abandoned in the interests of national consistency.

As I said, we have received those letters, and many others. There is also a copy of a letter from the Minister for Health to Mark Yates, the AMA president here in Victoria, which says:

Transition to the national scheme must be carefully managed, and this will take time. To rush its development or implementation substantially increases the risk of regulatory failure (for example, that incompetent, unethical or rogue practitioners may slip through the regulatory net — the consequences of which could be devastating).

So even the minister has said that, if we proceed hastily, there could be problems and it needs time. In light of the national scheme, and taking on board the advice from the various groups we have met with, we believe that we need to let these amendments go through but hold up the implementation of the bill to 1 July 2008. We all know that when the national scheme comes in there will be further amendments to this legislation, which will become the Health Professions Registration Amendment Act. We know that because, as I said, the people we have spoken to are not happy with the changes. They support a national scheme, which we all do, but before the current act is in place we will already have made 18 amendments. We also know that the board chairs are not happy with this act being

progressed in 2007, particularly when we have a national scheme coming in in 2008.

I ask the minister whether all the concerns of those boards will be addressed or whether she believes they are being addressed by this legislation or the other amendments. From the consultation we have had, we do not believe they have been. Will they be fixed up in 25 days time. If this bill goes through without the amendments put forward by the member for Caulfield or by me, which are exactly the same, everything will need to be in place on 1 July. We do not believe that will be the case.

We know there are many problems with databases. We know that most of them will not be able to meet the information updates that are required. We know that amendments are being made, particularly for the nurses board, so that they do not have to comply with those types of things. We believe there is an enormous amount of red tape that has to be addressed. We also believe there will be increased costs, including the cost of VCAT hearings. At this stage the boards still do not know who is going to pay those costs — whether it will be the applicants, the health boards or VCAT itself. Therefore there will need to be another allocation in the state budget for the running of VCAT.

We know there are many proposed staff changes that will need to be in place before 1 July this year. Will they be in place in time? There will have to be panel appointments, particularly to VCAT. Are they going to be in place by 1 July this year? Where will VCAT hearings be held? I do not believe all this has been resolved. I have a copy of the bulletin put out regularly by the Dental Practice Board, which says:

Early analysis indicates there will be substantial costs associated with this new act. In particular it is anticipated there will be staffing changes required to manage the panels, hearings and review processes.

That was back in March 2006. If we go to the later Dental Practice Board bulletin, of September 2006, we find that it says:

The registrars and CEOs of all the health boards have been working through the legislation and have had several meetings with representatives of the Department of Human Services. Unfortunately many issues remain unresolved, not least of which relates to the cost of Victorian Civil and Administrative Tribunal (VCAT) hearings, which is where all formal hearings will be conducted.

As you can see, many concerns were raised in relation to that. We are still not sure that all these things have been resolved and are in place for the operation of this act, which, if the amendments go through, will be 1 July this year.

As I said, The Nationals have grave concerns about border anomalies. We have many overseas doctors in country Victoria. We need to make sure that we have a consistent framework for them. We do not want to see happen here what happened in Queensland, where there was a problem with doctors transferring across borders.

We want to make sure that we retain our health workforce, particularly in aged care. There have been changes to the administration of medication, and there is a lack of qualified staff to meet those guidelines. There is still a major problem in providing dental care right across rural and regional Victoria; there are enormous waiting lists. Overall we also have major concerns about the recruitment and retention of health professionals in Victoria. We do not believe we are doing enough about that, particularly when we compare ourselves with South Australia — a smaller state with a much smaller budget than ours — and with what is happening in Queensland.

In the hospitals in my electorate Wimmera Health Care Group lost two important members of staff to Queensland because they were offered more money, and this is going to happen again. If we do not get this legislation right in a nationally consistent framework, country Victoria could also lose many of its health professionals.

We must work as a nation, particularly in health care. We must get all the states, the territories and the commonwealth working as one on this matter. The Premier and the health minister have signed a Council of Australian Governments agreement, and we know that the health ministers are working towards an agreement to start on 1 July 2008. I have not had the time to read out many of the letters, some of which support it. I know we have letters from the optometrists association and the podiatry association; I have spoken to Andrew Cook, the president, and some of the people in my electorate. Much work has been done in the last month to inform us about this legislation.

A lot of the people we spoke to support the amendments in the bill. They believe the legislation will be good, particularly for country Victorians. Whether it is in podiatry or in eye care, some good things are in the proposed amendments in the bill, but I do not have time to go through them.

Weighing up all the concerns and benefits, we do not believe that delaying the implementation of the principal act until 2008 will impact upon the health care of Victorians, particularly those in country Victoria, and that is why we moved our amendment. We call on all members of this Parliament to support the amendment

circulated by the member for Caulfield, which is the same as the one moved by The Nationals — that is, to delay the operation of the principal act until 1 July 2008.

With those few words I indicate that The Nationals will be supporting the amendment. If it is not supported, we will be supporting the overall intention of the bill.

Ms MORAND (Mount Waverley) — I rise to speak in support of the Health Professions Registration Amendment Bill. As has been mentioned by the member for Caulfield and the member for Lowan, this bill amends the principal act, the Health Professions Registration Act, which was passed in 2005 by this Parliament. This act comes into effect in just a few weeks time, on 1 July, and will provide Victorians with an improved regulatory framework for health practitioners, within which a more efficient, transparent and accountable system and increased consumer rights and improved patient safety will be provided.

The implementation of this act has had a very long gestation. It began in 2003 with the release of a discussion paper, and two years later — in 2005 — a further options paper was released. Finally, the legislation was passed in November that year. That the opposition is trying to revisit the implementation of the original act is not a surprise, because its members did not vote in support of the act in 2005.

Opposition members are using the Council of Australian Governments (COAG) process as something of a Trojan Horse to oppose the implementation of the original act. I do not think that motive is entirely clear. What is clear is that they never supported the bill in its original form, and they still do not support the legislation today. Members of the opposition are actually opposed to an act that provides for improved patient safety, increased consumer rights and improvements in patient access to treatments. I do not really understand why they would not support such an important reform.

Perhaps I should ask them to listen more to their constituents rather than to the professional bodies that they sometimes appear to represent — particularly the member for Caulfield, who at times seems to be a ventriloquist for the Australian Medical Association. Perhaps she should also listen to her constituents' concerns, because they are very concerned about particular consumer rights and want to see this bill implemented.

The bill is amending the Health Practitioners Registration Act to reflect very important and recent

developments at the COAG level. On 14 July 2006, and again this year on 13 April, COAG agreed to establish a single national registration scheme for health professionals. This decision is going to result in all state and territory registration boards being replaced with national registration boards, one for each health profession. They will cover the nine health professions currently regulated in states and territories: nurses, doctors, dental care providers, pharmacists, chiropractors, osteopaths, optometrists, psychologists and physiotherapists.

This bill is amending the principal act to make sure that we have a smooth transition to the national accreditation and registration scheme and that the reforms we are implementing will be consistent with the future scheme. It defers some of the reforms until further details of the national scheme are known. Specifically the reforms to be deferred are managing student registration, managing inclusion of information regarding practitioners' qualifications and contact addresses on practitioner registers. This is particularly in response to concerns raised by the Nurses Board of Victoria, and I know it is pleased with the amendment should it proceed in the Parliament.

Finally, the prescribed period of two years for when information must be provided to demonstrate recency of practice can now be varied in regulation by the minister if a responsible board wishes to submit to retain its existing practices and time frames. That will also be deferred.

The act should proceed as scheduled and should not be deferred. Let me make it clear that Victoria is committed to implementing the COAG national registration and accreditation scheme for health professionals; however, a staged approach to implementation is expected to be taken, and I know that COAG has announced the date for the implementation of a national scheme to be July 2008, but that is only one year away, which seems to be an extremely ambitious timetable and one that we in Victoria are not sure will be met. We are committed to the COAG process, but we are concerned that it will be in effect in one year's time, so we certainly do not agree with the amendment proposed by the Liberal Party or The Nationals to delay the act's implementation by 12 months.

In the short to medium term, Victorian registration boards must be well equipped to continue their important public protection roles. The transition to the national scheme must be carefully managed and should not be rushed. Finally, the three professions of podiatry, medical radiation and Chinese medicine are not

included in the national scheme, and the state-based arrangements must continue for these professions.

This important reform should not be deferred, not only because we need to ensure a smooth transition to a national scheme but also because consumers have a very high expectation about the reforms for which they have waited for a very long time — since 2003, when the first paper went out for discussion. Consumers want these reforms, and I am sure that most members will have had a visit from constituents who have been concerned about the way in which their complaints have been dealt with by various registration boards, and it is to those people that we are responding.

The reforms should proceed. The member for Lowan mentioned the amendments which the opposition supports; but if the act does not come into effect at all, then the reforms will not come into effect, such as prescribing rights for the podiatry profession, which will improve access to and the quality of services provided by podiatrists to their patients. Also there will be better and more streamlined arrangements for approving new drugs for prescribing by suitably qualified optometrists and also by nurse practitioners.

There will also be the transfer of hearings of serious professional misconduct to the Victorian Civil and Administrative Tribunal. There may be concerns about that. However, the national scheme proposes a tribunal model, so it seems to make sense for Victoria to proceed with the model of VCAT, because that is the model the COAG process seems to be heading towards anyway.

The deferral of the act would mean that the investigation review panel rights for complaints would not be able to proceed for three types of board decisions — that is, where the matter is closed without investigation; where the matter is closed following investigation with no further action; and where the matter is referred for an internal board hearing rather than to VCAT for a hearing. It would also defer increased representation by consumers on all the health practitioner boards, and I think that is a very important reform in the principal act which will come into effect on 1 July. There is also the power for the boards to settle less serious matters by consent between the board, the practitioner and the complainant. I think this will offer a more streamlined and quicker process for some patients and consumers to have their complaints heard.

Deferral would also delay the new performance assessment powers where a practitioner's performance may be substandard, the new powers to prosecute

unethical corporate employers of registered health practitioners, and the new offences that prevent practitioners deceiving the public that they are specialists. It would also delay the strengthened powers to prevent unethical advertising of health services. Why would the opposition not support these important reforms?

The members for Caulfield and Lowan talked about whether or not the boards would be ready for this transition. I am informed that the Department of Human Services has been working closely with all the registration boards for the last 18 months to ensure a smooth transition, and in fact the registration boards are well prepared for 1 July, when the act comes into operation. The boards have adapted their administration systems ready for the new act, well in advance of the implementation date of 1 July.

To defer the act now would place many boards in a very difficult position. They have been working towards the implementation of the new act, and it would create all sorts of problems for them. They are ready for the new act, and they are also ready to then work with the government and the department towards a national registration scheme.

I just want to say in summary that the act should not be delayed. I also want to take the opportunity to commend the hard work and dedication of the Department of Human Services staff, particularly Anne-Louise Carlton and Peter Carver, who have been working very hard on the reforms to health practitioners regulation over many years, and I know they will be working hard into the future. I commend their work, and I also commend the bill to the house.

Mrs VICTORIA (Bayswater) — I want to talk on the Health Professions Registration Amendment Bill 2007. I rise in support of the amendments being put forward on behalf of the Liberal Party by the member for Caulfield and also on behalf of The Nationals by the member for Lowan. The proposal to defer the implementation of this for one year is quite logical.

There are some good aspects of this bill, and I am certainly not going to talk them down. It is a great idea for consistency to have serious disciplinary hearings heard by the Victorian Civil and Administrative Tribunal. That is a good move. National registration for nine areas of practice is also a good idea. It makes sense to have practitioners able to broaden their prescribing boundaries, which is also within this lot of amendments.

However, I want to pick up on something the member for Mount Waverley said, which was that we need to listen to our constituents as well as to professional bodies. I can say quite honestly that I have done both. If we look at what constituents want — and we are all members of the public and we all pay our taxes — we see that what they want is lower costs for everyday items and services, whether they be medicines or going to the doctor. A lot of doctors do not bulk-bill; they charge over and above the bulk-billing rate.

What I see happening if we try to rush all of this through is that it will cost a lot of money for the extra facilitation that has to happen at the practice level, and those sorts of costs are generally passed on to the public. Those who are charging a gap may well widen that gap, and it will then make it more expensive at the consumer level. Constituents do not want higher costs when they visit practitioners of any kind. The idea of the bill is to lessen the number of GP visits. That is all very well and good. It will certainly help patients and the government alike, but it is not just about lessening the number of GP visits; it is also about lessening the amount of money they are going to be paying for those visits.

The state wants to make changes to the Health Professions Registration Act 2005 before it comes into force on 1 July this year, but it will create an administrative nightmare. I have visited some of the major health practices in my electorate. We talked about the nightmare it will create not only for the practice managers but also for the practitioners. I have also spoken to some sole practitioners who agree wholeheartedly. Quite often they are working long hours just to make ends meet, and they have said this bill will create undue burden. To go through the entire procedure again in 12 months because of the resolution made by the Council of Australian Governments last year to bring them in line with the national registration and accreditation scheme is not only going to be, as I have said, expensive but also it will be time consuming.

As I have also said, the costs may well be passed onto consumers, and that defeats the entire purpose. It is double handling. Rather than creating ways to give extra work to hardworking practitioners, it would be nice if the Minister for Health thought about concentrating on the deployment of resources to fix the waiting lists for specialists and outpatients clinics. Perhaps she could also look at restoring the faith in treatment levels among public patients and reduce waiting times for those in pain. Attracting more GPs to Victoria would be a terrific initiative and something the Minister for Health could certainly spend some time on.

When I look at the general practice division in Knox I realise what suffering they are going through by not having enough doctors coming to the area. What I would like to do is ask the government to look at the facts, admit it is on the wrong track with this one and vote for the amendments.

Mr BROOKS (Bundoora) — As a number of speakers have already mentioned, the Health Professions Registration Act, the principal act, comes into effect on 1 July this year. In light of the Council of Australian Governments (COAG) direction towards a national accreditation and registration scheme for health professions, which may take well over a year to implement, it is important that Victoria has a framework that, firstly, provides a high level of protection for the public as well as high professional standards, and, secondly, puts in place a framework that is easily translated to the eventual national framework that we are working towards.

The COAG direction is one based on the recommendations of the Productivity Commission's report into Australia's health workforce, and that approach by COAG is commendable. I want to divert for a moment and contrast that with the lack of forward planning for the regulated health professions, particularly general practice, which is appalling. It is something for which the federal government should stand condemned. I refer to — and I am happy to table this for the house — a story by respected journalist Fiona Willan which appeared on the front page of a local paper in my electorate, the *Diamond Valley Leader* of 16 May. It starts:

Sick people are being turned away from Diamond Valley medical centres as GP shortages worsen.

And as local clinics struggle to replace retiring doctors, nursing home residents and home-bound patients will bear the brunt of the shortages, the North-East Valley Division of General Practice says.

And the story goes on. There is obviously a disgraceful shortage of GPs across Australia, particularly in Diamond Valley, an area that I represent. The federal government, which should be undertaking forward planning and ensuring we have enough GPs, has failed dismally, and many sick and elderly people might now miss out on that very important level of primary care.

I will be doing everything I can to get the federal government to address both this problem at the local level in my area and the broader long-term planning policy vacuum that exists at the federal level. In contrast, the bill before us today is carefully thought through and has been drafted with an acute sense of the future challenges. I commend the bill to the house.

Debate adjourned on motion of Mr KOTSIRAS (Bulleen).

Debate adjourned until later this day.

PROFESSIONAL STANDARDS AMENDMENT BILL

Second reading

Debate resumed from 23 May; motion of Mr HULLS (Attorney-General).

Mr CLARK (Box Hill) — The Professional Standards Amendment Bill 2007 amends the Professional Standards Act 2003, which is an act that came into operation in 2004. It was enacted as part of a series of legislative measures to respond to the then public liability and professional indemnity insurance crisis.

It was one of the later measures of the suite of measures that were progressively but rather belatedly introduced into this Parliament by the government. At the time of the debate on the Professional Standards Bill — which for some reason at that stage had been introduced into the house by the Treasurer but which is now the responsibility of the Attorney-General — I said in responding on behalf of the opposition that the basic question that really ought to be asked was what effect the legislation would have on the availability and cost of public liability or professional indemnity insurance. I said it was worth making the point that the second-reading speech by the Treasurer was virtually silent on that point.

As events have unfolded it appears that the professional standards legislation has been a very quiet area indeed. I refer in particular to the annual report of the Professional Standards Council Victoria for 2005–06, which at page 8 informs readers that:

In June 2006, the Victorian council received its first application for a scheme under national arrangements from the Institute of Chartered Accountants in Australia (ICAA).

It went on to say that the ICAA had also applied to all the other councils in other states where they were currently constituted.

As at the time of the 2005–06 annual report no professional standards schemes for Victoria had been approved, and only one scheme application had been received. The financial statements in the annual report confirmed that there had not been a great deal of activity on the part of the Professional Standards Council, because its total expenses for the year were

\$78 438. I certainly do not reproach the council for a lack of spending, because clearly if there was nothing to spend the money on, then the money should not have been spent. But that total sum of expenses is an indication that the committee, at least up to that point, had had a very quiet existence.

That is borne out by the report on activities in the council's annual report, which talks about the various things it had done in 2005–06. Primarily they were a review of decision-making processes, including a major review of the application process; a consideration of the guidelines that had been developed for each jurisdiction on how applications should be completed; a major review of the council's annual reporting requirements; the release of draft annual reporting guidelines; and a forum for current and potential scheme administrators, which was held in May 2006. There is reference to the fact that the council had contributed to ensuring that it was self-funding under the national arrangements by recommending an appropriate fee structure to the Attorney-General. Also, and quite curiously, the annual report refers to the fact that:

The council responded to a concern raised by an occupational association that the current legislation may not allow the occupational liability of professionals and others to be limited using a costs-inclusive insurance policy, by requesting an amendment to the legislation. A draft bill is currently out for public consultation in Victoria. The council has also requested an amendment to the legislation to allow for the mutual recognition of schemes across jurisdictions.

In its plans for the future the council indicated that work planned to be completed during the 2006–07 financial year included:

Completing the review of the councils' decision-making processes, including:

- the finalisation of the annual reporting guidelines,
- a major review of the policy statement on professional indemnity insurance, and
- a review of all other policies, and the adaptation of those policies for each jurisdiction;

formalising the provision of secretariat services to the council through a service agreement with the NSW Attorney-General's Department;

continuing to contribute to legislative reform, including monitoring and encouraging the national implementation of the costs-inclusive amendment and an amendment to provide for the mutual recognition of all schemes, and encouraging the national implementation of consistent regulations on fees and the prescribed form of disclosure —

and finally —

reviewing the star initiative grant program for occupational associations for research and projects to improve professional standards and/or protect consumers of professional services.

I suppose it can be said that in the absence of applications actually before it, bar one, the council was doing its best to put itself in the best possible position to deal with such applications as it may receive and to be in the best possible shape for the future. But it is noticeable that the bill before the house does not in fact deal with a number of the legislative elements that were referred to in the Professional Standards Council's annual report — in particular, the amendment relating to a costs-inclusive insurance policy and an amendment for the mutual recognition of schemes across jurisdictions. What is reflected in the bill, and it is referred to in the annual report, is the national implementation of consistent regulations on fees. I look forward to whoever speaks on behalf of the government shedding light on why those other elements are absent from the bill before the house.

The bill we are considering makes four principal amendments to the legislation. The first is to establish a separate Professional Standards Council Fund which is outside the public account and the responsibility for which is clearly vested in the council. It also allows the Professional Standards Council to delegate various powers to the Secretary of the Department of Justice or to other public service executive officers; allows the council to enter into agreements with any entity and for that entity to provide administrative support to the council; and alters the regulation-making powers in the act, including for the imposition of fees on members of occupational associations to which a scheme under the act applies, and to facilitate nationally uniform regulations, which I have referred to previously.

I should put on the record the point that the scheme to which this bill relates for professional standards approval and regulation is intended to be a nationally uniform scheme. While each state has separate legislation and formally a separate professional standards council, in fact the council has a common membership across all the participating jurisdictions, and there is a common secretariat for all the professional standards councils that is based in the New South Wales Attorney-General's Department. Achieving both economy and uniformity through having a common secretariat and common council membership seems a sensible move.

I turn to the particular amendments made by the bill. I understand that the establishment of the separate Professional Standards Council Fund is intended to reflect the fact that the council is an independent body corporate and should therefore have a fund which is its

responsibility and is recognised as such. The amendment also has the effect, as the explanatory memorandum points out, of separating the fund from the public account for the state of Victoria. What is not completely clear is how that will result in the expenditure of the council being accounted for in the financial reports and budgets for the state as a whole.

We were told when we were briefed on the bill that this amendment would remove the fund from the accounts of the Department of Justice, but whether it means that the council will remain within the general government sector under whole-of-government reporting or be treated as a public non-financial corporation is unclear. Again, if any member of the government contributes to the debate, I would welcome any answer they can provide to that question.

The provision allowing the Professional Standards Council to delegate powers to the Secretary of the Department of Justice or to other public service executive officers is, according to the minister's second-reading speech, designed to reflect the fact that the members of the council itself are part-time appointees and to enable various administrative and logistical roles to be performed by others on behalf of the council, rather than the members themselves being tied up in those roles.

That in itself is a worthwhile objective. However, it is going to be important that the Professional Standards Council retains clear responsibility for the substantive decisions that have to be made, because the council has a very important role of balancing competing interests and considerations. On the one hand it wants to limit the cost of insurance for professionals to a point where the cost of insurance is not imposing unreasonable burdens on the professionals themselves or on their clients through the charges and fees they have to impose on their clients in order to recoup their insurance costs. That is one objective.

On the other hand it is important that the public interest be protected, in that if there is any scheme of limitation of liability that is agreed to for a profession so that the members of the relevant professional association have their liability capped, then that can expose members of the public to an inability to recover losses in the event of malpractice on the part of the professional concerned. The council has a very important discretion to exercise. It is vital that the council retains the exercise of that discretion and of all related decision-making processes firmly within its own control.

There is always a risk with regulatory bodies that they will be subject to industry capture, and it is important that the council continue to avoid that risk. It is also important that the council take ongoing recognition of the fact that the structure of this act is such that a professional who is a member of the professional association for whom a scheme is approved will attract the protection of the scheme in terms of limited liability, but a professional who is not a member of the relevant professional association does not attract that protection. So there is an issue in terms of freedom of association that needs to be weighed as well.

It is fair to say that there is no exclusive coverage for any particular profession given to any one professional association. It is conceivable that if there was more than one professional association covering a particular profession, each association could apply to have its own scheme approved for its members. But what is clear is that a person who is not a member of the relevant professional association does not have the benefit of the limited liability provided for in the scheme. Of course, they are also not obliged to comply with the professional standards that are laid down by the scheme.

The fact that there is going to be this distinction between member and non-member professionals is something that needs to be carefully weighed by the council in making its decisions, which is yet another reason why it is important that the process of deliberation and information gathering in relation to such decisions remains firmly with the council itself and is not consciously or inadvertently delegated or limited by use of the delegation power.

In similar vein the amendment that allows the council to enter into agreements with any entity, for that entity to provide administrative support for the council, will require the council to be careful as to the terms in which it makes any agreement for administrative support to avoid exactly the same problems that I have just referred to.

Finally, the alteration to the regulation-making powers is, as I alluded to earlier, one that has been under consideration by the professional standards councils and is designed to achieve national uniformity. There are already provisions in the act for the imposition of fees. The regulation-making powers are going to give greater flexibility and hopefully will result in a fair fee regime for any professional standards schemes that are approved for Victoria.

The opposition does not oppose this bill. We believe, as I have said, that there are important considerations that

need to be weighed by the Professional Standards Council. There are important policy issues about balancing various rights and responsibilities and in preserving freedom of association. As I said at the outset, so far there does not seem to have been a great rate of uptake in the use of this legislation. However, it may be said that they also serve who only stand and wait.

The council may be performing a useful social function in being available and waiting for applications that may be received. But at the time of the legislation the Insurance Council of Australia predicted it would not have a great effect on the public liability and professional indemnity insurance situation. That seems to be the case. It may well be that in the light of that experience the ongoing work and role of the council needs to continue to be watched as to how and to what extent it is achieving its objectives and as to whether there are any improvements that can be made to the regime.

Mr RYAN (Leader of The Nationals) — The Nationals do not oppose this legislation. The principal act, the Professional Standards Act 2003, arose out of the wave of national tort reform that occurred going back two or three years ago. Politics by its nature tends to carry with it from time to time the wave of public opinion with regard to issues of the day. Certainly going back those two or three years ago the issue of public liability insurance and matters attached to it was something that was certainly the topic of the day.

A number of inquiries were undertaken by various jurisdictions, and different entities and legislation by different tranches passed through parliaments across Australia. It is interesting to reflect that whilst this particular piece of legislation before the house — and indeed, the principal act which it amends — specifically do not deal with personal injury-related issues, there was some commentary only in the last two or three weeks by a judge within the Supreme Court of New South Wales, reflecting on the fact that perhaps the changes that were made those two or three years ago may have gone too far and that with the adjustment in fortunes to the insurers which has occurred with the passage of time, the whole area needs to be revisited.

It is interesting to note that we have had a downward adjustment for the main part with regard to premium levels. A lot of that has arisen because we do have more competition in the marketplace, but the international equities markets have been much kinder to the insurers and their investments over the succeeding two or three years since the changes were made, and that in turn has had a beneficial influence upon their balance sheets. As

one of those things that I bring to the debate today I make the observation that when we look back at the changes that were made those two or three years ago, it may be that sometime down the line the amendments that were brought about in a period when the question of tort reform was very much in the public eye may need to be reviewed to ensure that we have a proper balance in the way they take effect in our communities.

This legislation deals with professional standards. By section 5 of the principal act, it specifically does not apply to liability for damages arising from any of the aspects of activity which are set out within section 5, and particularly the death of or personal injury to a person, any negligence or other fault of a legal practitioner in acting for a client in a personal injury claim, a breach of a trust or a fiduciary duty, fraud or dishonesty; and also with regard to claims which may arise out of a breach of section 110 of the Transfer of Land Act 1958.

Nevertheless when this structure was established, it was done on a basis that at the time it was thought to be an imperative that there be an entity or the undertakings pursued by way of the principal act be put in place because there was a concern that there would be a crippling degree of liability potentially imposed upon a lot of those professions, bodies and individuals who practise within the areas that the legislation accommodates. As the member for Box Hill has observed, the legislation has not had the degree of take-up as was thought would be the case. Be that as it may, we have amendments now before us.

The principal act, as I said, was passed in 2003 as part of the national tort law reform process. Its basic aim was to limit the occupational liability of professionals in certain circumstances as described by the act. Our act is based on the New South Wales legislation which was passed in 1994. All the jurisdictions around Australia now have the equivalent legislation. It does differ from jurisdiction to jurisdiction, but the general tenor of the legislation is the same in each case. On the other hand, this is not template legislation in the way that we usually understand that term and its application throughout Australia.

The administration of the state and territory professional standards legislation at a national level is governed by an intergovernmental professional standards agreement that was executed in 2005. The legislation now before us contains local amendments to the Victorian Professional Standards Act 2003. They are intended to better enable Victoria to facilitate its commitments under the intergovernmental agreement

and to make our act more consistent with the professional standards legislation in other jurisdictions.

There are three basic amendments contained within this bill. The first of these is to insert sufficient heads of power in our act to enable the promulgation of regulations. At the present time the fee structures applicable to the council are set out in the act itself, and what has been agreed is that the fee structures will now be set by regulation based on the structures that apply in New South Wales. Accordingly the current provision in our act will need to be replaced by a provision which enables the creation of regulations which will deliver the outcome as set out in the act.

The second of the amendments is to establish a new and separate Professional Standards Council fund. The Victorian Professional Standards Council fund, which accumulates fees paid to the council under the act, will be separated out from the public account to establish it in its own right. The fund in the form in which it presently exists will be closed.

The third amendment is to enable limited delegations of power by the council to enable the council to enter into agreements with other parties. This is said to be in the name of the flexibility that is required to enable the council to do its job, on the basis, though, that others can be involved rather than the specific council members themselves. The crucial issue remains that in the course of making this sort of amendment, the work of the council will not be at all diluted. It is important that if we are going to have this structure in place, it is the actual council members themselves who are executing the role which is required of them by the terms of their appointment. Nevertheless, this issue of added flexibility will enable the council to do its job better, and therefore it is not something that is opposed by The Nationals. We do not oppose the legislation.

Mr LUPTON (Prahran) — I am pleased to make a contribution this afternoon in support of the Professional Standards Amendment Bill, which is a further refinement of the legislation which was passed by this Parliament back in 2003 and which came into effect in June 2004 as part of a package of national tort law reforms following the difficulties in the insurance industry in Australia and around the world between 2000 and 2002.

The objective of the Professional Standards Act is to improve professional service standards and to limit the occupational liability of professionals in certain circumstances. The Professional Standards Act was introduced in this state as part of a suite of law reform initiatives undertaken by the Bracks government and

other governments around Australia to deal with the fallout of issues that were affecting the insurance industry between the years 2000 and 2002. During that time there was a major downturn in the global insurance market.

That market was further adversely affected by events such as September 11, and more locally it was adversely affected by the collapse of the HIH Insurance Group in Australia. Events such as those caused significant difficulties for individuals and businesses seeking public liability and professional indemnity insurance cover over that time. In addition to a range of other reforms in the area of tort law, the professional standards framework was put into place as part of a legislative solution to deal with the impacts of the insurance crisis we were facing at that time.

Legislation dealing with professional standards now exists in all Australian jurisdictions. It is nationally consistent, but it is not in fact model or template legislation. Since the introduction of this form of legislation in the jurisdictions around Australia, the Standing Committee of Attorneys-General has been meeting and considering the need for further refinements of this legislation.

In 2005 the Standing Committee of Attorneys-General entered into an intergovernmental agreement called the Professional Standards Agreement 2005. The purpose of the standing committee entering into that agreement was to provide for a national system of professional standards regulation and to give the state-based professional standards legislation more consistency around the country. The agreement included national cooperation in the selection and appointment of members to professional standards councils which exist around the country — the different state jurisdictions appoint numbers of members to those councils — and also provided a greater degree of administrative support for such councils under the relevant professional standards legislation.

In particular, that agreement provides that the parties to the agreement, which of course are the different governments around Australia, will use their best endeavours to appoint the same 11 members to each state and territory professional standards council, to establish a common national secretariat to provide a single point of administrative service to all the councils, and to make as far as is possible uniform provision for regulations that will govern the setting of fees and penalties and the forms of disclosure about the application of the scheme.

The amendments contained in this bill seek to facilitate those commitments that have been made by the Standing Committee of Attorneys-General. They do that by providing sufficient heads of power for the regulations that are made in Victoria to be nationally consistent, to allow the Victorian council sufficient flexibility to operate effectively under that national framework by providing a power of delegation by the council to the Secretary of the Department of Justice or another relevant officer, and also to enter into a service agreement with third parties for the provision of such support.

Another important aspect of the bill is that the current fund for the maintenance of the secretariat in Victoria will be taken out of the public account where it is currently located. That account will be closed, and a separate stand-alone account will be established.

The Liberal opposition and The Nationals, while not opposing this bill, raised a number of particular issues about the operation of this scheme, and I would just like to make a couple of comments in relation to that. When this legislation was introduced in Victoria in 2003 and when it took effect in June 2004, it was, as I have said, part of a suite of national tort law reforms that covered a number of different areas. The professional standards legislation does not, for instance, cover the issue of personal injury negligence. There are other tort law reform initiatives that were entered into at that time to deal with those sorts of matters.

We are dealing here with the occupational or professional indemnity and liability of certain professional organisations that have appropriate professional standards systems in place. When a professional organisation meets appropriate and satisfactory minimum service-standard responsibilities it can apply for recognition under this scheme. If recognition under this scheme is granted to that professional organisation and it has appropriate professional indemnity insurance, a cap limiting potential payouts under that scheme can be applied to it.

The chartered accountants have applied for registration under this scheme in all jurisdictions in Australia, and that application is proceeding. Another instance of an application is one by the Law Institute of Victoria, which currently has a submission before the council.

The issue of whether or not a greater or lesser number of applications is a good or a bad thing is not really something that is capable of being answered in the abstract. We need to look at the overall question of the availability of insurance, the type and coverage of insurance policies, the trends or otherwise in insurance

premiums and matters of that sort. What we can see, if we look at the package of tort law reforms that were enacted over the period around 2003, is that the overall effect of that package has been that the insurance industry has re-entered the insurance market.

There is now a greater amount of insurance available for all of the broad range of activities that people, organisations and businesses need insurance cover for. We also see that the trend in insurance premiums has been downwards. That was the other important aspect of the national tort law reform package: we needed to make sure that there was enough insurance coverage coming back into the market, that the market was one where insurance companies were willing and able to offer a product and also that the insurance products that were on offer had premiums of an appropriate level and not out of proportion in terms of businesses, organisations and individuals attaining appropriate coverage.

We have seen in Australia and in Victoria since the national tort law reform package was enacted that that is certainly the case. We now have a better and vibrant insurance market, and premiums have been trending down in an appropriate fashion. So while there has been a limited amount of take-up under this particular piece of legislation and this professional standards scheme, that needs to be seen in the context of the broader insurance market, which is happily now trending in the right way. That is a good thing for business, a good thing for consumers and a good thing for the Victorian community. I support the amendments that are before the house today.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

WATER ACTS AMENDMENT (ENFORCEMENT AND OTHER MATTERS) BILL

Second reading

Debate resumed from 2 May; motion of Mr THWAITES (Minister for Water, Environment and Climate Change).

Ms ASHER (Brighton) — The Liberal Party does not oppose the Water Acts Amendment (Enforcement and Other Matters) Bill. But we have a number of

issues, on which I will seek clarification from the minister, in relation to the operation of the new authorised water officers and their possible conduct.

The purpose of the bill before the house is to put all fines for breaking all forms of water restrictions under the Infringements Act. Currently some are under the Infringements Act, and others are not. The purpose of this bill is to bring all of those on-the-spot fines for infringements, be they in the city or country, under the Infringements Act.

The secondary purpose, which has only a couple of very brief references in the bill, is to amend the Water Act to ensure that holders of licences for non-consumptive use, such as fish farming and hydro-electricity generation, cannot convert the licences into water shares. This, of course, has arisen as a consequence of the unbundling of water rights and is needed by the government by 1 July. The government has advised that this consequence was not intended at the time of the 2005 reforms and has verbally advised the opposition that there may well be further legislative changes required in due course. On that one we have no disagreement.

The key element of the bill is the enforcement of water restrictions and the related changes the government wants to bring in. As I said, currently breaches are enforced in different ways. Some infringements for on-the-spot fines are under the Infringements Act but some are not. I am going to use the generic term 'water restrictions', as does the second-reading speech, but there are a range of different water restrictions with different terminology. There are drought response plans; there are emergency management plans; there are permanent water savings plans; there are the stage 1, 2, 3 and 4 water restrictions, with which we are all familiar; and in country areas water restrictions and their enforcement occur under by-laws. The government is attempting to have all of those on-the-spot fines brought under the Infringements Act.

The Water (Governance) Act 2006 brought some of these fines under the Infringements Act. I want to make reference to the minister's second-reading speech on the principal act, which was made in this chamber on 10 August 2006. It appears to me that this is yet another instance of the government rushing in to make changes and introduce on-the-spot fines, but not going through how it wants to approach the on-the-spot fine regime. The minister said:

It is now proposed that penalty infringement notices or 'on-the-spot' fines may be issued for breaches of the restrictions and prohibitions on water use provided for in permanent water saving plans and drought response plans

or water restriction by-laws. 'On-the-spot' fines are an extra enforcement tool that water authorities can use to encourage people to comply with water-saving rules and restrictions.

Then the minister spoke about the four-stage approach. He said:

It is intended that the water restriction by-laws will mirror this arrangement so that there is consistency across the state.

It is true that in terms of that piece of legislation, there was consistency across the state. But only a range of restrictions came under the Infringements Act and a range still remained under by-laws in country areas. I make the point again: the government frequently comes into this place with legislation and frequently then has to return here with further legislation to rectify issues which it may not have thought through before bringing the original legislation here. The Liberal Party requested a longer adjournment period in order to consult on and then debate that bill, but that was refused by the Labor Party at the time.

I will move on to the actuality of the bill. The government looked at what happened over summer, particularly at the differentiation of regimes and the powers of water authority employees to issue fines. Obviously the government has looked at the current mandatory warning regime and has decided to make some change.

I will refer to the effect of bringing the regime under the Infringements Act. There is an argument that bringing all regimes under the Infringements Act at least gives people some additional rights to dispute. I refer to the statement of compatibility with the Charter of Human Rights and Responsibilities which was attached to the second-reading speech of this bill. The government's view is:

... an infringement notice should always be sufficiently clear and detailed so as to inform the person of the nature and reasons for it being issued, and persons issued with such notices should always be informed of their option to defend proceedings in court.

The statement then says:

... the person is entitled to elect to have the matter heard and determined in the Magistrates Court ...

The Scrutiny of Acts and Regulations Committee in *Alert Digest* No. 6 of 2007 reported to the Parliament that it accepted the government's view. Obviously there are members of my party on that committee. SARC stated in relation to bringing the entire regimes under the regime of the Infringements Act:

The committee notes that the issue of infringement notices will be in accordance with the forms and procedures of the Infringements Act 2006 which includes the requirement that a person be informed in sufficient detail for them to understand the alleged offence and that the person is informed that they may, as an option, have the alleged offence heard before a court.

We have no argument about bringing in the entire regime under the Infringements Act. We only query why all of this was not done in one go — that is, when the bill was being considered by the house in 2006. The Infringements Act provides payment options to people and so forth.

One of the big changes in the bill is that the bill establishes a person called an authorised water officer. That person will have the capacity to issue on-the-spot fines, whereas previously employees of the water authorities have had the capacity to issue on-the-spot fines.

The authorised water officers are to carry and show identification. The authorised water officers must have reasonable grounds to suspect a contravention of a water restriction. Likewise authorised water officers can request the names and addresses of people if there are reasonable grounds to suspect that water restrictions have been broken. This power is now available to employees of water authorities in country Victoria, but the component in the bill regarding the request of names and addresses will now be extended to the city.

Again I refer to the statement of compatibility on the Charter of Human Rights and Responsibilities Act in regard to this bill, because there are some broader concerns in relation to privacy rights which are thrown up as a consequence of this change. The government's view is that:

... the bill will prima facie intrude upon an individual's right to privacy regarding information about them by requiring the compulsory disclosure of a person's name and address. Specifically, these clauses will allow an authorised water officer to require a person to state his or her name and address if that officer has reasonable grounds for believing that that person has contravened, or is contravening, a restriction ...

The government is well aware of that. In the statement of compatibility the government concludes that whilst there are limitations, particularly in the area of privacy, they are reasonable and proportionate. In its report on this bill the Scrutiny of Acts and Regulations Committee held the same view. Given that SARC has the charter to examine this sort of issue, I will refer to its findings, where it said:

The committee notes that the laws will only allow an authorised person to ask for a persons name and address only after the authorised officer has identified themselves and only

after having formed a view, based on reasonable grounds, that the person has contravened or is contravening a relevant water usage law.

Under this legislation if the authorised water officer is unable to show his or her ID card, then people will not be required to reveal their names and addresses. However, the big change from previous practice is that this legislation will remove the mandatory requirement to issue warning notices. It is here that I wish to seek some assurances from the minister about the way in which this will be handled by authorised water officers. Something like 10 000 warnings have already been issued. Under this legislation what will happen is that the obligatory power to issue warnings will be removed, and under the Infringements Act authorised water officers will have discretion as to whether they issue a warning or not. Mandatory warnings have now gone.

Another significant change introduced by the legislation is that it actually requires water restrictions to be placed on the internet. Currently the drought response protocols and the information on the restrictions, which is far more detailed than what individuals see in the ads placed in various newspapers, are required to be available for inspection only from the water authorities during business hours. As I said, there is now a requirement for this to be placed on the internet. Given that these water restrictions, drought response protocols and so on are far more complex and far more detailed than anything anyone reads in the snap ads in the newspapers, I think that is a step forward.

I want to briefly look at the penalties — and again I make the point that these penalties are already in existence in both the city and the country. Basically the penalties the government has decreed are as follows: for a breach of permanent water restrictions, 1 penalty unit; for a breach of stage 1 water restrictions, 2 penalty units; for a breach of stage 2, 3 penalty units; and for a breach of stage 3, 4 penalty units. Of course in Melbourne at the moment we are on this concocted stage 3A, so the penalty for a breach is 4 penalty units. Should we move on 1 August to stage 4, a breach will mean five penalty units. A penalty unit for 2006–07 is \$107.43, and a penalty unit for 2007–08 will be \$110.12. Again, members will all be aware that these penalty units are indexed and obviously rise with every year that goes past.

I want to give the house a concrete example of what this would mean. For example, if someone in Melbourne breached stage 3 water restrictions, the penalty at the moment would be \$429, and after 1 July the penalty would be \$440. The top level of fine is

sitting on 5 penalty units. Should Melbourne move to stage 4 restrictions after 1 August, the fine would then be \$550. Bear in mind that there is no warning; the mandatory warning is gone. I repeat: if someone breaches the stage 3 water restrictions — in theory, if a watering system is left running 5 minutes longer than it should be — after 1 July the fine will be \$440. Should we move to stage 4, again there will be no mandatory warning. So if someone waters their garden — under stage 4 there is no watering at all — the fine will be \$550. The fines are quite substantial.

The key issue for the Liberal Party is the conduct of the authorised water officers. We do not want to see the Water Gestapo operating in Victoria. With the removal of the mandatory warning it is very important that these authorised water officers exercise their powers with care. Most members of the chamber would think that if there is a wilful breach of a water restriction by someone who is a repeat offender and in effect says, 'I could not care less. I will water my garden at whatever time I like', clearly that is a case where the mandatory warning can go and a fine can be instituted immediately. We have no query about that. But surely discretion must kick in in the case where somebody has made a mistake. I use what I call the old lady test.

Ms Beattie — Oh, you're not!

Ms ASHER — I did not say I was in that category; I am advocating on their behalf. Under the current system, if someone waters their garden at the wrong time or on the wrong day, what is the authorised water officer going to do? We will be in the hands of the authorised water officer. The Infringements Act simply says that officers will have discretion to either issue a warning or impose a fine.

When this bill becomes an act we in Victoria will be completely reliant on the goodwill of authorised water officers. I stress I am not interested in defending people who wilfully break restrictions and let the community down. I am interested in people who may have had a leak in their watering system, who may have not quite understood what is required or who may have turned the tap off at 5 minutes past the hour when they should have turned it off on the hour.

We have been advised that the DSE (Department of Sustainability and Environment) will run a training course over five weeks. It will be similar to the course that the fisheries inspectors and so on undergo. The question of when to issue warning notices will be part of that course, we are told. I wish to seek assurances from the minister about these training courses. I also wish to seek, more importantly, an assurance from the

minister that the authorised water officers will not run around like henchman with jackboots and that they will actually use a reasonable degree of discretion when they are levying on-the-spot fines, particularly as we are now at the upper end of the fine scale both in Melbourne and across country Victoria.

Again I ask the minister if he could advise the house on the disciplinary or counselling procedures for these authorised water officers should they get far too enthusiastic and assume the role of the Water Gestapo. I would ask the minister to respond on what the DSE and the minister are going to do to ensure that the authorised water officers behave in a manner that the community would believe appropriate when issuing these on-the-spot fines.

I also would ask the minister to clarify the entry powers of the authorised water officers. Clearly employees of water authorities are allowed in people's front yards to read meters and indeed to check whether water restrictions are being adhered to. I asked the department, and the department was not able to give me a definitive answer. I use this opportunity to seek from the minister or the parliamentary secretary answers to the following matters of concern to us.

What about authorised water officers who may engage in the practice of snooping and who suddenly decide they would like to have a bit of a look around someone's place, perhaps around the house of a well-known identity? Do these authorised water officers — —

An honourable member interjected.

Ms ASHER — That is not the example that I used.

Do the authorised water officers have the power to scale high front fences, which are the norm across my electorate? I ask the minister to clarify the powers of entry of authorised water officers into the front yards of houses, given that the departmental officer was unable to provide that information.

There are some concerns about this legislation. I place on record the concerns of the Australian Car Wash Association, which is gravely concerned about water restrictions and even more gravely concerned about the way in which they would be enforced. In its letter to me from Diane Ross, dated 19 May 2007, the association said:

The enforcement regime for the car wash industry under the current state drought response plan is very new and there has been, and still is, a great deal of confusion among the water authority personnel and the car wash owners and operators

with regards to the rules, the meanings of the wording and the exact requirements for compliance.

The letter then goes on to make particular reference to country Victoria:

... the situation is further confused in that some of these regional authorities are not even sure what the water rating scheme is and do not see it as a model for compliance, while the car wash owners who have complied and been audited within the WRS think that they are now legally rated (as they would be in Melbourne).

The association objects very strongly to the mandatory warning being removed. The letter goes on to make two final points:

... neither the water authorities nor the car wash owners have enough experience to always get the documentation or processes right first time ...

Also, the letter makes the very valid point:

... if there is an unintentional breach or a difference of opinion, the first warning is the ideal structure within which any problems can be sorted out; if there is an intentional breach, the owner will not be able to correct the situation quickly and will in effect have to cease operations anyway ...

Again I make the observation that this is all in the behaviour and attitude of the authorised water officers, and I have already asked the government to give us assurances on that.

I want to make a couple of general comments about the bill. Again what we see is the government's demand strategy being focused fairly and squarely on households. They have been threatened with fines and with disconnections — even though that is very rare. The whole focus of the government's demand management strategy in this water crisis has been to tell households that they should cut their consumption. The problem with that logic is that according to the Australian Bureau of Statistics, only 8 per cent of water is used by households.

There are four industries in addition to households — because they relate to household use, if you like — that are affected more than any other industry group by the direction of the government's water restrictions. They are the nursery industry, the turf industry, the car wash industry and the swimming pool industry. Whilst domestic users, under threat of fine, have curtailed their use of water, these four industries — because they happen to be involved with domestic users of water — have been hit far harder than any other section of industry.

I acknowledge that many industries have made significant attempts to reduce their water use, but the

point is that they are not treated by this government on the same basis as households. Governments have said to households, 'We will fine you and we will disconnect you'. Governments have said to industry, 'Try to reduce your water use; we are going to give you three years to write up a plan'. So the government has been very lenient in how it treats all industries except for the four I have just mentioned.

I note that a number of speakers from electorates outside Melbourne are due to speak on this bill, and I am sure they will make the point that in Melbourne the government has concocted stage 3A restrictions to avoid the hard political decision of going on to stage 4. No doubt there would be a huge backlash in the seats where the voters reside — that is, in Melbourne — if stage 4 restrictions had been introduced. So now we have this concoction of stage 3A to allow the government to get through a period which quite frankly — —

An honourable member interjected.

Ms ASHER — Governments cannot make it rain, but this government has been negligent in the way it has approached water supply.

I conclude by saying one of the problems with the bill is that we are bringing in a fining regime for domestic consumers, but the government has not done its job. The government has a responsibility to look after supply of water in Victoria, and the government has not built a dam; it has not built that desalination plant even though Perth has just announced its intention to build a second plant.

It has not embarked on recycling to the extent that it should have. It has not fixed the leaks in both the metro and the country systems. In the metro system some of the water authority dividends should have been put to a greater extent to fixing leaks. The government is too interested in taking out dividends and pocketing them for consolidated revenue. What this government should have done in a water crisis is devote that funding to fixing leaks and providing other infrastructure. Whilst the government has issued a lot of press releases and run a lot of ads, it has not done very much about stormwater capture either.

Today we are debating a bill which is talking about fining domestic consumers. Again I make the observation that whilst the government has not increased the penalty units in the bill from what was there previously, we are now looking at a system whereby the mandatory warning has gone; there will be no mandatory warning.

As I said, if you break stage 3 restrictions after 1 July, the fine will be \$440. It is a not insubstantial fine, yet the government itself has not done its job. It sits well with its conscience — it feels quite free to come into this chamber and whack fines on domestic users — yet the most negligent minister in this government is the minister for water. Where is the desalination plant, a source of water not dependent on rain? We are still fiddling around. Where was the announcement in the budget for a major piece of water infrastructure? The answer is: nowhere. The budget simply says, ‘We will look at four options and we will get back to you’. Where is the big project in the pipeline that is going to deliver water to this country?

An honourable member — In Dubai.

Ms ASHER — It is in Dubai. The Treasurer went to Dubai to look at desalination, and he is not prepared to disclose to anyone what he actually saw. This government has been profoundly negligent in the way in which it has handled water supply.

Finally, I want to make the point that we are seeking from the government assurances about the way these authorised water officers are going to handle their new powers. In the process of my consultation on this bill, an individual — I will acknowledge the individual generally, otherwise they might be set on by the government — wrote to suggest the following idea for a fine: the minister for water should be fined a day’s pay for every day he does not do something to increase Melbourne’s water supply. Of course that would be a very good fining regime. However, it would mean that the minister for water would need to surrender four-and-a-half years pay, because he has not spent one day delivering supply options for Melbourne.

Again, he has not built a dam; he has not built a desalination plant; he has done zip about recycling; he has done nothing about fixing leaks, which are 10 per cent of the Melbourne system; and he has done very little about stormwater capture. Nothing was announced in this budget for major water infrastructure. The population understands the minister cannot make it rain, but the minister can look at a number of supply options.

Tempted as I was to move an amendment that the minister for water should be fined a day’s pay for every day he continues to fail in the office he holds and should not hold, I will simply put that as an idea for the house to consider. There should be no mandatory warning for this minister; he has had the warning for four and a half years. It is an idea for the house to consider, and hopefully it is also an idea that members

of the government might consider, given that this minister made speeches years ago about the impending water crisis and has done nothing. This minister has run glossy advertising campaigns and has put out glossy brochures. He has done everything bar look at the provision of water for Victoria’s future.

Mr WALSH (Swan Hill) — Before starting my contribution on the Water Acts Amendment (Enforcement and Other Matters) Bill, I suggest to the previous speaker that instead of the minister for water paying a fine, I would have thought that, given the accountability of ministers under the Westminster system that we work under — and in some ways this government has lost sight of the Westminster system — perhaps the minister for water should actually tender his resignation to this house, as he has been an abject failure in delivering on water for Victoria in general. I will come back to that.

Mr Nardella — He hasn’t sold out, like you!

Mr WALSH — Deputy Speaker, empty vessels do make the most noise, and there happens to be a very empty vessel on the other side of the house.

The Water Acts Amendment (Enforcement and Other Matters) Bill amends three principal acts. It amends the Water Industry Act 1994 to make further provision for enforcement in relation to drought response plans, emergency management plans and permanent water savings plans. It similarly amends the Water Act 1989 in relation to permanent water saving plans and water restrictions set in place by by-laws. It makes further provision for licences to take water. It also amends the Infringements Act 2006 to extend the operation of this act to the infringement notices served under by-laws. The Nationals will not be opposing any of these changes to these three acts. But having before the house these changes and the subsequent enforcement procedures that flow from them is testimony to the Bracks government’s lack of action on securing Victoria’s future water needs.

It reflects very poorly on the Bracks Labor government that we have now had nearly eight very long dry years — not only climatically but also governmentally — as this government has failed to deliver on water security for the future. It has been eight very long dry years for lots of people with gardens. I know many people whose gardens are the pride of their lives and an absolute enjoyment for them to work in and be part of. Those particular individuals feel really let down by this government, because it has not secured their water needs, including what they need to enjoy their lifestyle.

All we have gained from this government in the last eight years in terms of securing the future water needs of this state is the concept of building a pipeline. I said in a recent debate on a water bill that at one time when people talked about Victoria they said that all roads led to Melbourne. We are now going to become a state where all the pipelines are going to lead to Melbourne. It is going to be about how we can use all of Victoria as a roof to collect water for Melbourne. The debate has not been about how we might use our water better and how we might use some of the other resources that we have.

I believe these legislative changes are treating the symptom rather than the cause. If you go back —

Mr Nardella interjected.

Mr WALSH — I will come back to the drought. If you go to the nub of this, you see that at the moment this whole issue of supply and of securing Victoria's water needs is about robbing Peter to pay Paul. It is not about creating any additional resource, and it is not about creating a better use of some of the resource we have now. It is about robbing country Victoria to send water to the city; it is not about creating any more of an already finite water resource. We only have to go to the second-reading speech to see this. In the second-reading speech the minister says:

The continuing low rainfall and inflows into Victoria's reservoirs over the past decade are threatening the security of the state's water supply.

We all acknowledge that we are in one of the worst droughts since the white man settled Australia. We had the federation drought of the late 1800s and early 1900s, we had the World War II drought of the late 1930s through to the mid-1940s, and we have this drought, which is of equal proportion to those droughts. But there is a lot of wasted resource in this state that the government has done nothing about.

Mr Nardella interjected.

Mr WALSH — The member for Melton shakes his head. The member for Melton would do himself a great service if he actually listened for a while and found out what is going on with water in this state instead of making the interjections that he makes sometimes.

If we take the Gunnamatta outfall, we find that there is still 280 gigalitres of water going out to sea each year. I know the Minister for Water, Environment and Climate Change talks about billions of litres, but I will stick to gigalitres, because it is a lot easier. There is 280 gigalitres of water still flowing out to sea at

Gunnamatta, and it is called wastewater. In my mind it is an absolute wasted resource that we are sending out to sea, polluting that particular area — but nothing is being done about that. There is no serious focus on how we might use that wasted resource. We would rather take water from somewhere else to supplement the supply here than utilise some of the resources we waste in particular areas.

If you look at Coliban Water in Bendigo, you can see that we have the issue of the Colbinabbin–Bendigo pipeline, which has been very contentious for the people of northern Victoria. Again there is a substantial wasted resource in Bendigo that has not been utilised. Coliban Water has known for a decade about the savings and efficiencies in its system which could be made and which, if they had been made, would mean it would not be facing the crisis it now faces. Coliban Water has a rural-dam-filled and channel-dam-filled run which goes around Bendigo and which, if piped, would have the capacity to save between 4000 and 5000 megalitres a year. We have seen the great work that is being done on the Wimmera–Mallee pipeline. To this government's credit it has contributed to that, and to the federal government's credit it has contributed to that, but there is the —

Mr Delahunty interjected.

Mr WALSH — And equally the community has contributed to the same extent as the two levels of government. But there has been the opportunity for Coliban Water to pipe its rural systems around Bendigo, and that could have saved water. It has finally come on board with recycling projects from its wastewater plant — again, it is not wastewater but a wasted resource. It has taken the federal government to put hard money on the table in order to get the state government to do something about recycling water in Bendigo.

There is a third option that has been on the table for a period of time now — and again the member for Melton shakes his head. If the member for Melton would like to listen, I will go through some of the specific issues. The concept for Bendigo that has been on the table is about collecting stormwater. As Bendigo has developed, with its houses, with its asphalt and with its concrete, it has effectively become a giant roof. All that water from Bendigo runs down the Bendigo Creek. We have a town where all the wastewater goes to one place, which is the Bendigo Creek, which runs straight past the wastewater treatment plant.

There is the opportunity to harvest that stormwater and recycle it back into Bendigo. Somewhere of the order

of 10 000 to 15 000 gegalitres a year of wastewater runs down the Bendigo Creek, and that could be put back into the system. We have the issue of piping the rural runs around Bendigo; we have the fact that Coliban Water has finally started on reusing wastewater; and we have the opportunity to harvest stormwater. If you fixed the leaks in the Coliban Water system in Bendigo and lowered the pressure that that system is run at, you could effectively save 5 per cent of the water that is currently used. There is a lot of resource being wasted in those places. Instead of spending money and effort doing those sorts of projects, we are going to put in place enforcement officers to look over people's fences to make sure they are not watering illegally.

I will go to some of the specifics in the bill, such as the changes to the Water Industry Act 1994. The previous speaker spoke about clause 6 and the provisions that are being omitted from sections 78H(1), (2), (3) and (4). The clause removes the mandatory nature of the provisions dealing with issuing warning notices to people who have potentially infringed water restrictions before on-the-spot fines are imposed. It takes away the mandatory responsibility of authorised officers to issue warning notices before they go on to issue infringement notices. Instead it leaves it to the discretion of the authorised officers.

I noticed in the *Swan Hill Guardian* on Monday that there was a photo of the Lower Murray Water staff who will be the authorised officers for that area. They are the team that will go about making sure that people comply with the water restrictions in Swan Hill — and we will be on stage 4 water restrictions from 1 July unless there is substantial rain and substantial flows down the Murray River. Unlike the previous speaker, who has a very cynical view of the authorised officers, the principle I apply is that I think all the employees of the water authorities and all the employees of government in general have good intentions and start out wanting to do a good job for the particular industry they are working in. In this case I think we owe the authorised officers the benefit of the doubt in saying that they will go out to do a good job on behalf of the water authorities and on behalf of the community.

What we do not want to find is that, following some direction from higher up, they become revenue raisers for the government. We do not want this to turn into an opportunity for the Treasurer to raise more taxes through fines. I believe the individual staff and the water authorities will take this on in a responsible manner. But as I said, what we do not want to find is this government's thirst for money propping up the Treasury and the way it spends money and overriding the common sense of the particular water officers.

The legislation makes changes to the Water Industry Act 1994. It puts in place the authorised water officers, whom the licensing water authority can appoint. The bill sets out the rules under which the officers can be appointed. They have to have an identity card, which must carry a photograph of and state the full name of the person to whom it is issued and state the purpose for which they are there. Those authorised water officers will have to produce that card whenever they deal with a potential offender. The bill also puts in place penalties for the impersonation of an authorised water officer.

I turn to the changes made by the bill to the Water Act 1989. On the issue of unbundling, the bill substitutes section 51(1AA) for a new subsection which deals with the issue of particular water users who take water but who take it under a licence where they return a certain volume to the system — in particular, hydro-electricity operators and aquaculture operators. The bill changes the intent of unbundling so that users have a site-use licence, an infrastructure access fee charge and then a water consumptive use charge. These particular sectors of the water-use industry do not need that unbundling process. Their water usage charge will not be the same as a normal consumptive user who actually uses all the water, because they will be returning some of that water to the waterway.

The whole issue of unbundling has been an absolute mess. That is the only way to describe it. We talked about the minister possibly resigning because of his lack of action on water in Victoria. Some of the changes we have seen to the Water Act give other good reasons why the minister should probably resign. Unbundling has left a lot of uncertainty in the water market, particularly in country Victoria. How will three-tier charging work, how will the infrastructure access fee work in future as water is traded out of an area and how will the potential exit fees or termination fees be put in place? I do not believe any minister should leave that level of uncertainty in an industry after that minister has put in place legislative changes.

The other part of unbundling that has been left and is causing a great deal of angst in the communities of northern Victoria and the Wellington shire in Gippsland is the part where the value of water has been taken away from land from a rating point of view. This legislative change was brought in, and the government suddenly realised the unseen consequence of taking the value of water out of the value of rates. My goodness! What do we do about that? The government says, 'We will just postpone that decision for 12 months'. Originally that was all supposed to come into place on 1 July this year, but that part of unbundling has been postponed to 1 July next year. However, it has not

changed the fact that, from 1 July next year, those particular councils that have irrigation districts will hit a cliff face where they will lose rating revenue off the irrigated land in their shires because the value of water will be taken out from a rating point of view.

Mr Nardella interjected.

Mr WALSH — Those particular farmers may be better off.

Mr Nardella interjected.

Mr WALSH — Again the member for Melton interjects without actually understanding the issue. If he listened he might learn something from this debate.

If the value of water is taken away from the value of that irrigated land and the rates stay the same, the rates will drop for that particular sector of the shire's rate base. Most shires are struggling to find the revenue to deliver the number of services needed by the ratepayers who live in their area. If local governments have lost the value of that water from that particular segment, their rate base will reduce, and in some of those shires it will amount literally to millions of dollars. They then have to either reduce services or increase rates on other sectors of the rate base in that council area.

Councils need to raise the same amount of money because none of the councils can afford to reduce services. They definitely do not have surplus funds to do this, so they will have to put up the rates for the other sectors within that local government area. The town rate in those council areas will go up. The rates will go up for the dryland farmers in areas where there is a mixture of irrigation and dryland farming. For some of these councils this will mean a rate increase of anything up to 30 per cent for those other sectors within those areas just to make up the revenue that will be lost from changing that particular rate base. This whole issue of unbundling has been very poorly thought through.

To summarise, by bringing enforcement procedures through this place to manage water restrictions, we are treating the symptom rather than the cause. There is potential for the government to do other things in future. Supposedly there are four options on the table at the moment to supply additional water for Melbourne. Firstly, there is the construction of a desalination plant. I believe if this government were serious about looking at a desalination plant, it would set up a cross-party committee to look at how it could be done. Such a committee could provide a forum for a bipartisan study of the issue and bipartisan support for what might happen. We all know how important water is to this

state. Instead of the Treasurer going it alone, why did he not take two or three people from each side of the Parliament to investigate the issue? He could have gone to Western Australia and had a better understanding of the energy consumption, the cost and what might be the best place to site such a plant if we choose to go that way. It would have been good to have some bipartisan support for that.

Secondly, there is the potential pipeline to Gippsland — that is, taking treated water to Gippsland to put in the power plants and bringing good water back. Thirdly, there is the north-south pipeline, which The Nationals are violently opposed to because it comes back to robbing Peter to pay Paul; it does not create any additional resource at all. The fourth option is an extension of what I was talking about before — that is, the wasted resource that runs out at Gunnamatta. A substantial amount of water goes out there, and it is a wasted resource.

Another issue I spoke about with the City of Greater Bendigo and Coliban Water is stormwater harvesting. More stormwater runs off Melbourne annually than is consumed by all the consumptive users in Melbourne. I know the minister is not going to be able to capture the economics of it. Recently I visited Mawson Lakes in Adelaide where three local government areas are working together to collect stormwater, run it through wetlands, recharge the aquifer and hold that water so that in the summertime they can bring it back out again to provide water for that particular area. There are innovative ways of doing this. It will not be a silver bullet. It will be how we do things in bite-sized chunks across Melbourne and Victoria.

The Nationals would like to see this government get on and start doing some of those things rather than have another review, formulate another strategy or, worse still, another pipeline through which it will suck the wealth out of country Victoria to satisfy Melbourne's thirst. This problem could have been addressed, but this government's inactivity has meant that the problem is still there.

Mr HERBERT (Eltham) — I rise to speak in support of the Water Acts Amendment (Enforcement and Other Matters) Bill. By way of preface, I must say it is a great time to be speaking about water issues, with some historic discussions taking place between the Premier, the Minister for Water, Environment and Climate Change and the Prime Minister on the plan for the Murray-Darling Basin. I say these discussions are historic, because it is the first time that I can remember a federal Liberal government listening to a bit of common sense from the states and agreeing to

moderate its excess for the good of the nation and the good of the area we seek to look after.

Before I speak on the bill, I would like to challenge the member for Swan Hill, who put a few challenges to the government before — and he is also the water spokesperson for The Nationals — to join his Prime Minister and his federal Liberal counterpart and have a rethink about their position on the Murray–Darling Basin and the full handover of powers. They should have a rethink and come over and join the Labor Party’s plan for partial power transfers. I am sure his many friends in the Victorian Farmers Federation would applaud that sort of U-turn by the member for Swan Hill.

The Water Acts Amendment (Enforcement and Other Matters) Bill 2007 is a critical element of the government’s drought strategy. As we have heard, the bill has two purposes. Firstly, it strengthens the water enforcement framework by allowing authorised water officers to issue a fine straightaway to people deliberately breaking water restrictions, without having to provide a notice in the first instance. Secondly, it ensures that when water rights are unbundled in July, water licences that require water to be returned to the waterway are not unbundled.

As we all know, Victoria is in the grip of one of the most severe droughts on record. Melbourne has just experienced the driest 12 months since recordkeeping began in 1855. Storages have plummeted, and inflows to catchments are down to a trickle. For instance, Melbourne’s water storages currently have a total of 1 773 000 megalitres.

An honourable member — How many gigalitres is that?

Mr HERBERT — How many gigalitres? That is a hard question, isn’t it? This means that they are 28.8 per cent full. As we have heard, no part of the state has been spared from this terrible drought. Rural water storages are doing it pretty tough, that’s for sure, with rural water authority storages reduced by something like 1.5 per cent in April 2007. At the end of last month they were at about 9 per cent of capacity — that is, 21.2 per cent lower than the same time last year. This is a dire situation.

Our farmers are suffering extreme physical, mental and emotional hardship as they struggle to preserve their crops and stock. I must say, though, that the recent rainfalls over much of Victoria have really lifted spirits out there in the bush. That is incredibly good to see. I

understand pastures are starting to come back in very strong shape.

The government’s responses to this terrible drought are the correct ones. We have not gone for a new dam, and we are not praying or doing rain dances, as some on the other side would advocate. A response to this drought is needed, and the response the Victorian government is instituting is a change in the way Victorians think about water. That was alluded to by the member for Swan Hill. We need a change in the way we think about water, and it is happening. That is particularly the case when we add climate change to the long-term outlook for water in Victoria.

One of the Victorian government’s most effective instruments in achieving this end has been the promotion of water-saving measures and water restrictions. Through these measures Victorians have responded fantastically. Almost everyone, from big business to households, is doing their bit to conserve water. In March Melburnians reduced their drinking water consumption by 35 per cent per day, compared to the average use for that month in the 1990s. These fantastic results are seen across the state.

The dramatic cuts in water consumption have been driven by goodwill and the water restrictions and have resulted in significant behaviour change by the vast majority of Victorians, who are determined to do the right thing. Unfortunately there will always be those who flout the rules and undermine the hard work and sacrifices made by the rest of us.

Ms Beattie interjected.

Mr HERBERT — The member for Yuroke asked, ‘Who?’. It would appear that many of these rule breakers, these Water Wallies, appear to be located in some of the wealthier parts of Melbourne. I refer to an article by John Elder which appeared in the *Age* in April. In it he states quite clearly:

Residents of Toorak and Brighton are attracting a higher than average number of complaints and breaches of water rules.

Areas like Brighton and Toorak have had a relatively high proportion of breaches ...

...

They’re wealthy water thieves.

The elite have an advantage. Everybody knows that. They all have high fences around their properties so no-one can do them in.

The point about high fences is interesting, isn’t it? The article goes on:

'I go into these compounds for the big parties. They have the most spectacular, award-winning lawns ... and they're just about always damp underfoot. My stiletto Jimmy Choos sink in easily.

She has good taste! It continues:

'I have had people tell me, "Oh, we're using bathwater, Darling". They might have big baths ... but not big enough to water an acre of grass'.

I know the shadow spokesperson on water, the member for Brighton, would in no way, shape or form condone these Water Wallies. I am sure she would be the first person to send in water officers to stop these well-to-do water wasters thumbing their noses at the rest of Victoria. I hope her question about clarification on the powers of water officers to be able to jump fences and have a look at water wasting is aimed at allowing water officers to get into these wealthy water-wasting properties, their fortresses, and make sure that the well-to-do water wasters are not taking advantage of their high fences around the perimeters of their properties.

This bill introduces four main changes to the enforcement framework. Firstly, it enables people to be issued with on-the-spot fines or charged with offences for breaching water restrictions without getting warnings first. It provides water businesses the opportunity to appoint water officers and issue them with identity cards. Under this legislation water businesses in Melbourne will be able to require a person suspected of contravening water restrictions to state their names and addresses, and it extends the definition of an 'infringement offence' to include a by-law made under section 171 of the Water Act 1989 or a by-law under the prescribed act.

Under this new legislation water wasters will face on-the-spot fines of \$429 under stage 3A restrictions. One might ask why this legislation is necessary. Currently it is quite difficult for authorised water officers to fine people who are breaching restrictions. At the moment water officers need to catch someone in the act of breaching a restriction so as to issue a warning and then catch them in the act of breaching the same rule to issue a fine. For example, a water officer might catch someone breaching a permanent water-saving plan — for example, hosing a paved surface — and the person will be issued with a warning. If that person is then caught watering their lawn, which is a breach of water restrictions, it counts as a different offence so they cannot be fined but must be issued with a new warning. This bill removes the obligation for water officers to issue warning notices first.

I noted the questions from the opposition water spokesperson in terms of her concern about the use of discretionary powers by water officers. I am sure the minister will address those questions, but I just want to say: let us not dramatise the situation. We are not talking about creating water storm-troopers whatsoever. These are legitimate, trained water officers. They will probably continue to issue warnings in the vast majority of cases to people making honest mistakes, and if the breach is very minor, of course there will be a warning.

However, in those rare cases — in Toorak and Brighton where it seems to be happening all the time — where people are found to be deliberately, blatantly and repeatedly breaching water restrictions, fines can and will be issued. The authorised water officer will also have appropriate training and will operate under strict controls.

The government recognises that it needs to educate people and change behaviour. Fines and penalties are really only for extreme cases involving repeated and deliberate breaches of the water rules by people who thumb their noses at the rest of Victorians, who are doing the right thing in saving water and getting on with the job of trying to make this state more sustainable in terms of water use. I commend the bill to the house.

Dr NAPHTHINE (South-West Coast) — The member for Eltham has just given us a very reasoned and considered explanation as to why this government should indeed be thrown out of office because of its incompetence in managing the critical water issue in this state.

The member for Eltham said this legislation is a critical element in the government's water strategy because it was difficult to find people who breached the rules in terms of water restrictions. How long has it taken to work that out? How long has it taken this Minister for Water, Environment and Climate Change and the rest of the government to work out that they did not have the powers to police their water restrictions. We have had a drought year after year after year.

We have had water restrictions across country Victoria and in Melbourne for some months, and indeed in some places for years, and now the Minister for Water, Environment and Climate Change has just found out that his restrictions do not work because they cannot be policed. It just goes to show that the minister is incompetent, the government is incompetent and the minister should resign.

This bill can be summed up by the comments in the editorial that appeared in the *Sunday Age* of 3 June. It says:

So now we know. For all its huffing and puffing, the state government's warnings about wasting water have turned out to be so much hot air.

Only one offender has had their water supply reduced, and 10 000 were slapped on the wrist with a wet rag — given 'warnings' because inspectors are not empowered to do any more. That inspectors have been toothless tigers is proven by the fact that the government is about to catch up with its empty rhetoric by changing the law so water wasters can be fined on the spot.

It is rushing through legislation it should have passed last year — but didn't because of the looming state election.

That sums it up fairly well. We have a government that is incompetent, a government that has tried to deceive the people of Victoria, and a government that has been guilty of creating a water crisis for Victoria. It has done too little too late. It failed to impose stage 4 water restrictions when they were required, but most importantly, it has failed when it comes to creating new water infrastructure and new water supplies for Victoria. It has failed when it comes to desalination. Perth has a very effective desalination plant.

Mr Nardella — It is 17 per cent.

Dr NAPHTHINE — It is 17 per cent of the Perth supply, and it is now being increased in capacity. It is a very great success story for the Western Australian government, but the Victorian government has turned its back on desalination. The Liberal Party promised a desalination plant, but the water minister and the Premier ridiculed the idea. But after the election — suddenly! — desalination is back on the agenda.

Honourable members interjecting.

Dr NAPHTHINE — I will tell you about Arundel in a minute! In the meantime I will talk about the Gunnamatta outfall, where 430 million litres per day are going — —

Mr Nardella interjected.

Dr NAPHTHINE — Gigalitres. We are talking about different time frames — 430 million litres per day. Let us talk about water recycling. I refer to an article in the *Sunday Age* of 26 August 2006. Under the heading 'Bracks' water recycle claim a "big swindle" it says:

Billions of litres of water are being wastefully dumped into Port Phillip Bay each year by the Bracks government, which has been accused of misleading Victoria about the amount of water it recycles.

Further, the article says that Melbourne Water's last published annual report discloses that:

... 11.3 per cent of Melbourne's waste water was recycled in 2004–05.

But the facts are, the article says, that:

... 94.7 per cent of the water that is branded as recycled is in reality class-C effluent, which has been subjected to 'on site' recycling at ... Melbourne's main —

treatment plants, the western and eastern treatment plants. Further, the article states:

The water is not pumped back into the water supply system to be reused in agriculture or industry, but is used to wash Melbourne Water plant equipment and then allowed to flow out to sea, or is pumped out on to 6000 hectares of Melbourne Water-owned land in Werribee.

Only 0.6 per cent of Melbourne's water is actually recycled and reused in agriculture and industry.

It is absolutely disgraceful — the government has failed on desalination and failed on recycling.

If we go back further, we can look at the *Age* of 2 May 2004. An article under the heading 'Pratt pulls plug on drought-proof plan' says:

Billionaire Richard Pratt has withdrawn from a Bracks government plan to drought-proof Werribee amid frustration about the progress of plans to recycle water in the area.

It has failed with recycling with the eastern treatment plant, failed with the western treatment plant and failed on desalination.

Another article, in the *Age* of 5 August 2006, headed 'Millions of litres of drinking water lost to leaks' states:

Figures obtained by the *Age* show that 39 668 million litres of water — the equivalent of 15 867 Olympic-size swimming pools — are lost over a year in Melbourne because of leaks.

So we have losses from leaks that are not attended to, a failure on desalination, a failure on recycling and a failure to build a new dam. If the Arundel dam were built, it would provide enough water for 90 000 to 100 000 households in Victoria and prevent the lower Maribyrnong River from being flooded in the future; it would protect the lower Maribyrnong from flooding and provide water for 100 000 households. It would be a good investment. But this government turns its back on all those opportunities.

All it wants to do is introduce legislation for water police. Look at country Victoria, where there is still 30 per cent of water lost in the Goulburn-Murray system, and the Coliban rural system has not been appropriately upgraded and water is being lost there.

This government needs to get its act together on water. What we are seeing is too little too late.

I also refer to the fact that this legislation misses an opportunity to clarify a situation where residential tenants in Melbourne pay for water usage and sewage disposal charges under section 52 of the Residential Tenancies Act 1997. But residential tenants in regional and rural Victoria pay for water usage only, and the owner has to pay for the sewage treatment because of an anomaly in the Residential Tenancies Act. Section 52(c) of that act provides that the water charge will be paid by the tenant, which is absolutely correct, but subsection (d) provides:

- (d) All sewerage disposal charges in respect of separately metered rented premises imposed during the tenant's occupation of the rented premises by the holder of a water and sewerage licence issued under Division 1 of Part 2 of the Water Industry Act ...

However, according to my advice at the moment the only authorities that are under division 1 of part 2 of the Water Industry Act are the Melbourne water authorities — City West Water, South East Water and Yarra Valley Water — so that does not apply to regional and rural water authorities. If we are to adopt usage charges to help change behaviour in terms of water use, we need to clarify that anomaly between residential tenants in country and city places.

In summation, the Liberal Party does not oppose this legislation. We believe there should be effective policing of water restrictions. We believe that Melbourne should be on stage 4 water restrictions, as we have gone beyond a trigger point. We believe the minister and the government have failed the people of Victoria when it comes to water. This legislation has been brought in far too late. The water restrictions have been tardy, and the government has been absolutely negligent in failing to deliver on new sources of water in terms of a desalination plant and new dams, and has failed completely in terms of recycling water for use in industry, agriculture and third-pipe systems.

The minister is a failure and the government is a failure — that is why we have a water crisis in this state. This legislation is a small part in that total process. I urge the minister to take this matter much more seriously and address the real concerns of the people of Melbourne and Victoria by providing secure, long-term water supplies in addition to what is already available.

Ms BEATTIE (Yuroke) — I rise to support this bill. The vast bulk of the population will never see a water inspector, because the vast bulk of the population is

doing the right thing. As has been said, the vast bulk of the population does not live in Toorak or Brighton, where they seem to be splashing around on glamorous green lawns and walking around in high heels. I suppose the next proposal we will hear is that the fancy Jimmy Choo shoes they wear while they are prancing around the lawns are really to aerate the lawns.

If you believe that, you will also believe the story told by the Poowong Football Club, which had a green oasis in the middle of Gippsland, but on closer inspection it was revealed that pipes leading to the town's water supply had been connected to the ground's water supply. They are the sorts of people who will draw the attention of the water inspectors.

While I am on my feet I wish to condemn the member for Brighton for using expressions such as 'storm-troopers' and 'Gestapo'. It is terrible that she should frighten people about these being the types of people who will come around to their homes.

We have done the right thing. The shadow minister for water for the Liberal Party, the member representing Brighton, where they all have green lawns, put forward the proposition that the advertisements were a waste of money. The advertisements were a very important part of the education process, and due to that education process we are using 100 billion litres of water less per year than we would have been if the 1990s usage had been maintained. Given that we are talking about Arundel dam, that is 16 Arundel dams worth of water that we now have.

Mr Nardella — How many?

Ms BEATTIE — Sixteen. But that is all hypothetical because of what I am going to tell the house. There will never be an Arundel dam, because the people of the western suburbs do not want it.

Mr K. Smith — How do you know?

Ms BEATTIE — Because I live there. The member for Bass visits that area only when he is going to the airport for his overseas trips. That is the only time he ever comes to that side of town. The people of that area would not let a dam be built. While we are on that subject, we keep hearing about these great plans for a desalination plant.

Mr K. Smith — Yes! What about it?

Ms BEATTIE — What sort of mickey mouse plant were we going to get for \$10 million? And where was it going to be? Maybe it was going to be in Hastings, where there might be a nuclear power plant as well. We

had all these wonderful things that the Liberal Party was going to do. They were all gonnas — and we know what gonnas they were. We remember what the Liberals did when they were in government: they closed schools and sacked teachers and nurses. So none of this would have been done, because they would have gone back to their old ways.

As I said, most of the population has nothing to fear at all. When you drive down a street you do not even have to be an environmental scientist or a genius to work it out: when there are 99 brown lawns and 1 green lawn, unless some sort of osmosis has occurred you can see who the water cheat is. This legislation will give the water inspectors the power to fine people who are doing the wrong thing. I say people will support this, and industry will support this. I might tell you, Deputy Speaker, that industry has come a long way.

Members here will know that the boundaries of my electorate changed back in 2002, and I actually had to move house to live in my electorate. When I moved I built a new house. I asked the builder, ‘Could you install a water tank while you’re building the house?’, and the answer from one of the volume builders was, ‘No, we don’t actually install water tanks’. So before we moved in we actually pulled the roof plumbing apart and installed a water tank. But now those in the building industry are actually installing water tanks at the time of building, so the industry has moved along. I see the member for Ferntree Gully making faces, as he usually does, but I would like to know if he has a water tank.

Mr Wakeling — I’ve got lots of buckets in the shower.

Ms BEATTIE — No, he tells me he has other things, but no water tank. All the members on other side should start doing the right thing and stop prancing about in their Jimmy Choos at Brighton and Toorak parties. This is good legislation, and I commend it to the house.

Mr K. SMITH (Bass) — Can I say it is always good to follow the member for Yan Yean, or wherever she is from.

Honourable members interjecting.

Mr K. SMITH — Yuroke? It makes no difference anyhow: it is not decent representation for the people, wherever she is from. Fancy standing up and saying this government has done a good job so far as water is concerned. What an absolute disgrace to say something like that when it is staring you in the face! Every day when you go out there you see that people cannot water

their gardens, they cannot look after their homes in the way they should and they cannot wash their cars. They cannot do the things they used to do because they have been completely neglected by this government. What it has done is a disgrace.

Honourable members interjecting.

Mr K. SMITH — What it has done is nothing — absolutely nothing — for the people of Victoria as far as water is concerned, as far as transport is concerned and as far as education is concerned. But we are on to water at the moment.

I can tell the government that we do not oppose what it is putting in. The government is actually doing something: it is going to put inspectors on the road after five weeks of training. These will probably be rejects from building sites who have been working for the unions. The government is going to put them through a five-week course on how to beat up some of the poor old people in their houses. Because some poor old dears sometimes forget to turn their water off because they are getting a bit forgetful, the government is going to put these inspectors out there. Over the front fence they will go, listening for the ticking of the water meter. They will be looking for the green grass in some poor old dear’s house. And what is going to happen? They will finish up beating her up and pushing an enforcement notice into her mouth. That is what it is all about!

Honourable members interjecting.

Mr K. SMITH — You people do it all the time. The government now has so many inspectors running around with the right to enter people’s properties and stop them doing what they once considered to be normal. What has this government actually done about getting water for the people of this state? Nothing! ‘No new dams’, it says. It said, ‘No desalination plant’, until after the election, when it jumped on our bandwagon. Western Australians had the foresight to put in a plant for \$600 million, and now they have committed themselves to another desalination plant.

Honourable members interjecting.

Mr K. SMITH — We never said \$10 million. I do not know where the member for Yuroke got that stupid figure from. We never said \$10 million. In fact we said it was \$600 million.

Ms Beattie interjected.

Mr K. SMITH — Have a look at our press releases, and have a look at what we actually submitted. What

else has the government done? Where is the pipeline it promised to run to the Latrobe Valley for industrial uses down there? Where is the filtration plant which should be in place at the south-eastern purification plant to purify the water and enable class-A water to be taken down there? It is not in place. Where is the recycled water going? There is no recycled water going anywhere, apart from what is being funded by the private sector and going to the Sandhurst estate down at Skye and to a couple of the farmers down there who wanted to get recycled water put in. For two years their application sat on John Thwaites's desk waiting to be signed, and he would not sign it. Why?

The DEPUTY SPEAKER — Order! The member will refer to members by their correct titles.

Mr K. SMITH — Why would the minister not sign it? Because he thought he was going to be threatened by people saying 'You are selling water. You have sold our rights to water'. Let me tell you that 430 million litres of wastewater is being pumped out into Bass Strait at Gunnamatta every day of the week. That is water that could be reused. Those people opposite do not seem to understand what it is all about.

Every new estate in Melbourne should have a third-pipe system put around it. It does not matter if it is not connected up today, but the pipe work would be in the ground and people would be able to reuse that water when a filtration plant to handle it was established either at the south-eastern treatment plant or at Werribee. Third-pipe systems could and should be there, and it would be money well spent. We would not be pumping polluted water from Werribee out into the environment in Port Phillip Bay or out into Bass Strait from Gunnamatta.

Ms Beattie interjected.

Mr K. SMITH — You can leave now, after the rubbish that you talked — or sit down and just listen to some important stuff.

The DEPUTY SPEAKER — Order! The member for Bass should refer to the member for Yuroke by her correct title, and through the Chair.

Mr K. SMITH — This government brought in level 3A restrictions. What a farce! What a joke! It is not even fair dinkum! Melbourne's storages are now well below the point where level 4 restrictions should have been imposed on the people. The people of Melbourne do not understand the problem Victoria has with water shortages. They do not understand the problem that the government has caused for them. Government members should go down to Phillip Island

and drive past Westernport Water, the water company down there, and have a look at the sign that says that only 7 per cent of water is left in the reservoir for the people who are covered by that water board. Yet here in Melbourne the government is not even game enough to bring in level 4 restrictions so some water can be saved.

The government has not been fair dinkum. What is it doing now? It is talking about bringing in inspectors. Its great commitment to saving water is to bring in inspectors. For the whole time these restrictions have been in — and we saw all the cars that they had, and we saw inspectors from the water boards going around — not one infringement notice has been issued to anybody in the Melbourne metropolitan area for breaching water restrictions.

Mr Stensholt — That's not true.

Mr K. SMITH — Not one has been issued! If the government is fair dinkum about wanting to do something about water problems in this state, it has to think properly and it has to think laterally. Yes, let us have a look at putting in a dam. The government was stupid enough to fill up a swimming pool in the Rod Laver Arena when it had a perfectly good swimming pool down at the Melbourne Sports and Aquatic Centre. Why waste all that water? That is what it was — wasted water. We may well be in a position one day where we may need to drink that wasted water.

You should drink up, Deputy Speaker — make the most of it — because there may not be any around this time next year. We might be getting bottled water from Singapore, Queensland and everywhere else that may have some water, because here in Victoria we will not have any water as the government is not prepared to address the water shortage problems, apart from bringing this rubbish before the Parliament. All the government will suggest doing is putting some inspectors in place.

We have got police, parking officers, fishing officers and wildlife officers — now we are going to have inspectors who will have the right to trample on other people's private land and who will have quotas to go out and book people. You can imagine that in the first five weeks of training the government is going to say to these inspectors, 'This is how you write out infringement notices, and we expect you to do about 100 a day. That's what we expect you to do, and this is how you fill them in'. If they are union representatives that the government is trying to retrain, it will probably have to write them out for them, because they are not smart enough to do it themselves.

This is just not good enough. You are going to be forcing these inspectors on the people of Victoria on the basis that you are trying to do something about the shortage of water in the state. You should be fair dinkum!

The DEPUTY SPEAKER — Order! The member will address the Chair.

Mr K. SMITH — The government should be fair dinkum about doing something positive. It should be committing to a desalination plant; it should be committing to a new dam; it should be committing to sending the water down to the Latrobe Valley; it should be committing to doing something about recycling water. It should be doing all those things instead of bringing this tin-pot legislation to the house to put some inspectors on the road.

An honourable member interjected.

Mr K. SMITH — No, we will not object to it. It is something, and the government at least admits that there is a problem. It says, 'Let's do something about it. Let's put some inspectors on the road. Let's not do anything positive. Let's just ignore the real issue. Let's not do anything about stage 3A restrictions and be fair dinkum and make it stage 4. No, let's not do that. Let's put a few inspectors on the road, and we'll beat up some of the old grannies who make a mistake!'

Mr STENSHOLT (Burwood) — I rise to support this bill. I notice that the previous speaker also supported the bill, but the pure drivel and speculation from the member for Bass was inconsistent. He called the bill rubbish and then went ahead and said he was going to support it. That is just so typical of the Liberal Party and The Nationals. They have no credibility on water. They pretend they are serious, but when their policy is analysed, it really is very poor — like that of their federal counterparts.

We know that recently there was a discussion between the Prime Minister and the Premier. It was good that they actually met. Indeed, the Prime Minister got a hell of a shock — he realised what was in the legislation! Of course it was produced by the federal Minister for the Environment and Water Resources. It was a fascinating meeting, I gather, and the Prime Minister said, 'Is that what's in the legislation?'. He got a hell of a shock, and he said, 'Let's go outside, boys and girls'. He obviously took a few pieces out of Malcolm Turnbull, and they came back in and said, 'We've got to actually agree on a few things'. That is the standard of debate, the standard of understanding, the standard of policy and the standard of analysis of the Liberal Party. In fact,

quite frankly, the policy seems to have been made at Darling Point rather than on the Murray-Darling. Those are the standards they have.

This is actually good legislation. Victorian householders have been quite marvellous: they are saving 100 billion litres — 100 gegalitres — of water per year compared to the 1990s, which is equivalent to 16 Arundel dams. The opposition has talked about the Arundel dam. If you know anything about water, you know you put a dam down in a flood plain for flood mitigation and not to dam water in order to save it. The brilliant idea of the member for Hawthorn — Hawthorn was mentioned before, and I will mention Hawthorn as well — and the brilliant Liberal Party policy on water is, 'Let's put a dam down on the flood plain'. You do that for flood mitigation, not to save water.

If you want to save water, anyone who has got any common sense knows that you put the dam up in the hills, not down near the sea or on the Maribyrnong River. I suppose they thought, 'It's in the north and the west, and we don't worry about that part. It's not in Toorak, it's not in Church Street and it's not in Heyington Place. No, we'll put it out at Arundel'. We know what Arundel was before, and that is what it is now. This is the Liberal Party policy — it has no credibility. As I said, its policy was made at Darling Point rather than on the Murray-Darling.

Having enforcement officers is common sense. The member for Bass thinks they are going to go out and hand out tickets. It is a matter of sensible policy. The inspectors will be out there, and if people are clearly seen to be breaking the law and if their intention is quite clear, then they can actually be fined. It will not be a matter of some old lady who has made a mistake having a ticket shoved in her mouth, like the member for Bass is saying. This is sensible policy, and it will be run that way.

We have good water policies and good programs. Over the last few years since coming to office we have spent \$1.7 billion on water, plus a further \$1 billion on water catchments and \$3 billion from the water authorities. Some 14 per cent of our water resource has now been saved in terms of water recycling. It is not a matter of doing something — we are doing many, many things. We have got the best water policies in Australia. This bill serves to further reinforce this and further underline it, and I commend this bill to the house.

Debate adjourned on motion of Mr JASPER (Murray Valley).

Debate adjourned until later this day.

HEALTH PROFESSIONS REGISTRATION AMENDMENT BILL

Second reading

Debate resumed from earlier this day; motion of Ms PIKE (Minister for Health).

Ms PIKE (Minister for Health) — I take the opportunity to thank all members who contributed to this debate, being the members for Caulfield, Lowan, Mount Waverley, Bayswater and Bundoora. This is a very important piece of legislation. It holds back some aspects of the Health Professions Registration Act, which are due to come into effect on 1 July, but allows the act in total to proceed.

We believe this legislation is in the interests of patients and consumers and will ultimately improve access to the health system. What has been articulated is a concern that the government has agreed, through the Council of Australian Governments (COAG), to the implementation of a national scheme, and somehow there may be the view that proceeding with our own health professions registration legislation is inconsistent with our agreement to proceed with a national scheme.

My view is that the two are not incompatible; that the elements of the Health Professions Registration Act that are to proceed are entirely consistent with the whole thrust of the national scheme; that by proceeding, Victoria will be very well placed, as one of the leading states in this area, to be able to sign up to the intergovernmental agreement; and that we are providing model legislation that other jurisdictions may find appealing and may want to replicate.

COAG has announced the implementation date of the national scheme as 1 July 2008. This is a very ambitious timetable, because an intergovernmental agreement has not been fully negotiated. Many states and territories are at quite different places in this journey from that of Victoria; there are a lot of different schemes right across the country. Whilst we would obviously be very pleased for the national scheme to come into place as early as possible, we quite frankly have real concerns about whether that will happen. From Victoria's perspective we think that the initiatives in the principal act are worthwhile pursuing; add huge value to our system; open up consumer representation; increase and enhance consumer rights; and provide the government, the department and thereby the community as a whole with a mechanism to ensure that decisions made by the registration boards are in the interests of the whole health system and not just in the interests of particular professions.

The other dimension is that there are some quite specific initiatives that would not be able to proceed if the Health Professions Registration Act were not to come into operation on 1 July. We believe the amendments we have brought into the house, as they affect the act that is due to come into operation on 1 July, are helpful; they are not fundamental to the overall intention of that act as a whole and therefore can be held back.

However, the overall bill must proceed, and I cannot understand why the opposition would not want to support these reforms. They are very good reforms and are in the interests of consumers. This bill should not be delayed, because it is a good initiative for the system as a whole, and it is basically consistent with the thrust of the national agenda.

Motion agreed to.

Read second time.

Consideration in detail

Clause 1

Mrs SHARDEY (Caulfield) — I have a number of questions in relation to the implementation of the legislation. We have had some mixed messages in relation to this, and I would like clarification on some issues.

The minister seems to be saying that this bill is totally consistent with what is planned at a national level. One of the questions I would like to put to her is: can she assure the house that the act that is coming into operation in Victoria will not have to be amended once the national scheme is implemented? If she cannot give this assurance, I suppose the next question would be: how many times does she think this Parliament will have to revisit the legislation over the period of the implementation of the national framework?

I would also like to ask the minister if she can give an assurance that each of the health profession registration boards would prefer that this legislation proceed on 1 July this year. If she can give that assurance, perhaps she could tell us which of the boards has given this indication? If some boards have not, perhaps she could tell us which boards do not support progressing with the implementation on 1 July? I would further like to ask the minister if she supports the Premier's timetable, which is for legislation for national registration of the health professions to be in place federally by 2008?

If she supports the Premier and wants the federal framework to be in place by 2008, why is she now

telling the professions that she thinks it could take some two years? These seem to be inconsistencies. I would like the minister to perhaps answer those three or four questions in relation to clause 1.

Ms MARSHALL (Forest Hill) — I would like to make a contribution to the debate on clause 1 of the Health Professions Registration Amendment Bill. As a prelude to this bill, in 2006 the Council of Australian Governments (COAG) agreed to establish a national registration and accreditation scheme for the nine health professions regulated in all states and territories. That followed the 2005 recommendations in a report by the Productivity Commission, which stated that the 2005 system presented significant structural impediments to promoting and maintaining a flexible and sustainable health workforce. COAG hopes to start this national scheme in July 2008, but the reality is that because the scheme requires legislation in every state and territory and a consolidation of the operations of up to 70 separate, state-based regulatory authorities, it is setting a most difficult time frame within which to achieve this.

The main purpose of this bill, which has a commencement date of 1 July 2007, is to bridge the gap between the changes that are necessary to ensure that the reforms are consistent with the national scheme, which is yet to be implemented; to allow a smooth transition; to minimise the regulatory burden on registration boards; and to ensure that Victoria has a contemporary regulatory framework governing health professionals for as long as it is required. This will provide a consolidated regulatory framework for the 12 regulated health professions currently in Victoria.

As the national scheme details are yet to be announced, this bill will make it discretionary rather than mandatory for registration boards to commence registering students who are in clinical training as well as enter certain information on the public registers of practitioners. This is designed to protect both consumers and practitioners and to provide the best possible regulatory environment to support the delivery of high-quality health services whilst working closely with all the registration boards and professional bodies during what will undoubtedly be a very challenging transition period.

Ms PIKE (Minister for Health) — There were a couple of questions that the member for Caulfield directed to me. Firstly, we know that there will be a process that is worked through at a national level regarding the development of the intergovernmental agreement and the appropriate framework for the

national scheme. I obviously do not have a crystal ball, so I cannot say when that will be.

My understanding is that we will need to come into this house only on one occasion to repeal our legislation and introduce legislation which is consistent at a commonwealth level. But we are always willing and ready to improve any legislation. I think it is a bit silly to ask, 'Can you say you will never come back and bring in legislation?'. It is the business of government to amend legislation, and the business of government is to improve the way public policy is developed and implemented in the community. As a government minister, I think I will be amending lots of legislation and constantly trying to improve things.

How do the boards feel about this? We have been working very closely with the boards, and they know that this is government legislation that is due to come into effect on 1 July. They have been developing their plans and implementation strategies. We are happy to continue to work with them to bring in legislation that is good for the health system and good for the consumers of health services in Victoria.

Mrs SHARDEY (Caulfield) — There were some questions that I asked that have not been answered. One of them was which boards support the legislation proceeding next month and which boards do not. My other question relates to whether the minister supports the Premier's timetable of July next year in relation to the federal framework. If the minister does, why is she now talking about a much longer period of time, given that Peter Carver, from the minister's department, is heading up the task force to bring this about?

Ms PIKE (Minister for Health) — In answer to the member's first question, I am not a spokesperson for the boards, and I would not be so arrogant as to pretend that I am. Secondly, the Council of Australian Governments (COAG) has announced that the aspirational date for implementation is 1 July 2008. I will be very pleased if we are able to meet that timetable. I have just had the opportunity to indicate to the house that it is a very ambitious timetable and that there is a huge amount of work to do before that time. Obviously I would be delighted if we met the timetable. As I said, it is a COAG aspirational implementation date.

Mr DELAHUNTY (Lowan) — The Nationals are concerned about workforce issues in rural and regional Victoria. As we all know, we have a shortage of doctors, nurses and other health professionals right across the state. If the legislation goes through in the form that it is in now, will we lose health professionals

to other states? We have enormous border anomaly issues. With the framework developed by the Council of Australian Governments to get consistency across the states, are we putting ourselves in a position where we may lose health professionals to other states because of this legislation?

Ms PIKE (Minister for Health) — There are currently different registration schemes. The current scenario is that more health professionals are being registered on a day-to-day basis in Victoria than are leaving Victoria. Contrary to the scaremongering that is going around, whilst we know that we have challenges in the workforce, people are actually coming to Victoria to gain registration, so there is a net inflow into our community. I am confident that there are many factors that make Victoria an attractive place for health professionals to work. Those factors are about the quality of our health system and the increased resources that have been provided to it. The education, clinical and research opportunities that abound within our health system are all factors.

The other dimension is that the legislation we are enacting on 1 July actually has a system-wide approach. For example, it gives certain groups the capacity to prescribe — like orthoptists, for example, who sign their own prescriptions for glasses. It provides the opportunity for podiatrists to prescribe scheduled medicines. Those are things that, if we do not enact this legislation, will not go ahead. They are the kinds of allied health services that people in rural and regional Victoria are really dependent on. This new legislation gives us the opportunity to look at some of the artificial barriers that have been historically created. It will enhance service delivery, not limit it.

Mr DELAHUNTY (Lowan) — In relation to that answer from the minister, the reality in country Victoria is that we are losing doctors. I mentioned that in my speech today during the second-reading debate, but unfortunately the minister was in another place — and I can understand that. But we are losing doctors to other states, particularly to South Australia and importantly to Queensland. It is a consistent issue that we in country Victoria are raising.

I am not overly comfortable with the answer I have been given, but I think I am ready to talk about another issue that was raised today. We have information from the boards saying that they are concerned about who is going to pay the costs of these new Victorian Civil and Administrative Tribunal hearings. Is it going to be the boards? Is it going to be the applicants? Is it going to be VCAT itself, which will therefore need more appropriation from the government? Has there been any

separate allocation of funds from the government to cover these legal costs? Can the minister also advise the house on what the overall administrative cost is going to be to administer the transition to this act?

Ms PIKE (Minister for Health) — It is anticipated that a cost-recovery model will be developed. Currently the activities of the boards are self-funding: they occur through registration fees. We have already had conversations with the Attorney-General regarding the activities of the Victorian Civil and Administrative Tribunal. If additional work is allotted to VCAT, obviously cost adjustments across government will need to be made.

Clause 1 agreed to.

Clause 2

The DEPUTY SPEAKER — Order! Before calling the member for Caulfield I advise her that her amendment 1 is consequential on the new clause she wishes to insert by her amendment 3. If amendment 1 is not agreed to, the member for Caulfield cannot therefore move amendment 3. Accordingly I advise the member to address the principles of her proposed new clause rather than limiting herself to amendment 1.

Mrs SHARDEY (Caulfield) — I move:

1. Clause 2, line 9, omit all words and expressions on this line and insert the following —

“(2) Section 34 comes into operation on 1 July 2008.”.

The aim of this amendment is to change the date of implementation of the act from 1 July this year to 1 July next year so that it has the likelihood of occurring at the same time as the national framework is introduced.

I would like to point out that the opposition is not pursuing this course of action to in any way be difficult. We would like to see a smooth transition. We would like to see the federal framework meet with success. We strongly support the Council of Australian Governments agreement, and we strongly support the states reaching agreement. What is occurring now, we believe, is very clumsy, with one piece of legislation being implemented this year and then the possibility of another piece of legislation being implemented next year.

I have had talks with the boards and with the health commissioner. While it is apparent to me that most boards have been working very diligently to be ready for the implementation of this legislation because they were not left with any alternative — the minister made it extremely clear that she was not going to consider

putting off the implementation for another year — in fact concerns have been raised with me about some boards not being ready for the implementation. I think that is particularly worrying. It is not a matter of the opposition opposing for the sake of opposing. We are doing this in the best interests of the health sector. We are not just talking about one part of the sector, we are talking about all parts of the sector, because we really want to see a successful transition to a national framework. We think it is very important.

My colleague the member from Lowan raised issues in relation to costs, which are an important element of all this. The additional costs involved in moving from one system to the other are always going to be there. If there have to be moves to two different systems over two years, then it is likely that the costs will be even greater. In our briefing with the Department of Human Services we asked for an estimate of those costs. We were told that they would be something less than 5 per cent. That sounds very conservative to me. I would like to ask the minister whether she could be more explicit in relation to the costs. If the costs involved in moving from the current legislation to the new legislation in a month's time are less than 5 per cent or around 5 per cent, are the costs involved in moving to a federal framework going to be the same or different — and if they are going to be different, are they going to be much different? I think the minister should be able to give some indication to the sector as to what it is going to cost, and how these costs are going to be recouped.

The minister mentioned that there is some kind of a recovery model being developed. She did not give any details of that. I think it would be helpful if she gave details, because it is not just the Liberal Party and The Nationals sitting on this side of the chamber who want to understand this. All the health-care professionals right across the board in the state of Victoria want to know what the implementation of this legislation is going to cost, how it is going to be recouped and how it is going to be paid for. Some of these people are running small practices, whether they be psychologists, chiropractors or optometrists. Some of them are running very small practices, and the costs are very important to them. I request that the minister address those issues.

Ms PIKE (Minister for Health) — Regarding the costs, the advice that the Department of Human Services gave the shadow minister of course is exactly the same advice that the Department of Human Services would give me, and the national proposal is to have a tribunal model which would include access to the Victorian Civil and Administrative Tribunal, so

there is no distinction between the Victorian model and the national model when it comes to the issue of costs.

Let us be clear about this. Those opposite opposed this bill in 2005. They are now saying they might have it if it comes in as a national model in 2008. They are using this opportunity where we are trying to be reasonable in bringing forward some amendments that are not absolutely fundamental — they are transitional amendments. They are using this as a Trojan Horse to re-litigate some of the issues they were not able to get up last time in 2005. Their position is confused. They have got no idea what is happening at a national level. They are raising all kinds of furrphies. I think we should just proceed and put the amendment.

Mr DELAHUNTY (Lowan) — During consultation on this legislation we contacted many organisations. Seven of those organisations signed a letter to the Premier which asks for this to be held over for 12 months. We also know that the health boards are concerned about the implementation of this legislation. We know the federations and other associations were concerned about the implementation of this legislation on 1 July this year.

We are operating under a scheme now; we will be operating under a second scheme on 1 July this year; and we could be operating under a third scheme in July 2008. All of this is going to cost time and money. At the end of the day there are some benefits in this legislation. I have met with podiatrists, and I have spoken with optometrists. They are excited about the opportunities they will have. One of the optometrists said to me, 'We are prepared to give up this —

An honourable member interjected.

Mr DELAHUNTY — I have seen the letter the minister is holding up, hot off the press, after a lot of pressure had been put on by the department.

The reality is that they were prepared to give up those benefits to make sure we work under a common scheme. At the end of the day the common scheme or the national scheme is about supporting workforce responsiveness and making sure that we have got consistency across Australia. That is the reason we have put up a similar amendment to that of the member of Caulfield. As members know, if that one gets rolled, so does mine.

An honourable member interjected.

Mr DELAHUNTY — It is identical; that is right. That is the reason we are pushing for the support of this amendment.

Mrs SHARDEY (Caulfield) — I have a further question. The minister seems to be claiming that once a tribunal system is introduced here in Victoria, with the implementation of a national model it will be exactly the same. But she writes letters to boards claiming that there will be further and more substantial changes over the next two years as a national system is progressed. The minister cannot have it both ways. She cannot say on the one hand that the system we introduce here is going to be the absolute template for the tribunal system that is going to be introduced at the federal level, and then write to boards that there are going to be substantial changes. I want to know what the minister really thinks. Does she think there are going to be substantial changes or not, and if so are they going to cost more money?

The DEPUTY SPEAKER — Order! As this amendment deletes words from the clause, the question is:

That the words proposed to be omitted stand part of the clause.

All members supporting the amendment should therefore vote no.

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

Ayes, 50

Allan, Ms	Kosky, Ms
Andrews, Mr	Langdon, Mr
Batchelor, Mr	Languiller, Mr
Beattie, Ms	Lim, Mr
Bracks, Mr	Lobato, Ms
Brooks, Mr	Lupton, Mr
Brumby, Mr	Maddigan, Mrs
Cameron, Mr	Marshall, Ms
Campbell, Ms	Morand, Ms
Carli, Mr	Munt, Ms
Crutchfield, Mr	Nardella, Mr
D'Ambrosio, Ms	Neville, Ms
Donnellan, Mr	Overington, Ms
Duncan, Ms	Pallas, Mr
Eren, Mr	Perera, Mr
Graley, Ms	Pike, Ms
Green, Ms	Richardson, Ms
Haermeyer, Mr	Robinson, Mr
Hardman, Mr	Scott, Mr
Harkness, Dr	Seitz, Mr
Helper, Mr	Stensholt, Mr
Herbert, Mr	Thomson, Ms
Howard, Mr	Thwaites, Mr
Hudson, Mr	Trezise, Mr
Hulls, Mr	Wynne, Mr

Noes, 32

Asher, Ms	Northe, Mr
Baillieu, Mr	O'Brien, Mr
Blackwood, Mr	Powell, Mrs
Burgess, Mr	Ryan, Mr

Clark, Mr	Shardey, Mrs
Crisp, Mr	Smith, Mr K.
Delahunty, Mr	Smith, Mr R.
Dixon, Mr	Sykes, Dr
Fyffe, Mrs	Thompson, Mr
Hodgett, Mr	Tilley, Mr
Ingram, Mr	Victoria, Mrs
Jasper, Mr	Wakeling, Mr
Kotsiras, Mr	Walsh, Mr
McIntosh, Mr	Weller, Mr
Morris, Mr	Wells, Mr
Napthine, Dr	Wooldridge, Ms

Amendment defeated.

Clauses 2 to 34 agreed to.

Clause 35

Mrs SHARDEY (Caulfield) — I move:

Clause 35, line 18, omit "2008" and insert "2009".

Amendment defeated; clause 35 agreed to.

Bill agreed to without amendment.

Remaining stages

Passed remaining stages.

Sitting suspended 6.32 p.m. until 8.02 p.m.

PAYROLL TAX BILL

Second reading

Debate resumed from 23 May; motion of Mr BRUMBY (Treasurer).

Mr WELLS (Scoresby) — I rise to speak on behalf of the Liberal Party in relation to the Payroll Tax Bill. Can I first off thank the Treasurer for organising a very detailed briefing. It was a very good briefing. When you consider that the bill has 127 pages, at some stages it was very complex, and we really appreciated that detailed briefing.

One of the purposes behind this bill is to cut the red tape in dealings involving both Victoria and New South Wales, and it is my understanding that most of the states are wanting to push towards cutting red tape, which is what should be expected. In order to do this, it was felt that the best result would be achieved if Victoria and New South Wales worked together to try to get the one piece of legislation designed to make life easier for people on both sides of the border and also for a lot of companies in Victoria — perhaps in Melbourne — that have associated companies or subsidiaries in New South Wales. It was felt that it

would be easier if they could refer to one piece of legislation.

This bill is a rewrite of the Pay-roll Tax Act 1971 to modernise the language, remove obsolete references and give effect to harmonising Victoria's payroll tax legislation with that of New South Wales to reduce administrative red tape for businesses with cross-border operations. In our briefing the government told us that there are approximately 8000 businesses that will benefit from the reduced red tape, and I know the member for Benambra will be very keen to see how this is going to be implemented, especially in his area, because of the number of companies on one side of the river in Wodonga that also do business on the other side of the river in New South Wales.

This follows the states agreeing last year to multilaterally overhaul inconsistent payroll tax rules across the states. As I said, Victoria has taken the opportunity to rewrite its payroll tax legislation in clearer language, so the bill takes out some provisions that may have led to some misunderstanding.

The bill is a rewrite of the previous act containing 117 clauses, with 3 schedules of a further 55 additional clauses. Much of the detailed legislative intent contained in the bill is carried over from the previous act. However, there are a number of specific changes where Victoria is adopting or aligning with what is contained in the New South Wales legislation. What we are going to do is go through those clauses in the bill.

Some of the benefits — I will just summarise these before I go into the detail — are reduced red tape for businesses, as I mentioned, with cross-border operations in Wodonga and Albury; 14 days longer for employer submission of annual returns; and a calculation for grossing up fringe benefits using a lower factor at a cost to revenue of \$21.1 million over four years. This is a major offset to business for inclusion of employee share schemes — I will come back to that. There will be more charitable payroll tax exemptions. They have been extended to not-for-profit benevolent organisations, and motor vehicle allowances will be in line with the policy of the Australian Taxation Office. Accommodation allowance deductions also will be in line with the ATO. That is something that makes sense right across the board.

Obviously we are concerned that we still have a threshold set at \$550 000. The promise of red-tape reduction for business needs to be carefully monitored. Labor has a great reputation for saying one thing but doing another thing and not actually delivering. The concern we have is that we are including payroll tax.

The net will be widened now, because if a company decides to give shares to its employees, the value of that will come within the payroll tax net. The gain to revenue by the inclusion of employee share schemes is \$29.4 million over four years; therefore, this will be an impost to businesses in Victoria. I will come back to this point as well.

The removal of the exemption for prescribed sporting clubs, particularly the Australian Football League clubs, from having to gross up fringe benefits to players for payroll tax assessment purposes will, I think, have an impact on the AFL clubs here in Victoria.

The opposition will not be opposing the bill. The reason we could not support it, although we feel the legislation is moving in the right direction in regard to reducing red tape, is that we have to be convinced that it is genuinely reducing red tape. That is the first issue. The second is that there will be an extra \$8 million coming into the government over four years as a net result of this legislation, so it is actually a cost to the employers paying payroll tax. That is another reason why we are not going to support it. We will not oppose it, and obviously will vote with the government if it comes to a division.

I will just go through the changes. Part 2, division 1, is about the imposition of payroll tax. Clause 9 on page 7 is headed 'When must payroll tax be paid?'. The major change is the due date for lodging returns and payment in July for June payroll tax assessments. It has been extended by two weeks to 21 July.

Part 2, division 2, is about taxable wages. Clause 10 is headed 'What are taxable wages?'. The major change on page 8 is that under the current act, if a Victorian is working overseas but is paid from here, then the first six months of wage income is liable for payroll tax. The new provision provides a total exemption for Victorians working on long-term assignments overseas.

Part 3 of the bill is about wages. Division 2 concerns fringe benefits, and in particular clause 15 provides a formula for the calculation of value of wages comprising fringe benefits. The major change is that the existing act provides that where an employer receives an GST input credit for a fringe benefit that is provided to an employee, then the value of the fringe benefit is grossed up by the higher — that is, type 1 — factor to calculate payroll tax. If an input credit is not received, then type 2 factor is used. The new provision allows for the use of the lower type 2 grossed-up factor. The fringe benefit tax value is grossed up, and there is a formula on page 13 for multiplication by 1.869;

therefore, a \$20 000 fringe benefit is grossed up to \$37 383.

Clause 16 is headed 'Employer election regarding taxable fringe benefits'. The major provision allows an employer to elect to use the FBT (fringe benefits tax) year of 1 April to 31 March instead of the financial year for the calculation of the value of fringe benefits for payroll tax assessment.

Part 3, division 3, of the bill is about superannuation contributions. The major change is to superannuation contributions. The definition of 'superannuation' now includes non-monetary contributions such as artwork and property.

Division 4 of the bill concerns shares and options. The major change is the inclusion of employee share schemes. That is aligned with and replicates the provisions of New South Wales legislation introduced in 2005, which is similar to legislation of other states.

Clause 19 of the bill is headed 'Choice of a relevant day' and concerns the valuing of shares and options. The relevant day is either the day on which the share or option is granted or the vesting date. The choice is fairer inasmuch as shares may not vest if offers are withdrawn or cancelled or an employee never receives them.

Clause 21 on page 19 of the bill is about the effect of rescission, cancellation of share or option. If a share offer is withdrawn or rescinded and payroll tax has already been paid, a deduction is allowable for the next period as an offset.

Clause 23 on page 20 of the bill is about the value of share and options, and provides that the value of shares and options will be the market value on the relevant day, whether they are granted or vested.

Part 3, division 5, provides that termination payments are aligned with New South Wales and include payments to non-employed directors.

Division 6 on page 25 of the bill concerns allowances. Clause 29 provides that the rate for motor vehicle allowances being aligned to the ATO provision — that is, the exempt component of motor vehicle allowances — allows per-business-kilometre usage of vehicles. It will now be increased to 70 cents per kilometre, up from 53 cents.

Clause 30 is about accommodation allowances, which will now be aligned with the ATO provisions for the lowest salary band rate for the lowest cost capital city — that is, Hobart. The allowance will be around

\$198, up from \$130 currently. That rate will be known in late June.

I note that division 2 of part 4 of the bill is about education and training. Clause 50 concerns the Community Development Employment Project. I know that this is of great importance to the member for Nepean. It provides for exemptions from payroll tax for wages paid to Aboriginal persons employed under an employment program. I know that there are some very important programs in Bairnsdale and that the people of Bairnsdale will find that exemption of great importance to them. I know many will be very happy, because Bairnsdale has a number of these employment programs, and it is important that they are exempt from payroll tax.

Part 4 of the bill is about payroll tax exemptions. Division 1 concerns non-profit organisations. It broadens the current exemption to other benevolent not-for-profit organisations. The main beneficiaries are groups such as Uncle Bobs.

Clause 57 on page 46 of the bill is about the limitation of exemption from payroll tax and the maintenance of provisions relating to firefighters and emergency service workers resulting from a previous legislative amendment. Firefighters and emergency service workers will continue to continue to receive the exemption which they received earlier in the year, which is important. When a Country Fire Authority volunteer is away from work while fighting a fire for a couple of weeks and his employer still pays his wages, then that component will still be payroll tax-exempt, and we strongly support that.

Part 5, division 2, is about business groups, and clause 72 concerns groups of commonly controlled businesses. Controlling interest is currently defined as 50 per cent and is amended to greater than 50 per cent, which is in line with New South Wales.

Clause 73 is about groups arising from tracing of interests in corporations. This is an anti-avoidance measure and contains tracing provisions to use 'aggregate interests' to trap businesses into the payroll tax net.

Part 7 of the bill is about registration and returns. Clause 87 on page 73 provides that the lodgement date for annual returns will be 21 July, which is 14 days later than Victorian employers now use.

Item 6(3) of schedule 3, on page 122 of the bill, contains a definition of 'prescribed sporting club'. A total of 17 Victorian-based clubs and organisations are payroll tax exempt, including the Australian Football

League, Cricket Australia and the Melbourne Storm and Melbourne Tigers teams. The concession from grossing up fringe benefits will be removed. This was introduced in 2001 as an offset to clubs for inclusion of fringe benefits in the wage definition.

The debate on that particular issue was interesting. In debate on the State Taxation Acts (Taxation Reform Implementation) Bill on 5 June 2001, the member for Brighton sought assurances from the Treasurer on the issue of the impact of payroll tax changes on football clubs. She said:

Honourable members would be aware that Australian Football League (AFL) clubs, in particular, have a high reliance on fringe benefits, yet the bill and budget decision expand the payroll tax base to include fringe benefits. The government has clearly said that it is concerned about the impact of these payroll tax changes on AFL clubs in particular. With this in mind, according to the explanatory notes the bill moves in clause 14 to 'exempt' — that is the word used in the notes — prescribed sporting clubs from the requirement to gross up fringe benefits.

The member for Brighton went on to say:

I am seeking an assurance that the wording in the explanatory memorandum will result in tax relief to AFL clubs.

That was an important point for the member for Brighton to make, because the then Minister for Energy and Resources in the upper house, Ms Broad, made it very clear that the AFL clubs would be exempt from the grossed-up amount. In the Legislative Council on 12 June 2001 she said:

First, payroll will be payable on the grossed-up amount of fringe benefits, as per the commonwealth fringe benefits legislation. To ensure sporting clubs are not unfairly disadvantaged because of the way remuneration packages are structured in the sports industry, the bill provides for those clubs which pay more than 50 per cent of their annual taxable wages to employees engaged in sporting competition for the employer to be prescribed as exempt from this increase. Eligible sporting clubs will continue to pay tax on the taxable value of fringe benefits provided without grossing-up these amounts.

We had an assurance from the minister in 2001, as a result of the member for Brighton wanting the government to give an assurance and clarify that there would be a continuing exemption for AFL clubs; then we find in this legislation that when it came to the negotiations between Victoria and New South Wales, Victoria chose — through negotiations, I suspect — that it would have to pay for or get rid of the concession for those prescribed sporting clubs.

A promise or a commitment made by the minister in 2001 lasted just on six years, which is incredibly disappointing, because now AFL clubs such as North

Melbourne, St Kilda and Carlton will have to pay a higher payroll tax because they are going to be in this net. We wrote to the AFL, and we are still awaiting a response, so I suspect that we can only assume that the league is fully supportive of paying more payroll tax. I find that quite an interesting stand.

As I mentioned, in budget paper 3 on the service delivery for 2007–08, table A.26 on page 345 shows that the government has calculated the revenue initiatives for payroll tax harmonisation, and there will be \$8.3 million over four years, from 2007–08, when it is implemented, until 2010–11.

We have also been provided, thanks to the Treasurer's office, with the revenue impacts of payroll tax harmonisation. The government will receive, through the employee share scheme — this is where the employers will pay extra, because of companies issuing shares to their employees — \$7 million in 2007–08, \$7.2 million in 2008–09, \$7.5 million in 2009–10 and \$7.7 million in 2010–11. Most companies will get some benefits from the lower fringe benefits gross-up factor, but overall there will be a cost to the budget of around \$5 million each year over the five years. The budget papers also calculate that there will be an \$8.3 million benefit to the budget.

This bill is all about decreasing red tape, which the Liberal Party strongly supports. I notice that the Business Council of Australia came out and supported the Bracks government on 27 May 2007 in its media release headed 'Business still tied up by state and territory red tape'. It says:

The scorecard found that only Victoria has consistently achieved 'good' ratings in the way it has implemented reforms of its regulation-making regime and that New South Wales has begun a process of review that has the potential to improve its systems.

But then the Institute of Public Affairs has a considerably different — —

Mr Nardella interjected.

Mr WELLS — In fairness, I am giving two assessments. One is in favour of what the Bracks government has done — and I think I was reasonably fair about mentioning the Business Council of Australia. But now I want to pick up the next one, which is from the Institute of Public Affairs. It is interesting to note what it has said about Victoria. The article says:

If the Bracks government had used its reform bonus solely to enhance the capacity of front-line services and infrastructure,

it would be a passable outcome, particularly given the political difficulty of pursuing efficiency in a time of plenty.

...

The government's television and print advertisements brag about the additional number of teachers, nurses and police that it has put on the job. However, for every new front-line job the government has employed an additional one and a half bureaucrats.

Mr K. Smith — You're joking — that's disgraceful!

Mr WELLS — The member for Bass has pretty much summed it up. For every one person it has put on the front line — a nurse, a teacher or a police officer — it has employed one-and-a-half bureaucrats.

Honourable members interjecting.

Mr WELLS — It is interesting that it goes on to say:

With the bureaucrats have come new functions, laws, regulations and intrusions. Unfortunately, and contrary to popular wisdom, bureaucrats do not sit around doing nothing, they work hard at expanding the role of the state and, in Australia, they get very well paid for [it].

So far the Bracks government has enacted nearly 2000 new acts and sets of statutory regulations totalling 34 000 pages.

Mr K. Smith — That is appalling!

Mr WELLS — 'Totalling 34 000 pages'.

Mr Burgess — How many?

Mr WELLS — 'Totalling 34 000 pages'.

This outpouring of regulation took place in the face of a commitment to reduce red tape and despite the active resistance of the Victorian Competition and Efficiency Commission (VCEC), which arguably is the most rigorous and independent regulation review body in the country.

We applaud that. The article continues:

The growth in regulation and bureaucracy has taken place not so much in traditional areas of government such as crime prevention, but in its new frontiers such as the management of native vegetation, regulation of water use, the banning of agricultural biotechnology, the promotion of alternative energy, the regulation and oversight of occupational health and safety, health promotion, racial vilification, protection of outworkers, urban planning and protection of whistleblowers. Indeed, the government has embraced the nanny state, and its new army of earnest minions are embracing and stifling Victorian business.

In fairness I have put forward two documents — one from the Business Council of Australia and one from the Institute of Public Affairs.

Mr Nardella interjected.

Mr WELLS — The author is Mike Nahan, and he has analysed it somewhat differently from the Business Council of Australia.

It is interesting to note that payroll tax in this state has increased from \$1.2 billion in 1999 to \$3.4 billion this year. It is interesting that even though we have \$33 million a day being raised in state taxes and \$44 million a day of GST floating into the state, this government still finds time to put in new taxes. It is not just payroll tax in general that we are aiming at; there is the gaming machine levy, the payroll tax on fringe benefits, the tax on eligible termination payments, the payroll tax on apprentices and trainees, and the payroll tax on employment agencies. The government just keeps on widening the net, bit by bit by bit.

The Victorian Treasurer and the New South Wales Treasurer, Michael Costa, put out a press release on 26 February 2007 which outlined the reasons why they had put together this piece of legislation. I also note that the *Australian Financial Review* of 26 February 2007 has the headline 'NSW, Vic firms win payroll tax relief'.

As I said at the outset, the Liberal Party strongly supports any move by any government to reduce payroll tax and reduce red tape. We would like the government to look at the threshold levels. We would also like the government to look at the rates of payroll tax. Considering the amount of GST and taxes that are coming in from other areas, it is time for the government to look at these taxes. We understand that there has been a steady reduction, but we think there is still a way to go. But based on that, the Liberal Party will not be opposing this bill.

Dr SYKES (Benalla) — I rise to speak on the Payroll Tax Bill of 2007. I would like to commence by thanking the Treasurer and his staff for a much-appreciated briefing. As the member for Scoresby said, it was very thorough. I particularly appreciated the very rapid follow-up on the information requests that I made. It certainly helps for an informed debate, as distinct from some of the other debates we enter into when the member for Melton is a major contributor.

The Nationals very much support the principle of harmonisation and certainly support the reduction in red tape. But as the member for Scoresby said, there has been a fair increase in the amount of red tape during the seven years of this government. Whilst this initiative is very much going in the right direction, the overall red

tape situation is a long way behind where it was seven years ago. From The Nationals point of view, we have the usual concerns about the devil being in the detail. The reality is that whilst harmonisation has been achieved, actual total payroll tax receipts seem to have increased by around \$2 million a year.

The briefing notes provided to me by the Treasurer's staff highlight the point that in proceeding towards harmonisation there are really two components. One is administrative harmonisation. That has enabled common payroll tax forms and systems, for example, and a one-stop shop for businesses paying payroll tax in Victoria and New South Wales. That is obviously eminently sensible and so is to be commended.

A second component of the harmonisation process is legislative harmonisation. That has required separate changes to either the Victorian legislation, the New South legislation or both. A number of the changes have already been identified by the member for Scoresby, but one that caught my attention is something that very much moves in the right direction — the change to the Victorian legislation which provides for an increase in the period allowed for refunds and reassessments for all state taxes, not just payroll tax. That period has been increased from three years to five years. That enables those who are a little bit slow in doing their financial work to still benefit from making claims in the event that their reassessments show that they have paid too much.

In the case of the changes to the New South Wales legislation, there is the introduction of the exemption from payroll tax of adoption leave and maternity leave payments and a range of other requirements that make sense from everyone's point of view. There are also changes to both sets of legislation. For example, to be consistent — and I can see no other reason for it other than to be consistent — Victoria will in relation to group taxation adopt the threshold of someone having more than 50 per cent control of a business rather the even 50 per cent threshold that currently exists. It is probably a harmonisation provision with minimal practical impact.

The government also claims to have consulted widely with business and to have general support for the changes. There is also a commitment to the ongoing harmonisation of the other legislation between the states. I know the member for Murray Valley is going to get up and speak later. He has been fully engaged for all of the 30 years of his parliamentary career in attempting to achieve harmonisation across the border. The member for Murray Valley is not here at present; he is probably working on harmonisation and resolving

border anomalies! I am sure he will appear at the critical time and be very pleased to assist the government in removing some border anomalies.

Some of the specifics that caught my eye in relation to the legislation include the change to the share-option provisions where it appears that there is going to be a bringing forward of the requirement to pay payroll tax. That will have quite an implication in relation to income for the state, which I will come back to. Being a former public servant I note that the allowances for mileage and expense claims have been increased.

The mileage allowance for vehicles has gone up from 53 cents to 70 cents a kilometre, which sounds okay. In relation to the expense allowances, the threshold below which no payroll tax is required in Victoria has been increased substantially from \$130 to \$198. That is fine, but that level is still, based on the Australian Taxation Office schedules, the lowest salary band level, and it is the lowest capital city allowance level. So while it is a step in the right direction, it could be argued that it is still a rather miserable allowance, if we are setting it at the lowest levels according to salary band and capital city.

The member for Scoresby also mentioned that the definitions relating to the charities exemptions have been broadened to enable charities such as Uncle Bobs and the Variety Club to be exempt from paying payroll tax. Again that is very welcome. A statement was made at the briefing that no charity will be worse off. I think a former Prime Minister made some comment about no-one being worse off — but time will tell. Let us hope that intention is achieved.

Let us look at division 5 in relation to part 4 exemptions for volunteer firefighters. This is where the payroll tax exemption will now be made available to employers who choose to continue to pay volunteer firefighters while they are out saving our assets and helping to control the megafires that seem to be becoming more frequent. Again, in principle it is a fantastic move, but when you do the number crunching, what does it come down to? According to my calculations, on a volunteer firefighter salary of around, say, \$800, \$900 or \$1000 a week, the payroll exemption benefit to the employer will be about \$50 — if they are paying payroll tax, because there is a threshold of 100 employees. So the saving to the employer will be \$50 a week, but the employer, through salaries and other expenses such as superannuation, is still handing out nearly \$1000 a week, so it is a nominal benefit rather than a real benefit.

Mr Nardella interjected.

Dr SYKES — It is a very modest, real benefit — I thank the member for Melton for that. If he wishes me to highlight that again, I will say that a \$50 saving to the employer in the interests of volunteers who were fighting fires on behalf of the state, given that much of the fires were on public land that should have been managed by the public organisations — —

The ACTING SPEAKER (Ms Green) — Order! I remind the member for Benalla to speak on the bill.

Dr SYKES — I am speaking on the bill, because it relates to the payroll tax exemption for Country Fire Authority volunteers. The member for Melton has raised the issue that it is a contribution — —

The ACTING SPEAKER (Ms Green) — Order! Responding to interjections is disorderly, and the member for Benalla knows that.

Dr SYKES — Putting that particular exemption in context — and I am saying it is a relatively minor one — it links up with another one related to the fires. The government made an announcement about its preparedness to pay the \$400 excess on insurance premiums for fences burnt in the fires. I have since been told that that excess applies to very few insurance premiums, and therefore it is another piece of tokenism rather than a real contribution to the cost of combating fires.

I move on to the prescribed sporting clubs, which again the member for Scoresby commented on. There is another dimension to this, and I will reiterate it. As I understand the situation, Victorian clubs have had a concession which means that fringe benefits have been excluded from their calculations for payroll tax purposes. That is now being changed so that they will be included. It will be phased in, and grossed-up payments will now exclude the GST rather than include it. So on the one hand there will be extra cost to the Victorian sporting clubs, but on the other hand there will be a slight amelioration of that extra cost because the GST will be excluded.

Let us look at that issue in relation to the Australian Football League clubs. There is already a problem with the AFL, because at least one interstate club has competed in the last eight grand finals, and the last couple have had only interstate teams competing. There is some question about the balance of measures needed to ensure equality of competition in the AFL. This measure, which is going to remove another Victorian club advantage, may need to be countered by the AFL for the benefit of clubs such as the one so proudly supported by the Leader of The Nationals — that is, the

Melbourne Football Club. If Melbourne is ever going to win a premiership in his lifetime, there may need to be further adjustments to compensate for the removal of the concession under this piece of legislation.

If we look at the net impact of the legislation, based on the clearly presented chart delivered to me by the Treasurer's office, it would appear that most of the measures will have nil impact on net income. However, the employee share schemes will result in increased income to the state government of around \$7 million to \$7.5 million per year, whereas the removal of the fringe benefit concessions for prescribed clubs will result in a reduction in income to the state of around \$5 million to \$5.5 million a year. Not surprisingly, but perhaps somewhat sneakily, the net result will be that the state is going to gather an extra \$2 million a year in payroll tax. So there is a tax increase under the guise of reduced red tape and harmonisation.

The member for Murray Valley, who as I said is noted for focusing on border anomalies, also has a particular passion for small business. He is going to comment further on the issues associated with the payment of payroll tax on apprentices salaries and superannuation, so I will not steal his thunder — because life would not be worth living if I did. One last aspect which caught my eye when I did some research on this matter goes back to a previous discussion on payroll tax. The Payroll Tax (Amendment) Bill was debated in the Legislative Council on 28 April 1993.

The statement was made by a former member of the Legislative Council, the Honourable D. R. White, a member representing the then Doutta Galla Province. Is that the fellow of some notoriety?

Dr Napthine — The one in the Panama hat.

Dr SYKES — At that time he said in part:

The opposition does not oppose the bill, but points out that on 13 March 1993 the community demonstrated that the GST was unacceptable; it did not see the GST as a panacea ... to payroll tax.

He then went on to suggest very strongly:

It is our joint responsibility to ensure that an alternative to payroll tax is found so that we can look to a future without such an impediment to Victoria's manufacturing base. So long as the tax exists Victoria's capacity to balance trade will be seriously diminished. We have a task ahead ... to find an alternative to the GST and payroll tax.

If that same Honourable D. R. White was to discuss with the Treasurer of today the fact that the GST brings around \$750 million per month into Victoria, maybe the views he expressed in 1993 would be no longer

relevant. In fact, the GST has been seen as a very valuable cash cow for the Victorian government, in spite of the comments made repeatedly by the Treasurer that we are not getting our share. I think I could handle \$750 million a month of income being collected by another party.

With those remarks, as I have said, The Nationals certainly will not be opposing the legislation, because we support the principle of harmonisation, we support the principle of cutting red tape, and we also support the principle of continuing to ensure this harmonisation extends beyond issues related to payroll tax. But it does disappoint us that in undertaking the process of harmonisation and red tape reduction, there has been seen an opportunity to increase the overall level of tax on Victorian business to the tune of a couple of million dollars a year.

Mr DONNELLAN (Narre Warren North) — I am very proud to speak on this payroll tax bill, harmonising administration between the states of Victoria and New South Wales. That is very important because they represent 60 per cent of the Australian economies. Further, some 40 per cent of taxpayers in Victoria also operate in other states, which is important to note, and a further 24 per cent of all New South Wales payroll taxpayers also operate in Victoria. Currently the State Revenue Office and its New South Wales equivalent are working on common forms and a one-stop-shop for registration for those businesses operating in both states. I look forward to the outcome of those endeavours.

On the advice of the parliamentary counsel of both New South Wales and Victoria, the Victorian Pay-roll Tax Act of 1971 and its NSW equivalent have been totally rewritten. Generally the changes are revenue neutral. The changes to the Victorian and New South Wales legislation were bringing into line the treatment of fringe benefits grouping, motor vehicle and accommodation allowances, and exemptions for charities. Each state was required to vary its new legislation so they lined up with one another in the treatment of income and benefits.

New South Wales has made some changes to its legislation. New South Wales will now provide an exemption for adoption and maternity leave. It will also introduce a requirement that group employees appoint a designated group employer to claim the benefit of the tax-free threshold.

Victoria is changing its legislation. It is introducing some general anti-avoidance provisions, pretty much like part 4 of the tax act, to ensure that people who are

using certain structures are not using them for the purposes of avoiding payroll tax. We are introducing an exemption for wages paid under the Community Development Employment Project, which I notice was positively received by the opposition. We are introducing payroll tax in relation to the employee share acquisitions scheme and we will also extend the periods for refunds and reassessments from three to five years.

As to the benefits, MYOB, one of the big software providers to small industry, indicated it believed many taxpayers would benefit from this. Indications from the department are that about 9000 taxpayers will now be not as burdened with paperwork because they operate in Victoria and New South Wales, and further that the SRO, as we know, currently has introduced into Victoria probably the most advanced and user-friendly e-commerce option for taxpayers. From what I understand, it believes the savings for businesses amount to about \$10.3 million.

Further, I would like briefly to address the issue of the grossing up of the fringe benefits tax exemption which is provided to prescribed clubs and which actually begins on 1 July 2008. The revenue impact on the prescribed sporting clubs is less than \$500 000 a year across 19 clubs, so we are looking at an approximate cost of a bit over \$25 000.

We often hear in this house from the Liberal Party that we are monstrously taxing the business community. At the end of the day there is probably a need to address that by quoting a couple of facts and figures. Realistically, the largest taxing government in Australia and the government with the fastest growing tax in Australia in terms of how quickly its revenue and tax grow is the federal government.

I want to refer to a speech the federal Treasurer made at the Victorian Liberal Party state council meeting on 28 April 2007 at the Sofitel Hotel in Melbourne. I will read a couple of extracts from his speech. His comments were incredibly interesting, because here we have a federal Treasurer who behaves like a head prefect: he is very happy to tell everybody what to do, but does not actually stand by that behaviour himself.

I become a little bit frustrated at continually hearing the federal Treasurer telling us how we should spend our money, when this guy is absolutely wallowing in money, which is generally supported by most business commentators, including in the *Australian Financial Review* and other publications. One of the extracts goes like this:

And of course it was all the key reforms, the key reforms that are now setting us up that Kevin Rudd and Labor opposed:

balancing our Budget; paying off \$96 billion of debt; achieving an interest rate saving of \$9 billion per annum; reforming the tax system; cleaning up the waterfront; decentralising industrial relations. These were all achievements which the Labor Party opposed.

The greatest and largest budget deficit this country has ever seen was delivered by the then federal Treasurer John Howard in 1982. He left us with \$8 billion. So in real terms today that is to the tune of about \$24 billion — so he was a hopeless Treasurer. And to have these insults continually thrown by the current federal Treasurer is a joke. Further, if you look at the basic facts and figures of who takes most of the money out of taxpayers pockets in this country, if you look at the figures provided by the commonwealth government —

Dr Napthine — On a point of order, Acting Speaker, I suggest the member stick to the topic of the bill, which is payroll tax.

Mr DONNELLAN — On the point of order, Acting Speaker, this is in relation to taxes — full stop! We have had opposition members come in here tonight and talk to us about taxes being out of control and things like that, saying we are introducing taxes. This is generally about taxes. Payroll tax is about streamlining tax and tax reform, and that is what we are talking about tonight.

The ACTING SPEAKER (Ms Green) — Order! I think previous speakers have been given a fair bit of latitude by the Chair in terms of the detail they have covered, but I am sure the member for Narre Warren North will at some point return to other aspects of the bill.

Mr DONNELLAN — I will indeed, but I want to talk about taxes, because this is what concerns me.

We have a federal Treasurer who is very happy to lecture us. Let us look at some figures. Between 1999 and 2005 the growth of commonwealth per capita taxes was 20 per cent. For all the Australian states it was 3.3 per cent. It is an insult to continually have this federal Treasurer telling us that we are taxing people out of control while he sits there and his taxes grow faster than anybody else's. This money should never have been taken. If he was a real conservative, he would not take the money, then administer it — which costs an enormous amount of money — then hand it out in these silly bribes, as he continually does. This is what continually happens with this federal government.

The last guy who looked at real tax reform — remember, it was Malcolm Turnbull — got punished by the federal Treasurer because he had the cheek to

actually put up some suggestions to do with a flat-rate tax system. Realistically what you have here is someone who is very happy to tell everyone else how to behave but who does not listen.

I want to go on with a little more of his speech. It reads:

Labor didn't have the wit to build economic reform. They opposed us every step of the way and now they are putting themselves forward as the inheritors and the owners and the occupiers of economic management in this country. Well, it is not good enough.

If we read the editorial of the *Australian* of 20 March 2007, we see what it says about it:

We have adopted a rationalist position, criticising the government for giving too much money to special interest groups in the quest for electoral advantage at the expense of good policy.

This is what it says about Peter Costello:

Against the reforms of the Hawke and Keating years, the Howard government can be justly accused of being weak on economic reform.

Tonight what are we doing? We are reforming taxation, but the editorial in this newspaper is telling us that the federal government has done nothing and that all it has done is hand out money in bribes — which is what the federal government is doing and which it is very good at doing.

Let us look at the bribes it is handing out this time around, because there is a whole lot of pork-barrelling going on. Recently there was a Senate estimates committee hearing where we found out that of the 89 road grants worth \$250 million, 70 are in government or independent electorates. Is that not amazing? This is not good economic policy — this is great bribery. This federal government has made it an art form.

Dr Napthine interjected.

The ACTING SPEAKER (Ms Green) — Order! The member for South-West Coast will be quiet.

Mr DONNELLAN — Let us look at what a senior Liberal Party person is reported as saying in the *Age* some time ago in reference to Victoria versus New South Wales:

We probably also have a case with some roads funding which hasn't gone our way as much. I don't put that down to Howard not liking (Victoria) so much as the fact that the seats we are most likely to lose aren't down here. There aren't really any marginals in danger here, but there are lots in Queensland, New South Wales and South Australia, so of course they are going to get a lot of attention.

What does that suggest? That suggests utter bribery and not good economic policy, and that is what this federal Treasurer and Prime Minister are great at doing. While we look to reform and harmonise payroll tax, these guys bribe!

Dr NAPHTHINE (South-West Coast) — Payroll tax is a bad tax. It is a tax on employment. It does not matter whether you live in Coleraine or whether you live in Portland, Warrnambool or Melbourne, you would be aware — particularly the people who come from Coleraine — that the payroll tax is a very bad tax because it is a tax on employment. Fancy having a tax that says, ‘The more people you employ, the more tax you pay.’! It is a tax that disadvantages local businesses, particularly local businesses that are competing in an increasingly world-competitive market. I firmly believe that all Australian governments — both state and federal — should work together to get rid of this stupid anti-employment, anti-investment and anti-Australian tax.

I congratulate John Howard and Peter Costello on 10 years of fantastic economic reform. They have led the way with reform of the tax system, and they have led the way on the reform of industrial relations. Despite what the previous speaker — the member for Narre Warren North — said, the difference between the commonwealth and the states is that the commonwealth is running budget surpluses and has paid off all its debt, whereas the Labor states are increasing debt right across the length and breadth of the country. High taxes, high expenditure and increasing debt are characteristics of Labor state governments, including the Bracks Labor government.

Under the Labor government in Victoria we are getting more taxes, more debt, more expenditure and less services. They are characteristics of the Labor government, because it simply cannot manage money. As I said, Prime Minister Howard and Treasurer Costello have done an enormous amount to reform the tax system in Australia, but there is still a lot more to be done. I do not think we should rest in terms of tax reform until we completely abolish payroll tax across Australia.

It is not very often that I agree with the Honourable David White, a former member in another place, but it was interesting that the member for Benalla quoted a speech David White made in 1993. He said in that speech that payroll tax was a tax that was an unfair burden on Victorian manufacturers — and he is absolutely right. There should be a bipartisan approach. Payroll tax is lead in the saddlebags of Victorians and Australian businesses. We have an increasingly

world-competitive environment. Our businesses are competing with people from China, from Indonesia, from Thailand, from America and from Europe, and if we have increasing payroll tax, we are making it harder for our businesses to be competitive, we are making it harder for them to grow, and we are driving businesses offshore and taking investment, jobs and dollars out of the country.

Fancy having a tax that is a disincentive for employment! We need taxes and we need a tax structure that encourages people to invest, that encourages people to employ and that encourages people to grow businesses and grow the economy. Payroll tax is a bad tax and it is a stupid tax. It is a tax that may have been relevant 100 years ago when you were perhaps manufacturing horse-drawn carts in Bendigo and your competitor was the other cart manufacturer in Bendigo. But now if you are manufacturing motor vehicles in Altona, your competitors are right around the world. If you are paying payroll tax in Altona, in Geelong or in Broadmeadows, then you have lead in your saddlebags and you are less competitive on a worldwide scale. That is why payroll tax is unfair, wrong and stupid.

Let us not forget which government in Victoria’s history changed payroll tax so that people had to pay payroll tax on their apprentices and trainees. Which government was that? It was the Bracks Labor government — the government that pretends to encourage employment of young people and skills development. We used to have an exemption from payroll tax on apprentices and trainees, so that if a business took on some apprentice plumbers or apprentice builders, or took on trainees in the retail sector or in the meat industry, it would be exempt from payroll tax in recognition of the valuable training it provided those young people. But the Bracks Labor government wiped that out, and employers now pay payroll tax on their apprentices and trainees, which is an absolute disincentive not only to employment but also particularly to employment of young people who need skills development.

It is interesting to hear Mr Rudd, the federal Leader of the Opposition, talking about the skills nation and the education revolution which should be built on skills development when his own party — the Labor Party — here in Victoria has wiped out payroll tax exemptions for trainees and apprentices. The Labor Party here in Victoria does not care about providing skills training for young people in this state, it does not care about encouraging trainees and apprentices, and it does not care about increasing payroll tax in this state.

Let us have a look at how payroll tax has increased in this state. If you look at the budget of 1998–99, which was the last year of the previous Liberal government, you see the payroll tax collected was \$2211 million. In 2007–08, according to budget paper 4, it is due to collect \$3602 million — an increase of 63 per cent! If you take that into the out years in budget paper 4, it is due to rise in 2010–11 to \$4196 million, which is a 90 per cent increase. That is what the Bracks Labor government has done. Despite all this rhetoric about reducing payroll tax, each and every year the Bracks government has been in office payroll tax receipts have gone up higher and higher and higher. Mr Brumby and Mr Bracks are the kings of tax. They are increasing payroll tax each and every year.

It is interesting to compare budget paper 4 from 2006–07 with budget paper 4 from 2007–08, because in 2006–07 the prediction for the amount of payroll tax to be collected in 2007–08 was \$3497.7 million. But if you look at this year's budget papers, you will see they say they now will expect to collect \$3600 million. From one year to the next their estimation has gone up by another \$100 million, and yet at the same time the Treasurer will tell you he is cutting taxes — cutting taxes! I speak to businesses the length and breadth of the south-west coast, and there is no way known that the government is cutting taxes.

Now this bill about harmonisation of the New South Wales and Victorian payroll taxes comes before us. We welcome harmonisation with New South Wales, but how come every time this Treasurer harmonises tax, he actually collects more? He never harmonises down. Harmonisation in this case will mean that he collects another \$8.3 million over four years. He never rounds that down, he always rounds it up — just as he puts stamp duty on GST-inclusive prices to get another \$130 million out of Victorian taxpayers.

While we welcome harmonisation, we are really concerned that every time this Treasurer goes anywhere near Victorian taxpayers he puts his hand deeper and deeper into their pockets. That would not be so bad if you thought you were actually going to get value for that money, if you thought you were actually going to get an upgrade of the Princes Highway down at Warrnambool, or trains that were not overcrowded, less congestion on the roads, maintenance of local schools or a hospital bed when you needed it. But under this government you get more tax and less services and you simply do not get value for money. While we welcome harmonisation we are disappointed that harmonisation comes at a greater cost to Victorian taxpayers.

Mr Cameron — So you are in favour of the bill?

Dr NAPHTHINE — We are; we are not opposing the bill. We are opposing the fact that the government is going to get more money out of Victorian taxpayers. In the final few seconds I have left for my contribution to this debate, let me say once again that payroll tax is a bad tax. It is a tax that is not right for Australia and Victoria, and we should all work across all parties to abolish it.

Mr STENSHOLT (Burwood) — After that absolute tissue of misrepresentations from the member for South-West Coast, I am happy to correct the record in respect of the Payroll Tax Bill. This bill provides a harmonised payroll tax system for New South Wales and Victoria. Victoria is leading the way, as it has done on taxation consistently. The member for South-West Coast was a minister in the former government. It is a long time ago, I know, but I am sure that he remembers there was a tax cut then. The previous government did cut out one tax. What was it worth? It was worth \$1 million. What has happened in terms of the Bracks government? We have introduced tax cuts worth \$4 billion, and we have abolished more taxes under the GST agreement than any other states.

What have we abolished? Let me just go through them. There is land tax, which has been cut and cut again. Stamp duty on property has been cut. Who led the way on that? Victoria did. Motor vehicle duty has been cut. Duty on non-residential leases has been cut. We abolished financial institutions duty; we led the way there, ahead of most of the other states. Duty on quoted and unquoted marketable securities has been cut. Duty on mortgages was abolished; who led the way on that? Just this week I think Queensland is catching up by abolishing duty on mortgages. Bank accounts debits tax was abolished. What did Victoria do? It led the way in terms of abolishing business rental duty.

Given that this is a payroll tax bill, let me talk about payroll tax. What have we done in terms of payroll tax? In the 2006–07 budget we cut payroll tax by some \$559 million over four years. The government reduced payroll tax rates over the following three years from 5.2 per cent down to 5.515 per cent on 1 July 2006, to 5.505 per cent from 1 July 2007, and to 5 per cent from 1 July 2008. But we did more than that. On 1 January this year the government commenced the scheduled reduction in payroll tax to 5.05 per cent — six months earlier than scheduled. As I mentioned before, this constitutes \$559 million worth of cuts over four years.

Yes, I do admit that payroll tax is increasing. Is it not a good thing that the economy is growing? It is because of the excellent financial management of Victoria by the Bracks government that the economy is growing. In

question time today members heard from the Treasurer about the latest Victorian results in terms of growth in the economy. We all want the economy to grow. We all want more jobs in the economy — and yes, that means we can cut payroll tax, which we are doing. There has been a 13 per cent reduction in payroll tax since 1999, with benefits to around 26 000 businesses, and with a second payroll tax rate in Victoria. We have also raised the threshold from \$515 000 to \$550 000. Members might remember that when we came in the rate was 5.75 per cent. Of course next year it is going to be 5 per cent — that is, from 1 July 2008.

This is an excellent record. I remember the member for Scoresby talked about red tape. I am happy to talk about red tape as well. I am interested in and very committed to cutting red tape for businesses here in Victoria, particularly for small and medium-sized enterprises. I know I share with the Acting Speaker a bit of a passion for small business: we want to make sure that we look after small business. Who is leading the way in Australia in terms of cutting red tape? It is not the federal government, it is the Victorian government.

In 2004 we established the Victorian Competition and Efficiency Commission.

Honourable members interjecting.

Mr STENSHOLT — You should get out and learn a few things about the VCEC. It is an independent oversight body recently lauded by the Business Council of Australia. And what did the Business Council of Australia say recently about what is happening here in Victoria? Overall in terms of cutting red tape, compared to other states and compared to the federal government Victoria has a good rating, thanks to its decision to create an independent body.

I recommend to members of the Parliament the annual report of VCEC. You actually have for the first time a list of what the red tape is here in Victoria. It is an excellent publication and is updated every year. Victoria has led the way. I recommend it to all opposition members so they can learn about what is happening in Victoria. The opposition would have abolished it had they won the last election. The people of Victoria have got sense, so the opposition did not win the last election. Business has been spared the fate of having this body cut.

What has happened in terms of red tape? The Allen Consulting Group, an excellent firm, recently completed a report which shows that business costs have been slashed under the SRO, which is the State

Revenue Office for those members who do not know, and that e-business initiatives allowed manual transactions to be undertaken electronically. What has it cut? The estimate is that it will cost \$10.3 million a year. A drop in red tape has meant a drop in costs of 52.6 per cent. The government has an objective of cutting red tape by 15 per cent over three years and 25 per cent over five years. This bill is a good example of cutting red tape in regard to the disharmonisation in payroll tax between Victoria and New South Wales.

There are examples, which I have given, of the e-business of the SRO. There are other major reviews coming forward: there is an inquiry about food regulation by the Victorian Competition and Efficiency Commission, a review which examines options when introducing common commencement dates for Victorian regulations by the Department of Treasury and Finance, and a review of the regulation affecting the not-for-profit sector by the State Services Authority which aims to implement simpler regulatory, contractual and accountability requirements and mechanisms. I support that, and I want to make sure that our not-for-profit businesses actually undertake the benefits of microeconomic reform. There is a lot of work to be done in this regard. That review will go a long way towards doing that.

This has not gone unnoticed. Access Economics gave the Bracks government an A minus for fiscal transparency, which is much higher than anybody else. Lastly, as we have mentioned, the Business Council of Australia raised its scorecard regarding red tape reform by the states.

What did the *Herald Sun* say? It gave a 'Tick for Victoria'. Members can read about it in the *Herald Sun* of 28 May, where a Fleur Leyden article says that Victoria has led the way in cutting business red tape. The *Age* of 28 May said that the states have failed to cut through red tape except for Victoria. The Business Council of Australia said that the Victorian government has led the way in implementing red tape reforms and should be congratulated. We are leading the way. This legislation leads the way in terms of cutting red tape. I commend it to the house.

I look forward to receiving congratulations from the members opposite for cutting red tape, rather than their mealy-mouthed responses which indicate they do not understand how economics works and how the economy grows, and that Victoria's AAA rating and the good management of Victorian finances have led to growth. It has led to more jobs and a much better life for people in Victoria, which makes this state a great place to live and raise a family.

This is an excellent bill. It shows Victoria leading the way in terms of taxation and taxation reform, which is far removed from the previous shadow Treasurer's ideas about a flat earth and a flat tax. This is much better legislation than anything that could come from the opposition benches. Dare they want to be on this side of this house ever again! I commend this bill to the house.

Mr K. SMITH (Bass) — I say to the member for Burwood: do not think that the people of Victoria do not understand what your government is doing to them. I find this to be sad legislation. You only have to peruse the government benches to discover that not one government member has ever, in all their lives, paid payroll tax. None of them has ever employed people.

Mr Andrews — Are you sure about that?

Mr K. SMITH — Yes, I am sure about that. Government members never understand that businesses have to be able to recover the sort of money they need so they can pay payroll tax. It is not a very high threshold; we are talking about a threshold of \$550 000. That sum does not equate to many employees, probably only 15 to 20, depending on their rates of pay. It depends whether businesses have apprentices and trainees who never attracted payroll tax until this government came into being. The government forced employers to pay payroll tax if they employed apprentices.

The opposition has employed people. I have been involved in business for most of my life. We employed people. I paid payroll tax on a personal level. The company I was involved in paid payroll tax. It was a matter of reaching a level and saying, 'How close are we to the point where we have to pay payroll tax?'. All of a sudden there is a giant step you have to take when you employ too many people. The payroll tax you would pay would be 5 per cent, but government members do not understand the damage that payroll tax causes business; they do not understand that payroll tax is a disincentive for business. I think the truth of the matter is that the government does not care about the sort of damage payroll tax does to Victorian businesses.

This bill is all about smoke and mirrors. I was recently watching a video about magicians. This house has magicians; and the government has a magician Treasurer. He says, 'I am doing a great job for you; I am cutting taxes but I am taking more money from you'. That does not make sense. The magician Treasurer has been doing this for years. He has been ripping money out of the pockets of businesses for years, by saying to them, 'I am doing you a favour and

I am saving you taxes; I am cutting payroll tax. It does not matter that your wages are going up and that I am ripping money off you'.

Businesses are suffering. The Treasurer is absolutely full of glee. He loves it and thinks it is terrific, because he thinks he has people fooled. The truth of the matter is that he has not. Businesses understand where the Treasurer is ripping them off. People should have a look at this. The Treasurer and government members say this bill is a great incentive and that they are cutting red tape. They say it is saving businesses money because they will not have to comply with so much red tape, but they should remind themselves that they were the ones who actually put the red tape in place.

The government put it there to start off with. Then it says it is a favour that it is cutting red tape — but it is going to increase the taxes. Every year the government is taking \$3.6 billion out of the pockets of businesses here in Victoria. It is saying this legislation is bringing Victoria into harmony with New South Wales and that 8000 businesses are going to benefit from this, more by the cutting of red tape than by actually cutting the amount of payroll tax businesses are actually going to pay. That is fine and sounds really good, but the truth of the matter is that somebody is going to pay for it. Government members say it is going to save some 8000 businesses some of the difficulties involved in the administration of payroll tax. That is fine, and I can understand the difficulties of people living up on the border and working across states.

Acting Speaker, as a businessman you can probably understand it. You know what it is like to have to pay this sort of money; the people on the other side of the chamber do not. You, Acting Speaker, understand because you have been involved in business. You employ people; you keep families going. You pay payroll tax, and you pay it until it hurts — and it hurts because you have to pay the State Revenue Office. We do understand how it takes the money out of the pockets of Victorian businesses. It has been doing it for a long time.

The threshold itself has not been indexed. Why not index it? It has been this way since 2003; it has not changed. The government has not raised the level; it has kept it at the same level. The magician on the other side, the Treasurer, says, 'Hey, we are reducing the rate', but the government is not changing the threshold, so people are reaching that threshold sooner. More businesses are reaching that threshold because of the increases in salaries that are paid to people. The government should be looking at raising the threshold.

Mr Donnellan interjected.

Mr K. SMITH — I advise the member for Narre Warren North to not get involved. He should just relax.

Mr Andrews interjected.

Mr K. SMITH — We were paying off the debts of the Labor Party in the 1990s. Just remember that it was your party. We paid off your debts and your liabilities, so do not interrupt me.

The ACTING SPEAKER (Mr Jasper) — Order! The member for Bass will address his comments through the Chair.

Mr K. SMITH — Payroll tax has gone up 63 per cent since 1999. That is a huge sum of money. It has gone up from \$2.1 billion to \$3.6 billion. It is still being collected by the Bracks government. Do government members care? They do not care because it is not coming out of their pockets. They have never had the experience of paying it. This government just does not understand — and I said that in my opening comments. It does not understand the damage it causes to the businesses here in Victoria.

Let us cut payroll tax. The member for South-West Coast said, 'Let's get rid of payroll tax'. How far is that going to put Victoria in front of any other state in this country? Business would flock here instead of leaving this state because of payroll tax. Why don't we cut it? We know we are going to have to pick up the pieces when this government goes out of office at the next election. We know that there are going to be debts to pay. We know that it is starting to borrow money like it did in the 1980s, and we are going to have to pick up its debt, its liabilities and its problems. Then it is going to say, 'You should be cutting payroll tax'.

We left this government a nice old handful of money when it came into office. We gave it a good head start. We saw the benefits it was reaping from the decisions that were made by the previous government. And look what it is doing? What has it really done for business in the state of Victoria? The truth is the government has done nothing for the state of Victoria and nothing for the businesses in Victoria — and it is wrong.

Government members are even talking about the removal of the exemption for prescribed sporting clubs. That is going to be good! What about some of the clubs that are struggling so hard now to try to survive in the state of Victoria. They have an exemption that gives them some benefits, but the problem is that the government will finish up putting some clubs under. But no, the magician Treasurer is again saying —

Mr Donnellan interjected.

The ACTING SPEAKER (Mr Jasper) — Order! The member for Narre Warren North has made his contribution.

Mr K. SMITH — He is saying, 'We are going to give you 12 months so that you will be able to adapt'. There are clubs here in Victoria that are just managing to survive now — not the well-known ones but some of the struggling ones. This government is going to cut out their exemption. Let us see what it does then. Let us see what its friends at the Australian Football League think of this government then. They will not think too highly of it.

Payroll tax is a disincentive to employment in this state and in this country. If this government had any brains at all, which I doubt, it would be working towards a total abolition of payroll tax in the state of Victoria. The sooner it does it the better.

Ms THOMSON (Footscray) — I want to thank the member for Mordialloc who has given up her time for me to be able to speak ahead of her. I could not sit back and listen to the member for Bass waffle on with such drivel without getting to my feet. When we talk about payroll tax, let us talk about the realities. When Labor came to government in 1999, the payroll tax was 5.75 per cent. By 1 July 2008 the payroll tax will be 5 per cent. In anybody's understanding that is a reduction in payroll tax.

If the revenue numbers are going up, as the member for Burwood indicated, it is because the economy is buoyant. It is because we are producing surplus budgets. It is because we are preparing the grounds to provide a skilled workforce that employers can rely on. When we talk about what the government is doing with our revenue, we are investing in our youth. We are investing in skills, we are investing in road infrastructure and we are investing in hospitals. We are investing in our future.

I am proud to get up and support this bill in relation to payroll tax, because it comes on the back of this government's very good record in supporting business since it came to office in 1999. Let us have a look at that. The member for Burwood listed the number of taxes that have been abolished, including the duty on non-residential leases, the financial institutions duty, the duty on quoted marketable securities, the duty on unquoted marketable securities, the duties on mortgages, the bank accounts debit tax and the business rental tax — and we have also cut payroll tax, land tax,

stamp duty on property and stamp duty on motor vehicles.

We have a good track record, but we have done more than that. We recognise that the regulatory burden is not just about the amount of money that businesses have to pay. It is about compliance — that is, the amount of time, effort and expertise that is needed to comply with the regulatory burden. It is what the Victorian Competition and Efficiency Commission has been spending so much of its time looking at and investigating to ensure that we understand, as we regulate, what burdens we are putting on businesses, particularly small businesses, which do not have the money to hand out on compliance.

We are cutting red tape: we have made a commitment to cut red tape by 15 per cent in three years and 25 per cent in five years. When you talk to small businesses, you find that that is what they want. They understand that taxes have to be paid to provide the infrastructure that gives them the ability to do business. But what they want is the compliance burden cut, and that is what we are doing as a government. That is what we are committed to doing, and it is what we are doing better than any government in Australia.

I am proud of the Bracks government's record since 1999. Each year in our budget we make a difference to businesses by cutting the cost of doing business in this state. We will continue to cut the cost of doing business in this state, and we will continue to see the Victorian economy grow. Standard and Poor's and Moody's support the AAA credit rating that Victoria holds. We are a financially responsible government bringing in financially responsible tax cuts.

We should remember that the Liberal Party did not go to the election saying it was going to abolish payroll tax. It came out with the most abysmal statement on stamp duty that made everyone feel absolutely disappointed. So when it comes to looking after business there is only one party interested in doing it — the Labor Party, with Premier Bracks as its leader.

Mr WAKELING (Ferntree Gully) — It gives me great pleasure to speak on the Payroll Tax Bill 2007. There is nothing the Bracks government likes better than introducing bills that relate to tax, because this government loves imposing taxes on Victorians and more importantly on Victorian business.

I listened in bewilderment to the comments by the member for Footscray, the member for Narre Warren North and the member for Burwood when they claimed that this government is a friend of business, because

just last month those opposite voted in favour of imposing greater penalties on business when they made changes to the Equal Opportunity Act. This government talks a lot, but when you look at what it actually delivers for business, reality proves it to be a lie.

As was put by the member for Scoresby, we will not be opposing this bill because of the reductions it provides in some level of red tape. We as a party support reductions in red tape for businesses that operate in cross-border relationships. But one thing that has been clearly spelt out by those on this side who have spoken before me on this bill is that it will not provide any change or any benefit with respect to the rate of or the levels at which payroll tax kicks in. I will deal with that in a moment.

Shortly after I was elected to this house I mentioned in my contribution to the address-in-reply debate the need for greater harmonisation in legislation. As somebody who has worked in industry and worked for a national employer, I have had to put up with the burden of operating in different states under different industrial relations systems, different workers compensation arrangements and different payroll tax systems. Any move by legislators to reduce that burden on business must be supported.

Who led the charge on making sure we had harmonisation at an industrial relations level? It was the former Kennett government, when it ceded its powers to the federal government. That can now be seen through the WorkChoices legislation, which has resulted in the harmonisation of industrial relations powers across this country, which is a boon for businesses not only in this state but across Australia.

What is the ALP's response on this? We do not know what its response is. On the one hand we have Minister Della Bosca in New South Wales fighting any move for the harmonisation of industrial relations legislation, but on the other hand we have the leader of the federal ALP, Mr Rudd, who wants to be friends with everybody and is now professing to be a supporter of harmonisation — which obviously has put him at odds with his union brothers and sisters.

Whilst, as has been pointed out, there are some benefits in this proposed legislation in terms of payroll tax benefits for philanthropic organisations, what this legislation does not do is provide real relief for businesses in this state. As the member for South-West Coast pointed out, when this government introduces legislation that harmonises taxation arrangements it does not reduce the level of tax. It results in an increase

in the level of tax. It is just another opportunity for this government to slug particularly small businesses.

The one issue which is a real killer for businesses that operate in my electorate — be it in Rowville, Lysterfield, Ferntree Gully or Boronia — is that if they have a payroll totalling in excess of \$550 000, they will be paying payroll tax. As you would well know, Acting Speaker, if they operated in New South Wales, payroll tax would not kick in until the payroll reached \$600 000; if they were in Western Australia, it would not kick in until \$750 000; and more importantly, if they were in Queensland — —

Mr Robinson interjected.

Mr WAKELING — If they were in Queensland, as the member for Mitcham would rightly know, it would not kick in until \$1 million. So if a business in Queensland has a payroll totalling \$950 000, no payroll tax is applied, but if it operated in Victoria, it would be slugged by this unfair tax. This government relishes the opportunity to introduce any new form of taxation because it is addicted to increasing its government taxation take.

The other area of concern that I have is that, because of this harmonisation, we will now see an imposition on employee share schemes. Therefore businesses in this state will automatically be affected by arrangements they have with their staff to provide benefits in the form of employee share schemes. What that will also do is provide a disincentive for future businesses to set up such arrangements because they will now have to face increased taxation through payroll tax being calculated as part of this new scheme.

This will result in \$29.4 million in increased benefits to this government over a four-year period. You would think the government would have enough money. It receives \$44 million a day from the federal government through the GST and other charges and benefits. Members should understand that it would have received \$44 million today, that tomorrow morning it will get another \$44 million and on Friday — guess what? — another \$44 million will come its way.

But the government should not just thank the federal government for it, because at a state level the government received \$33 million today, it will receive \$33 million tomorrow and — guess what? — on Friday it will receive another \$33 million. Its total taxation income is \$77 million per day. You would think that would be enough, but no, not for this government, when it uses any opportunity to increase the burden on businesses.

Victorians would accept that situation if we had a hospital on every corner, if we had a public transport system that worked, if we had a road system that worked, and if we had an education system that worked, but as you, Acting Speaker, would know from your electorate and as we on this side of the house know, we are not getting the benefit, we are not getting the return on that investment, we are not reaping the benefits of the \$77 million a day that is being reaped by this government. This is a government that is wedded to increasing taxes on business; it is wedded to increasing taxes on Victorians.

We support, as a party, any move to reduce red tape for business. As has been pointed out by the member for Bass, who made another very good contribution to the house — and others would agree with me — the reason we are looking at reducing red tape is that those opposite have implemented the increases in the amount of red tape which we have to deal with and which we are now looking at wiping out. Let us not forget that it was the Kennett government that brought this state out of the rust bucket that it had become. People were embarrassed to say they were Victorians during the Cain and Kirner years. Afterwards they could hold their heads high and say, 'I am proud to be a Victorian', because the Kennett government had brought this state back from the brink.

But what has this government done? It has increased its level of expenditure, it has increased its tax take, but more importantly, by 2011 it will have increased its debt level to upwards of \$15 billion. Victoria's debt level was \$32 billion when the Kennett government was elected. The Kennett government was charged by the Victorian community to wipe out that debt, and it wiped out a significant portion of that debt left to it by those opposite — those who had and still have no idea how to operate a business. Not only has this government increased taxes and charges to \$77 million per day, but it is now seeking to increase the level of debt.

This is a party that has proven it is no friend of business, be it in the form of taxation, WorkCover or, as I have pointed out, recent changes to equal opportunity and other forms of legislation that are anticompetitive and antibusiness. This government has a long way to go before it can start claiming the mantle of being a friend of business in this state.

Ms MUNT (Mordialloc) — I am pleased to rise this evening to speak in support of the Payroll Tax Bill. Firstly, I would like to talk about some of the contributions that I have been sitting here listening to, in particular that of the member for Bass, who said that

no member on this side of the house has ever paid any payroll tax. I have spent my adult life in business, and my husband and I, separately and together, have been involved in many businesses.

He is currently the part-owner of a business that has around 300 people on the payroll, for which we pay payroll tax. It would be untrue to say that he does not like payroll tax cuts, because he does. He is a big fan of payroll tax cuts because they cut the cost of doing business. But the other thing that he recognises is that the tax he pays, and that business pays, actually pays for the services that governments provide, such as providing him with a well-educated, healthy workforce, which is only good for business. I am mesmerised by the fact that most members I have listened to do not seem to understand the nexus between what a government provides and what the government uses to provide those services for business.

I would also like to quickly talk about business in my electorate. I have mentioned before that there are more businesses in the arc between Dandenong and Cheltenham East than there are in Perth and Adelaide combined. The savings provided through reductions in payroll tax and through this legislation to harmonise payroll tax will be significant in the way they do business. I am happy for business to do business, but I am also happy for them to provide employment in my local area. Anything that we do for business is very welcome.

I would also like to mention another thing that we do for business. From talking to businesses I know this has been a significant bonus for them. We have put in place measures so that the Victorian government pays on time and pays within 30 days, and we have put together the www.business.vic.gov.au site, which is a one-stop shop for business. They are all wonderful supports for businesses, especially for our local businesses.

I would also like to mention that Victoria has abolished more taxes under the GST agreement than any other state. We have done that in the context of providing a balanced budget and reinvesting in health, community safety and schools. Within the next 10 years we will rebuild every school in Victoria.

Ms Thomson — And hospitals.

Ms MUNT — And hospitals. People like to move to areas where those services are provided. If you run a business, you want to have a good workforce for that business. You want that workforce to be made up of good workers who want to be around your business. It all goes together. That is what a state is supposed to do

with good government, and that is what this government has been doing. I commend this bill to the house.

Mr THOMPSON (Sandringham) — In relation to the Payroll Tax Bill 2007, the opposition has a number of concerns. Before moving through those concerns, I would like to refer to the general taxation backdrop in Victoria. Over the last few years revenue in this state has increased from some \$19 billion to some \$35 billion in broad terms. We have seen a trebling of stamp duty, we have seen a doubling of land tax and we have seen payroll tax increase by some \$1.4 billion since the Labor Party came to office.

While it is true that the rate of payroll tax has come down, the reality is that the actual revenue has gone up, and with rising wages more and more businesses are being caught by the payroll tax threshold. In different areas government ministers are sounding more like the former Iraqi information minister, Muhammed Saeed al-Sahaf, because it is ridiculous to point out that payroll tax is being reduced when the net revenue collected through that method of taxation is actually going through the roof by \$1.4 billion. Land tax is a further example.

Mr Robinson — Which minister?

Mr THOMPSON — There is an interjection from the other side of the house. I was referring to the Iraqi information minister, Muhammed Saeed al-Sahaf. But if the member is wondering about which minister I am referring to from that side of the house, we could start with the Attorney-General.

In relation to workplace relations reform, he had no qualms about commenting on political figures in Canberra who might have run businesses a number of years ago, or relatives of figures in Canberra, but when it came to a Frankston business, where was the Victorian workplace rights advocate? The Attorney-General's spine disappeared down the back of his trousers, and it was a jellyback response. His response was equivalent to the former Iraqi information minister's, and it displayed a lack of guts, it displayed a lack of will and it displayed a lack of consistency on his part in standing up for the rights of Victorian workers.

When the Attorney-General was asked about the matter at the Public Accounts and Estimates Committee, he said it was not his place to interfere. The very act that he introduced gave him and the workplace rights advocate the power to step into this arena, but he has washed his hands of it. The Attorney-General in this

state will ever stand judged by his lack of consistency in relation to this particular matter.

Mr Andrews interjected.

Mr THOMPSON — I am delighted to now accept a very wise interjection that has just come across the house, having been distracted by an interjection from the member for Mitcham. This was not a course I was going to go down just now — I was saving it for tomorrow — but I am very happy to take it on board and revert back to the bill.

The key point I wish to make is that payroll tax has increased by some \$1.4 billion. If it was translated back to increased services — such as the hydrotherapy pool in Hampton, or a beach that needs to be repaired, or new buildings for Sandringham Primary School, Black Rock Primary School or Sandringham College, or the completion of the Dingley bypass — we might see something of value, but we have not seen the increased taxation being invested in services. The majority of the new taxation revenue has not been translated as well as it might have been on the ground.

I have a couple of other points I would like to make. There is a promise of red tape reduction for business and this needs to be very carefully monitored. The Bracks Labor government has campaigned on reducing red tape.

Mr Lim interjected.

Mr THOMPSON — That was a very fine interjection from the honourable member for Clayton. If he studied this matter just a little bit further, he would develop a very quick understanding from a report lodged in this Parliament that the red tape burden in Victoria has been increased by some 3000 pages in the last two to three years. The regulatory burden has increased so that the poor fellow running his business between here and the largest manufacturing area — which is more than Adelaide and Perth combined — now has 3000 more pages to contend with.

The member for South-West Coast made a very good point — and it affects people on the east coast as well. In a global market any business in the west or the east of Victoria needs to contain its costs. As Victorian businesses compete with the world market, they will be taking into account in their pricing of Australian products to go overseas, the inclusion of the payroll tax burden.

It is all very well for government members to speak about harmonisation and some efficiencies, but the reality in relation to the bill before the house is that it is

part of an increase in the tax burden imposed by the Bracks Labor government. It will reduce the competitiveness of Victorian industry and will not be translated into on-the-ground benefits for the people of Sandringham.

Mr ROBINSON (Mitcham) — I am pleased to have the opportunity to contribute to the debate on the Payroll Tax Bill. My goodness, a lot of bumf has been put about on this bill by members on the other side. Their point is that we have done such a bad job as a government on the Payroll Tax Bill that the state is in a terrible mess.

I was thinking about this in my room as I was listening. I was thinking that the economy of the state has grown by 25 per cent since we came into office, and I suppose that means we have done a terrible job. Building approvals are at a record level, and I suppose that in their minds that is evidence that somehow we have done a terrible job. The AAA rating has been not only maintained but strengthened. We have seen the strongest population growth in decades, and we have delivered successive cuts in payroll tax rates and WorkCover premiums. In some people's minds all that is a sign of failure.

I disagree, and I think lots of other people do too. In fact we have done so well as a government that I seem to recall that when we announced the EastLink project some members opposite — despite all their rhetoric — fell over themselves to go out and buy shares. That is how badly we are doing. Members opposite go out and buy shares in things they publicly condemn. I guess it does evidence that old line, 'Never stand between a Tory and a quick buck', because if you do, you will need to go to casualty — you really will!

This is a great bill. It is a sign of a progressive government which is interested in harmonising with cooperative legislation between the states. It modernises language, which is a great tribute to the Office of the Chief Parliamentary Counsel, Eamonn Moran and his staff, and it has one unusual quality about it. I thought I was going to be the first one in this chamber to mention it, but the member for Sandringham stole my thunder when he referred to the Iraqi information minister. I thought that was my line, but if you refer to clause 19 of schedule 2, you see that the bill talks about exemptions, which are being extended to include specialised agencies. Clause 19(2) says:

A specialised agency has the same meaning as in section 1 of the Convention on the Privileges and Immunities of the Specialised Agencies, which was adopted by the General Assembly of the United Nations on the 21 November 1947.

I did a bit of research, and they include agencies like the International Labour Organisation, the Food and Agricultural Organisation, the United Nations Educational, Scientific and Cultural Organisation, the International Monetary Fund, the World Health Organisation and others. I suspect they also include the oil-for-food program, with which the Iraqi information minister was so well acquainted. I am grateful to the member for Sandringham — —

Mr Donnellan — Even Mark Vaile thought it was great.

Mr ROBINSON — He did. I just wanted to close by saying that much as the Victorian government wants the exemption — it is a very fair and progressive exemption that is to be extended to those genuine agencies that do such great work internationally — it does not endorse exemptions being provided either for people employed directly by United Nations (UN) agencies or for those companies that deal with them and seek to do no more than rort humanitarian programs. I think members opposite know exactly what I am talking about.

We will not stand by and support exemptions being provided to those who go out and do deals on the side with people like the Iraqi information minister and his heinous colleagues in order to rip off money from UN accounts for the purpose of giving it to the Iraqi government instead of to the people of Iraq and to have it used for such things as bounties for Palestinian suicide bombers. No-one ought to forget that that is exactly what the oil-for-food royal commission discovered, and we rule a line firmly under that and say that the exemptions are not for that sort of thing. I am indebted to the member for Sandringham for drawing attention to that; I thought I was the only one who had read the bill in that much detail. It is a great bill, and it deserves the support of the house.

Mr MORRIS (Mornington) — I welcome the opportunity to make a brief contribution to this debate — and has it not been wide ranging! It has certainly covered ground that I would never have considered it would get across on such a relatively mundane subject.

As explained in the explanatory memorandum, the purpose of the bill is to create a more user-friendly legislative framework for payroll tax by re-enacting the provisions in modern language, removing obsolete references and ensuring consistency with the Taxation Administration Act 1997. It also aims to increase interjurisdictional consistency and is consistent with the

New South Wales legislation, apart from the local provisions in schedule 2.

A great deal of the detail is carried over from the previous act, but we should not to any great extent confuse the new bill with streamlining or reform. Indeed the word 'reform' has been bandied around this evening. This bill achieves neither of those effects — either in terms of the physical paperwork or in terms of the substance of the bill and the outcomes it seeks to achieve. The old act has some 128 pages, and I think this bill has about 127. The old act had 50 sections, and this bill has blown out to some 117 clauses, plus the 16 pages in schedule 2, which are the state-specific provisions.

In terms of substantive reform, the bill is also a failure. According to the second-reading speech some 8000 businesses will benefit from reduced red tape. Personally I always take such assertions with a grain of salt. Obviously there are some minor benefits: the simplified cross-border operations; the additional two weeks for employer returns; the increased accommodation allowances; bringing motor vehicle allowances into line with the Australian Taxation Office scales; and the charitable exemption provisions. They are all modest and minor improvements, and you almost have to wonder why it would take so long to get those things through. As to whether the red tape reductions will eventuate, the jury is very much out.

While this bill is essentially a rewrite, it does raise the whole issue of payroll tax. As has been remarked earlier in this debate, the minister in his comments referred to a competitive rate and a competitive threshold. One would have to concede that the rate is relatively competitive, if we have to have a rate at all — and to the government's credit, a further reduction in the rate is forecast. However, the threshold is an entirely different matter. We still have the second-lowest threshold in the nation at \$550 000, and being the second-lowest in terms of the threshold is absolutely nothing to crow about. It compares very poorly with Western Australia, which is \$750 000, and very, very poorly with Queensland, which is \$1 million.

The outcome of that low threshold is that far too many businesses are enmeshed in the net of payroll tax. The employment consequences should not be underestimated. The member for Bass made the point earlier, but it is a point that only someone who has been involved in small business and has been through the trials of employing a small number of people is able to comment on.

The reality is that, if an extra employee is to be put on but doing so will bring the business within the payroll tax range, then the decision becomes much harder. The reality is that many people in small business, who are absolutely stretched on a day-to-day basis anyway, do not want to become involved with yet another round of paperwork and yet another tax, so they take the easy way out and simply do not put that employee on. I am not sure how you would do it, but it would be an interesting exercise to try and establish how many small employers would take on additional staff if the threshold were set at a higher rate. As others have remarked, perhaps it might be better if the rate were set at zero so that the net actually caught no-one.

The other matter I want to touch on this evening is that, as is so frequent with the legislation we get from this government, the difference between the rhetoric and the reality is stark. In 1998–99 the total take from payroll tax was \$2211 million. In the last complete financial year, 2005–06, that amount had grown to \$3302 million, which represented virtually a 50 per cent increase. If you compare that against the 27 per cent CPI (consumer price index) increases over the same period, you will note you have virtually got the CPI plus 100 per cent. This year the estimates forecast income from this tax of \$3601 million.

There seems to be a lot of confusion on the other side of the house about what cutting taxes actually means. A cut in the tax rate is not a cut in the tax. The only way you can actually cut a tax is by cutting the quantum. And since the quantum of this tax has gone up by 67 per cent over the last seven years, it becomes virtually impossible for anyone to claim, with a straight face, that payroll tax has actually been reduced.

Once again, the house has before it a bill that does a little bit when it could do a great deal. We have lost the opportunity to seriously cut into business impediments in this state, to encourage employment opportunities and to contribute to growing the economy. Instead, we get taxation by stealth. Again Victorians are paying more and getting less — and it looks like that will be the story for the next three and a half years.

Ms D'AMBROSIO (Mill Park) — I am pleased to add my contribution to debate on the bill, which demonstrates the importance of collaboration and of working with a common goal across, in this case, state borders. The inevitable outcome of that will be a much more streamlined and common application of the payroll tax systems in New South Wales and Victoria. That will certainly be good for business and the way the two states manage employment and taxation matters.

The harmonisation of the payroll tax systems across the two states that this bill refers to is a very important step and an important example that we could only hope the federal Liberal government could learn from in terms of the importance of collaborating with various jurisdictions across Australia for the betterment of the economy and for improvements to business. We are very pleased that we are an important leader in matters of collaborative arrangements across jurisdictions.

A variety of amendments are proposed to Victoria's payroll tax system, some of which are elements that exist in the New South Wales system, and vice versa. There are some matters within our payroll tax system which will be imported into the New South Wales legislation. That is very important and is good in terms of assisting businesses to operate more in harmony on payroll tax arrangements across the states.

I do not wish to prolong my contribution, because I know that a number of members also wish to make contributions during the very protracted business program we are confronted with today for reasons that have to do with a great tragedy. But I will say that this bill is one that demonstrates great leadership and one that will certainly benefit the Victorian economy and business alike.

Mr JASPER (Murray Valley) — I am pleased to join the debate on the Payroll Tax Bill 2007. I want to say from the outset that over the past hour, just before you entered the chair, Acting Speaker, I had a period as Acting Speaker when I listened with a great deal of interest to contributions from members on both sides of the house. I must admit that I was constrained from making comment, as you would be very much aware, while in that position but had to listen to the comments, some of which I agreed with and many I did not agree with.

I indicate from the outset that I have an indirect family interest in a motor vehicle dealership operating at Rutherglen and Corowa on the border of Victoria and New South Wales. I am very much aware of payroll tax, because Jasper Brothers pays payroll tax in both Victoria and New South Wales, so I have some interest in this area. My other interest is on border anomalies.

Members would be aware, and I will quickly reiterate, that the Border Anomalies Committee was established — —

Business interrupted pursuant to standing orders.

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

Mr JASPER (Murray Valley) — I was very pleased that the clock stopped while that happened!

At the outset I want to make some comments on border anomalies. The Border Anomalies Committee was established in 1979 by the then Premier of Victoria, Rupert Hamer. During that period, particularly through the 1980s, a lot of work was done in looking at and trying to eliminate border anomalies between Victoria and New South Wales. A number of reports were prepared during the 1980s. Unfortunately during the 1990s the then coalition government did not have the same interest in addressing border anomalies, but it faced a huge problem at the time in the form of reducing Victoria's huge debt structure.

In late 2004 the current Premier wrote to me and said that he intended to disband the Border Anomalies Committee. I thought that would be disastrous. I must say that the Premier responded to extensive representations I made to him and said that he would address the issue. In June 2006 a meeting took place in Echuca between senior departmental officers from Victoria and New South Wales. They looked at this issue and said, 'We need to address border anomalies as a major issue between the states of Victoria and New South Wales. There are many ways border anomalies can be eliminated, if we look at mutual recognition, at legislation uniformity and at reciprocal rights'. This legislation moves —

Mr Batchelor interjected.

Mr JASPER — 'Yes' to the suggestion of taking over New South Wales, but I will let the Leader of the House think about that and in his contribution inform us accordingly!

However, the fact is that this is a major issue. This legislation looks at the imposition and harmonisation of payroll tax between the states of Victoria and New South Wales. As we would have said and as the lead speaker, the member for Benalla, said, The Nationals will not oppose this legislation because it has some good features. It looks to harmonisation between the two states; it also looks to re-enact and modernise the law relating to payroll tax, to repeal the Pay-roll Tax Act 1971, and to amend the Taxation Administration Act 1997 and other acts.

As I said, while I was in the chair I listened with a great deal of interest to members of the government, and I was very critical of some of their comments. For instance, the honourable member for Narre Warren North gave no credit to the work that has been done by the federal government on the Australian economy, and

I think the Victorian government would do well to recognise the important part the federal government has played in that regard. Yes, there has been a combination — in fact I recognise that the state government has provided and improved a lot of services as well as supporting my constituents — but to not give any credit to the federal government for what it has done is totally wrong, and I am sure the Leader of the House agrees with that.

Mr Batchelor interjected.

Mr JASPER — Yes, do not mention the federal member. I listened to the contributions of the members for Burwood, Footscray and Mordialloc when they supported the bill and tried to emphasise the important role payroll tax plays within Victoria and how reductions had been made in taxation. I also listened to the member for Mornington, who made it quite clear through the figures he presented that payroll tax revenue has increased by 50 per cent over the time this government has been in power in Victoria. That is an acknowledgement in itself.

Whilst the state government has said, 'We are revising the payroll tax rates', it has received a huge increase in revenue. The critical issue, as was pointed out by the opposition members for South-West Coast and Bass, is that it is a totally iniquitous tax. It is a tax before profits: you only have to be in business to understand how iniquitous it is. You could be operating a business and losing money but still having to pay payroll tax. Surely there has to be a better tax. I know that state governments across Australia are implementing this payroll tax, but changes need to be made to the imposition of payroll tax.

Ever since I have been in the Parliament members on both sides of the house have said it is an iniquitous tax, but no-one has decided to eliminate it. We have seen changes made. The Treasurer has come in here and said, 'We are making changes, we are reducing the payroll tax, we are reducing the number of businesses that are being affected', but if you go over \$550 000 in your total payroll, you will be paying payroll tax. One of the opposition members mentioned figures for the other states, such as Queensland, where your payroll total can reach \$1 million before you start paying payroll tax. If we are aiming at harmonisation, let us look at the application of payroll tax across Australia. Let us look at New South Wales for a start, which I would applaud, but let us move forward.

I also listened with great interest to the member for South-West Coast, when he mentioned the changes that have been made and the disincentives in relation to

putting on apprentices in Victoria, because the payroll for apprentices will now be included in the calculation of payment of payroll tax. We are going to harmonise with New South Wales imposing that provision as well.

Also, in Victoria superannuation will be included in the payroll tax calculations; obviously New South Wales will include that in its legislation as a part of harmonisation. So the harmonisation is going to bring an increase in the payment of payroll tax and revenue to the governments of both Victoria and New South Wales. I again applaud the fact that we are looking at harmonisation. If a business is operating along the Victorian–New South Wales border, as our family business does, it will be a boon; it will be something of a plus, because they will be able to look at uniformity. Uniformity is the issue.

I come back to the issue of border anomalies between Victoria and New South Wales. We have to eliminate border anomalies. If you live along the border between Victoria and New South Wales, you will understand the great difficulties faced. The member for Benambra would be quite supportive of what I am saying, as would all members who represent electorates along the Victoria–New South Wales border.

I also want to applaud the Premier, because he sought to bring together the senior bureaucrats from Victoria and New South Wales in June last year, who are moving ahead in looking at border anomalies, and addressing them. This is a move forward. That is why The Nationals will be supporting this legislation, not because of the additional income to the government but because of the benefits that will be derived for people living along the border, particularly between Victoria and New South Wales, and those who operate businesses between the two states. These are the key issues as far as we are concerned.

I support the comments made by the member for Benalla, that The Nationals will be supporting this legislation on the basis that it is a move towards harmonisation between the two states. The time I have remaining does not allow me to go further into the issues that I wanted to raise in relation to the legislation, except to add — I think it needs to be reiterated — that while it is a major revenue earner for this government and the other state governments throughout Australia, they have to look at changing; they have to look at coming up with a better system of raising money.

Since it has been in office the state government's revenue has gone from about \$19 billion to \$35 billion, which is a huge increase, yet a major contributor to revenue for the government is payroll tax, which is a

charge on businesses before they have made a profit. Go out and talk to businesses, and they will tell you all about it. In a business operating at a loss you still have to pay payroll tax to the state government. That situation needs to be addressed. We need to look at it in the future and make sure that payment is eliminated so we can look to a better system of taxation in Victoria.

Surely the government, with the huge revenue it is getting from its share of the GST, can get to a situation where it can review and lower the rate of payroll tax. We heard the Treasurer and other members who have spoken on this legislation come in here and boast about the reduction in the payroll tax charges in Victoria, yet the reality is that the charges and the amount of money raised by the state through payroll tax are increasing all the time, but they never talk about bracket creep. They never mention the fact that wages are going up all the time or about the government's increased revenue.

Members of the government should recognise the importance of this critical issue for business in Victoria. It should get into reality. If it got out and talked to businesses or its members were in business, it would understand the difficulties people in business experience generally.

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

Mr LIM (Clayton) — It is an understatement to suggest that Victoria is a great place to do business. Despite what we heard from the member opposite, with the support this government is providing to business we are proving Victoria really is a great place to work, live, raise a family and now, indeed, do business.

The bill is a rewrite of the Pay-roll Tax Act 1971 to reflect the government's stated aim of harmonising Victoria's payroll tax provisions with those of New South Wales other than for thresholds and rates insofar as is possible. Something like 8000 businesses with operations in Victoria and New South Wales will benefit through greater harmonisation, and this is not an undertaking to be underestimated.

We are also supporting business by cutting red tape. The bill uses modern drafting language and structure, and it removes some obsolete provisions and definitions. This will help business get on with the job of business rather than wasting time navigating the system and the red tape.

The differences in the grouping provisions between the states are a regular source of complaints about compliance costs for business. Victoria will change the test for common control of a business from '50 per cent

or more' to 'more than 50 per cent' ownership, thereby adopting the existing New South Wales arrangement. New South Wales will introduce the commissioner's discretion to exclude a business from a group under this test, thereby adopting the existing Victorian arrangement. These arrangements will help business operate across the two states.

As the Treasurer said in his second-reading speech, in the area of payroll tax administration the Victorian State Revenue Office has developed the most advanced and user-friendly e-commerce options for taxpayers in Australia, and we are continuing to look at further ways of improving administration and building on our IT successes. I am very pleased to support this bill because it supports Victorian businesses and the economy and will continue to strengthen our position as the most business-friendly state along the east coast of Australia.

Mr TILLEY (Benambra) — I rise to make a small but certainly very important contribution to debate on the Payroll Tax Bill 2007. Throughout this evening I have listened to both sides of the house banter on about their opposing views on taxation. I listened closely to the opposition side of the house, particularly to the members for Scoresby and Bass, who made great contributions. I was a bit concerned earlier when the member for Murray Valley was sitting in the chair, then ducked out and then ducked back in again. I am glad he is still with us, because I share his concerns about cross-border anomalies. It is a massive indenture on not only living standards but also the businesses of people in the north-east of Victoria, particularly along any Victorian border.

Going back 36 years — the member for Murray Valley would probably have a lot of knowledge of this — Rupert 'Dick' Hamer, when he was the Deputy Premier of Victoria, was invited to Wodonga by the Wodonga branch of the Liberal Party to speak at a development forum. A decision was made there to encourage New South Wales to develop the border as one area. Certainly the New South Wales idea at that stage was to look at the Bathurst-Orange area, but within a couple of days of Rupert Hamer coming to speak at the forum, New South Wales came on side.

We saw from that time the development of the Albury-Wodonga region and certainly the Albury-Wodonga Development Corporation. The pledge was to see the two centres grow as one. Since that time we have seen things come and go, we have seen stumbling blocks and we have seen an enormous number of cross-border-anomaly problems and issues arising from differences in legislation.

But I should for a moment focus on the bill at hand, the Payroll Tax Bill. I often talk with local businesses in my electorate, and they all say to me, 'Bill, this insidious payroll tax is absolutely crippling us. It is stopping us from growing. We cannot expand from a small enterprise to a medium-sized enterprise', particularly those businesses that are labour intensive — and I spell that with a 'u', unlike the Labor side of business!

Mr Blackwood — Labor pains!

Mr TILLEY — Yes, Labor pains. It confuses me whenever I sit here for a number of hours listening to members from the other side of the house. I have small businesses talking to me about the taxes that are imposed upon them and about trying to work out how they can find their way through them. For the life of me I cannot understand whom the Bracks Labor government is listening to if its members are not hearing the same things that my opposition and Nationals colleagues and I are hearing. It is the same story: everybody is saying, 'This payroll tax is crippling us. We cannot move on. We cannot grow'. There seems to be an enormous amount of arrogance from the other side. I really and truly hope that this government will listen a little bit more, try to work through this and find a better way so that our businesses and Victoria can grow.

As the member for Benambra I need to encourage and foster relationships with small business and focus on attracting businesses to the area. We are seeing overcrowding in Melbourne, with traffic jams and people not able to get to work on public transport. I think a great alternative would be to see people getting out of metropolitan Melbourne and moving to rural Victoria.

Ms Green — Your mob tried to shut it down.

Mr TILLEY — Shut it down? No, we do not want to shut anything down. We want to see this great state of ours, the state of Victoria, grow. We want to be great again, like we were not so many years ago during the Kennett days.

Going back to payroll tax and to the threshold, businesses are talking to me about the differences there. They are asking, 'Where do I take my business? Do I set up my head office in Victoria, where I have some employees and there is a threshold of \$550 million, or do I set up in New South Wales, where there is the very small incentive of another \$50 000 to take my operations over the other side of the river?'. It does not take a great deal of consideration, but certainly I invite

any form of harmonisation in legislation between the states to ensure that the largest centre in the electorate of Benambra, Wodonga, grows and flourishes. The situation with this tax is clear and simple: the more you pay your workers the more tax you pay, and there is no way forward until such time as this arrogance stops.

During the debate tonight we have really got to the core of things. The members of the government who have spoken in the debate have become emotional at times. I think my colleagues have hit a nerve, and members opposite have become very defensive in responding to what they have been saying.

I reiterate that we need to move forward. It has been 36 years since Dick Hamer did a tremendous job in starting the move forward for the Albury-Wodonga region. Whilst we are paying tax we are not seeing essential things in return. We are not seeing the Wodonga rail relocation completed, and we are not seeing cross-border health arrangements. We are talking about paying taxes and about harmonisation, but people in the Albury-Wodonga area cannot enjoy the benefits of a single, integrated health service.

These are but some of many things, and I invite every government minister to come to the electorate of Benambra and sit down and talk with the people there. I know that the Treasurer, who is also the Minister for Innovation and Minister for Regional and Rural Development, has an amount of unfinished business relating to his time on the Albury-Wodonga Ministerial Council between 1999 and 2002. I hope that in this term of government — this is the last opportunity this government will have before 2010 to make things right — it will finish the business it has started. Let us see Victoria become great again.

As I said earlier, I do not oppose this bill. Any work that goes towards harmonisation and the reduction of red tape can only be a good thing.

Ms GREEN (Yan Yean) — It is with great pleasure that I join the debate on the Payroll Tax Bill. I would say it is another great example of the Bracks government taking a leadership role in the area of economic legislation and regulation, which is something we have done throughout our term in government. Conservatives talk a lot about getting rid of red tape, but what do they actually do when in government? They talk a lot about it but do not deliver. It is Labor governments that actually deliver these sort of reforms. The Victorian and New South Wales governments should be commended for their cooperation in delivering the harmonisation of payroll tax that is contained in this legislation.

Having lived in Mildura as a teenager and having worked in a small business while I was there, I know that, as other members have mentioned, businesses in border areas will certainly benefit from this. I note with interest that both the Liberal Party and The Nationals have said they are supporting the bill, but you would think otherwise on hearing their contributions throughout the debate. There did not seem to be a lot of support in the comments made by previous speakers from the opposition parties.

The member for Scoresby, as usual, used his opportunity to bag government employees and to basically cast a pall over decent, hardworking public servants. It was also interesting to note that although the member for Benalla deferred to the members for South-West Coast and Scoresby, he said quite frequently in his contribution that he was quite proud that he had been a public servant. One wonders how he might have fared as a public servant under a conservative regime. If he were a public servant if and when the opposition got back into government, he might not have a job.

Let us look at the performances of other governments across this nation. There has been a lot of criticism in the speeches made by non-government members about our government's taxation record, but I think independent sources actually say that the biggest taxing government at the moment in this country is the federal government. It is absolutely awash with money. The federal Treasurer is out there dictating to state Treasurers how they should be spending their money on infrastructure and things like that. This evening the member for South-West Coast was also criticising this government, saying we had removed exemptions for employers training apprentices and trainees.

The reason we did that is that we are now providing a completion bonus, because those exemptions were not delivering increases in apprentices and trainees. Now that we have changed the regime so the payment is made upon completion, this state is now training the highest number of apprentices and trainees in this country. We actually care about a skilled workforce, unlike the Howard government and its failed experiment with Australian technical colleges.

The member for South-West Coast also suggested we should be spending money on extending the duplication of the Princes Highway to Warrnambool. He should talk to his federal counterparts about doing that. Neither he nor the federal member for Wannon is really talking about those sorts of matters.

This bill is another great example of the taxation reforms introduced by the Bracks government. Unlike speakers on the other side, I am proud to say that I am actively speaking in support of this bill. It is the second time this year that I have been able to speak on payroll tax matters, because we introduced an exemption earlier this year for something very close to my heart — that is, the exemption for businesses employing emergency services volunteers from the Country Fire Authority and the State Emergency Service. I commended that previous legislation, and I now commend this bill to the house.

Mr BURGESS (Hastings) — I rise to speak on the Payroll Tax Bill 2007, which is a complete rewrite of the previous legislation. The major thrust of this rewrite is, of course, to give effect to an agreement between the states to standardise a variety of areas of legislation and specifically to bring the Victorian payroll tax regime in line with other states, most closely with New South Wales.

The benefits that are intended to flow from this bill include the modernisation and therefore the clarity of the language that has been used. It is also said that there will be a major reduction of red tape, that this will help cross-border operations and that it will affect somewhere in the vicinity of 8000 businesses. There will be a longer period for employer submissions of annual returns, with an additional 14 days. The calculation for grossing up fringe benefits will be done at a lower factor, and this will generate a cost to revenue of \$21.1 million over four years. That is the major offset for something that I will touch on a little later, which is the inclusion of employee share schemes in the act.

Charitable payroll tax exemptions have been extended, and other philanthropic and not-for-profit benevolent organisations will be caught with that. Motor vehicle allowance deduction provisions will be in line with the Australia Taxation Office, as will accommodation allowance deductions.

While this bill intends to bring some benefits, it also presents and preserves some concerns relating to payroll tax. The stand-out concern, of course, with the Bracks government's version of payroll tax is its threshold, and in Victoria that threshold kicks in at \$550 000. While the Victorian rate of payroll tax has been reduced in recent years and is now the second-lowest behind Queensland, unfortunately the threshold is the major problem here. Payroll tax in Victoria, as I said, kicks in at \$550 000. Only South Australia's threshold is actually lower than that at \$504 000, with New South Wales at \$600 000, West

Australia at \$750 000 and Queensland at \$1 million. You start to get some idea of the difficulties that such a low threshold creates for businesses. There is also little evidence to suggest that this act will actually save on red tape for any of the businesses involved, so we need to keep a fairly close eye on that to see exactly what happens.

As I mentioned earlier, there is a new imposition on employee share schemes, which would suggest that there will probably be an additional round of red tape and compliance costs involved in that. The revenue gain from the measure, which again is over four years, is \$29.4 million. Obviously the government believes that this is going to have a significant effect and is going to impact on a significant number of companies.

What I struggle with here is to understand why, in an environment that is very labour competitive at the moment and where businesses are struggling to get the employees they need with the skills that they need, this government has decided to further impact on the way companies can remunerate their employees and obviously on what can be offered to prospective employees to get them to go to those companies. It is very difficult to understand why the government would choose to do so now. It seems to me to be a very poorly thought-out and ill-conceived plan of the Bracks government.

The businesses of Hastings, Somerville and the surrounding areas in my electorate are already struggling to get employees with the skills they need. What they need least of all is another impost that is going to make it more difficult for them to attract those employees.

The removal of the exemption for the prescribed sporting clubs is also something that we need to watch. If you look at the Australian Football League clubs, you clearly see that any extra impost on those clubs is going to flow through to consumers, and that will find its way down the chain at some point.

The Bracks government could have been congratulated on some aspects of this bill. However, as has become its habit, it has been able to snatch defeat out of the jaws of victory more often than not.

Payroll tax is a distortionary and inefficient tax, and the levers that create that distortion and inefficiency are really the level of the tax and, in Australia, the variation of that level across jurisdictions; and the threshold at which that tax applies and, again in Australia, the variation across the jurisdictions. By endeavouring to align the regimes, the Bracks government has certainly

moved in the right direction, and that movement complements the fact that it has now established the second-lowest payroll tax rates. The difficulty, of course, is that that alone does not address the payroll tax difficulties and does not do anything to insulate businesses from that further impost.

As I stated, the payroll tax is a distortionary and inefficient tax. Because of the variations in tax-free thresholds throughout the states, the payroll tax burden continues to spread unevenly across jurisdictions, industries and regions. The unequal burden leads to input price and final price distortions and wage distortions that negatively impact on production and employment and that impose deadweight costs on the Australian economy.

The payroll tax component of input prices reduces the competitiveness of Australia's export-competing and import-competing industries. Payroll tax in a direct sense is a tax on jobs, and by keeping the threshold for the application of the tax at the second-lowest level in Australia, this government is actually handicapping Victorian businesses. On this count the bill and this government fail.

The Bracks government has also recently recognised the fact that a reduction in payroll tax is an incentive to employers. It was actually recognised by the government that it would be an incentive to reduce the payroll tax payable to an employer to release an employee to volunteer for services in the Country Fire Authority and the State Emergency Service. While the actual benefit to the employer was quite small, at least the direction of the government was commendable; and yet aspects of this bill seem to go in precisely the opposite direction. It is hard to understand why the government would want to be increasing the impost on businesses when what it should be doing is encouraging the businesses to be more competitive in this state.

As I said, this bill contains commendable elements. However, unfortunately the government has let down Victorians by allowing its need for revenue and its lust for revenue to outweigh the competitive necessities of our businesses.

Mr BATCHELOR (Minister for Victorian Communities) — I wish to respond on behalf of the Treasurer to the Payroll Tax Bill 2007, and in doing so I would like to thank those members of the Parliament who have contributed to tonight's debate on the bill, in particular the members for Scoresby, Benalla, Narre Warren North, South-West Coast, Burwood, Bass, Footscray, Ferntree Gully, Mordialloc, Sandringham, Mitcham, Mornington, Mill Park, Murray Valley,

Clayton, Benambra, Yan Yean and Hastings. Harmony has been the key note of the themes that have come through in tonight's contributions from all those members, because this bill aims to rewrite the Pay-roll Tax Act of 1971 to reflect the Bracks government's stated aim of harmonising Victoria's payroll tax provisions with those of New South Wales, other than of course for the New South Wales threshold and rates provisions.

The bill also provides the opportunity to use modern drafting language and structure and to remove some obsolete provisions and definitions. In that context, I understand the reasons why the house, as indicated in the contributions, is agreeable to supporting this bill. I wish it a speedy passage from this house to the next chamber and through the Parliament.

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

WATER ACTS AMENDMENT (ENFORCEMENT AND OTHER MATTERS) BILL

Second reading

Debate resumed from earlier this day; motion of Mr THWAITES (Minister for Water, Environment and Climate Change).

Mr JASPER (Murray Valley) — I am pleased to join the debate on the Water Acts Amendment (Enforcement and Other Matters) Bill 2007 and to add to the contribution made by the Deputy Leader of The Nationals, the member for Swan Hill, to the debate on this legislation.

The bill looks to amend the Water Industry Act, the Water Act and the Infringements Act. It also includes provisions relating to the enforcement of compliance with drought response plans, emergency management plans and permanent water savings plans. It deals with a lot of issues relating to the enforcement of water restrictions and the general management of water in the current position Victoria faces, with the years of dry conditions and drought in the last 12 months.

I was interested to talk to the member for Benalla, who is a member of the Public Accounts and Estimates Committee, before which the Minister for Water,

Environment and Climate Change appeared. A lot of discussion took place in relation to the operation of the water industry, the difficulties facing the industry and what is being undertaken by the government in looking to get more efficiency in the operation of the water system. This, of course, related to compliance and drought response measures, emergency management plans and other issues related to the critical issue of water management right across the state of Victoria. I listened to the earlier contributions from other members in relation to this matter, and everyone recognises the importance and criticality of water to the state of Victoria and indeed across Australia.

Those of us living in northern Victoria have a great interest in this, of course, because of the water systems in our area, the Murray-Darling Basin Commission and its operations and Goulburn-Murray Water and its control of the waters across north-eastern Victoria. We have had great difficulty in recent times. One of the difficulties we had within my electorate of Murray Valley in terms of the shortage of water was Wangaratta earlier this year facing a situation where it could have run out of water completely.

Mr Batchelor interjected.

Mr JASPER — This would have been a great disaster. I am interested that the Leader of the House makes an interjection about this, but it would have been a critical issue for the rural city of Wangaratta and indeed for Victoria if Wangaratta had run out of water. If a major city in country Victoria were to run out of water it would have made not only Victorian and Australia-wide news, but it would have gone beyond Australia. That situation was brought about by the lack of water in two particular dams above Wangaratta — that is, the Lake Buffalo and Lake William Hovell dams which between them hold what I would say is a cupful — a small amount — of water.

I applaud the support which was provided by the Premier and the Minister for Water, Environment and Climate Change, who indicated that the situation at Wangaratta had to be dealt with. Two major bores were put down within the Wangaratta area. Wangaratta utilises about 10 megalitres of water per day, of which Bruck Textiles uses about 2½ megalitres. The two bores were going to produce about 9½ megalitres —

Mr Stensholt — Tell us about Bruck Textiles!

Mr JASPER — Yes, I could talk about Bruck because of the actions the Minister for Industrial Relations has taken against that company. That has further implications which the member for Burwood

should be very careful about wanting to debate, because the interference of the state government in the actions and activities of that particular industry is a serious issue. That interference could have dramatic effects, and I say to this house that Bruck is an important industry to the rural city of Wangaratta and its future.

The two bores that were put down underpinned the supply of water for Wangaratta. But the broader issue is that we need to understand that we have to build and extend dams within the state of Victoria and beyond. I was interested when the Minister for Water, Environment and Climate Change was before the Public Accounts and Estimates Committee. A question was put by the member for Scoresby in the context of dams, and the minister responded — this needs to be put on the record:

No, what we have said is there are no dams for Melbourne because of the reasons I have indicated: that they would not provide any extra water for Melbourne, because the problem is not lack of dams, it is lack of stream flow.

Now this is the critical part:

In the rest of the state we have not ruled out dams ...

I repeat:

In the rest of the state we have not ruled out dams if it can be shown: one, that they provide substantial extra water; and, two, it is at a reasonable environmental cost.

I believe we need to consider the building and extending of dams in Victoria and in strategic locations. The Deputy Prime Minister and Leader of The Nationals at a federal level in response to me said that dams should be considered on a case-by-case basis.

The usual response that is provided, of course, in responses from Goulburn-Murray Water and the Murray-Darling Basin Commission is that dams cannot be extended because of the cap that was established for water across Australia in approximately 1992. But I believe the cap that was established at that time is absolutely not sustainable. It had no real historical background. No real scientific study was undertaken. It was a figure which was established and which has remained to try to contain or establish the amount of water which is available across the Murray-Darling Basin and to use that as the reason for holding and not extending any dam capacities across the basin and the Murray region generally.

However, I indicate to the house — and I have said it on many occasions — the reason we have had flows of water down the Murray River is Dartmouth Dam. Dartmouth Dam, which was completed in 1981, holds at its full capacity about 4 million megalitres of water.

It is down to well under 1 million megalitres at present, but it has underpinned the supply of water down through the Murray system. We have photographs from the turn of the last century showing people having picnics in the bed of the Murray because there was no water flowing. Why? Because of the lack of dams. What we need to consider now is the building of Big Buffalo dam which would extend the capacity of the Lake Buffalo dam from 24 000 megalitres to well over 1 million megalitres.

I believe that in the context of the legislation we are debating there needs to be further recognition by the government of the need to extend our dams, particularly those in north-eastern Victoria. I call on the government to consider the extension of Lake Buffalo and the extension of Lake William Hovell. Lake William Hovell only holds about 14 000 megalitres and in fact overtopped earlier this week so that we now have water running down the King and Ovens rivers into Lake Mulwala and into the Murray system.

We need to recognise that and, as indicated by the member for Benalla, we need to get to the situation where the government recognises that it cannot close down Lake Mokoan. The government needs to look at the system that has been developed by the people in the Murrumbidgee Irrigation organisation, who believe a dam of about 90 000 megalitres could be constructed, with a wetlands surrounding Lake Mokoan. The government must reconsider the situation and move away from the response which is given all the time, that it cannot do anything about building additional dams because of the cap on water, which was established by the Murray Darling Basin Commission back in 1992 and in the view of The Nationals really does not have great relevance when looked at today.

My summation on the legislation is: yes, we support legislation being put before the house that will ensure that people look at conservation and better uses of water generally. I recognise that there has been a reduction of about 22 per cent in the consumption of water across Melbourne. But the fact is that, beyond trying to restrict the use of water and get more efficient usage through recycling and other methods, we also have to extend dams to underpin the supply of water which we have available in Victoria and which is provided not only to us in north-eastern Victoria but down through the Murray system.

I am disappointed that some government members have not listened to some of the words said this evening, because we do need to change our policies to meet the conditions of the times, which indicate that we must

consider extending dams and holding water to use it at the right times, when it is required.

Debate adjourned on motion of Mr KOTSIRAS (Bulleen).

Debate adjourned until later this day.

Remaining business postponed on motion of Mr BATCHELOR (Minister for Victorian Communities).

ADJOURNMENT

The DEPUTY SPEAKER — Order! The question is:

That the house do now adjourn.

Murray–Darling Basin: federal plan

Ms ASHER (Brighton) — The matter I have is for the Minister for Water, Environment and Climate Change. The action I am seeking of him is to sign the \$10 billion plan for the Murray–Darling Basin, otherwise known as the national plan for water security. The key reason, of course, why Victoria should sign is the financial assistance that will be available for an irrigation upgrade.

I refer to the Prime Minister's speech to the National Press Club of Australia on 25 January when he outlined that plan. I want to refer to the volume of money that will be available across Australia for irrigation upgrades. The Prime Minister made the point that irrigated agriculture uses about '70 per cent of all water use in Australia'. He went on to say:

A huge amount — up to 30 per cent — is lost transporting the water, through leakage, seepage and evaporation. There are massive opportunities to save water by strategic placement of new infrastructure and by more efficient on-farm use.

... the government will embark on the largest modernisation of irrigation infrastructure ... in Australia's history.

At a cost of almost \$6 billion, works will include lining or piping of major delivery channels, improved metering and the installation of drip systems. When complete, these investments should save more than 3000 GL of water — equivalent to an efficiency gain of more than 20 per cent in Australia's irrigated water use ...

I make the point that, should the Victorian government not sign up to the agreement, there is no way that it would have the capacity to look after Victorian interests and provide this amount of funding for irrigation infrastructure. I understand that, of course, the commonwealth has not and will not give precise

commitments in relation to funding for this, but Victoria will not find this money and it needs to look at the options available to it. I actually understand Victoria's position. All state governments want to look after state interests. I have read the Victorian government's position in newspapers and I have obviously heard the minister's carefully crafted explanation during question time today, when he reiterated the reasons why Victoria wished to have further discussions with the commonwealth, particularly in relation to Victoria's desire to control price, seasonal allocation, land management and bulk entitlements.

The minister also further outlined the areas which Victoria seems to be quite relaxed about in terms of the commonwealth government assuming control. He also said that the commonwealth now has a clear understanding of our state's position. I note that the parliamentary secretary also made it clear during his contribution to the debate on a bill that he thought the federal government had done the right thing by listening to Victoria's concerns. I now urge the minister to just get on with it and sign up.

Whittlesea: sports training ban

Ms GREEN (Yan Yean) — I wish to raise a matter for the attention of the Minister for Sport, Recreation and Youth Affairs. The action I seek is for him to get his department to meet urgently with the City of Whittlesea so that Australian Rules football clubs and soccer clubs that operate within the city of Whittlesea can resume a decent training regime to adequately prepare players for match days.

The City of Whittlesea has taken a rather draconian view in response to the problems that the drought in Victoria is placing on the community. Obviously it is placing pressure on lives in the community, households and businesses. I can understand that the council wants to protect its asset into the future; however, I do not want it to throw the baby out with the bathwater.

The city of Whittlesea is the only local government area in metropolitan Melbourne that has an almost total ban on training for football clubs. The other local government areas adjacent to the city of Whittlesea — Banyule, Nillumbik and Darebin — which also host the northern league football clubs, do not have this ban. The ban creates a problem for the competition. A number of teams have left football clubs. For example, the super rules team has left the Epping Football Club and has gone to the Bundoora Football Club so it can train. The Bundoora Football Club emailed the Epping

Football Club and said, 'Thank you very much'. The ban imposes a difficulty on the competition.

I am really concerned about the impact of this ban on young people, their participation in football and the take-up rate in the future. Only 13 per cent of the male population in the city of Whittlesea plays football, which is a much lower rate than the rest of metropolitan Melbourne and the adjacent municipalities. I am worried that kids will stop playing sport, which will cause problems to health and wellbeing in the future. I am also concerned that the clubs will not be economically viable. By the time the council actually lets the clubs back onto the grounds the clubs may not exist. I urge the minister to ask his department to have discussions with the council because the issue is creating a huge problem for the clubs.

The issue was addressed in the *Herald Sun*. Cr Fry has inflamed the situation by being critical of the clubs, unlike other councillors like Cr Griffin and Cr McLeod, who have engaged with the clubs and have had discussions with them. Overall the clubs need to be treated with respect and allowed back onto the grounds. It has now rained. I hope the minister can get his department to meet urgently with the council and work with it to allow our clubs to come back and keep our kids playing footy.

Dunkeld-Cavendish Road: upgrade

Mr DELAHUNTY (Lowan) — I raise for the attention of the Minister for Roads and Ports the dangerous condition of Dunkeld-Cavendish Road. The action I request on behalf of western Victorians who use the road is for the minister to allocate funding to widen the pavement of this road, seal it and bring it up to a safe standard. It is a category C arterial road which is funded 100 per cent by the state government. The road is about 28 kilometres in length, but 6.8 kilometres has only a single lane width. The badly broken edges and soft shoulders make the road unsafe for trucks and heavy vehicles to move off the bitumen.

And what about cars? As Senior Constable Scott Olsen said, for cars it is unfortunately a matter of who dares wins. A lack of action has forced a Cavendish store owner, Rodney Duffin, to start a petition after relatives of his were forced off the road to avoid a truck. They lost control of their car and nearly lost their lives. In four months 592 concerned residents and travellers have signed the petition. I will hand it to the minister tonight or tomorrow when he arrives in the chamber. The petition asks for immediate action to improve the safety of motorists by widening and upgrading the Dunkeld-Cavendish Road.

An all-party parliamentary committee recommended that VicRoads should implement a major program to upgrade category C roads such as this one to make them safer. Even the Royal Automobile Club of Victoria wants more money spent on country roads to bring them up to a safe standard. The Nationals have been working on a campaign looking for a fairer share of road funding, because, as we all know, if you increase road funding to fix country roads, you will save country lives. This is one such road that needs widening. For the safety of all road users, not only those people who live in the area, I ask the minister to fund the upgrade of this road urgently.

I know work is being done under contract by the Shire of Southern Grampians, and \$83 000 is earmarked to be spent on shoulder work and putting down gravel, but the community is not happy. Last Friday I met with the mayor of the Shire of Southern Grampians, with residents and with concerned travellers, who handed me this petition. They also showed me photos which highlight the very dangerous condition of this road. The shoulders are soft and buttery after the rain, and therefore many of the trucks and heavy vehicles in the photos cannot go off the road. Where do the cars go? They go off the road, and unfortunately some travellers have very nearly lost their lives because of that.

Again, as we all know, if you spend money fixing up country roads, you save country lives. I call on the minister to fix this category C road, which is fully funded by the state government. We need him to fund this upgrade urgently for the safety of travellers on this road from Cavendish to Dunkeld.

Melton: family and community hub

Mr NARDELLA (Melton) — My adjournment matter is addressed to the Minister for Children. The action I seek is for the minister to finalise her consideration of the application by Melton Shire Council for its family and community hub, and to approve this application quickly.

Melton shire is part of the six growth interface municipal councils that have challenges due to the socio-demographics of the regions, where there are many forming families and young families with young children. Through Alison Cran of Yarra Ranges shire and Tony Ball from Melton shire the interface councils developed a paper on youth issues, and the Bracks Labor government listened and allocated capital funds in the 2006–07 budget to develop these children and family hubs. Ms Cran, Mr Ball and others talked to the interface members of Parliament group, which I chair,

and these matters were then taken directly to the government.

It is important to build physical infrastructure to support the social needs of all the families and children in the Shire of Melton. Melton shire has been working with other partners, like the Department for Victorian Communities, the Department of Education and the people and families within the shire. There is a strong focus on providing accessible and affordable services to families and children. The centre would provide services like an extended hours kindergarten, a maternal child and health centre, occasional child care, playgroups, early intervention services, counselling services, family support, family violence support services, information resources for parents and parenting skill groups. They are all needed for families and children within the Melton shire.

Melton shire has some absolutely great leaders in its youth workers, family workers, housing workers and social workers. The volunteers who assist young people and families are also doing a fantastic job, like those at the Melton Street Surfer, with Val and Bob Turner and Joe, Janet and Wendy, who assist, along with many others. They are also at the forefront of working with other municipalities in the interface and within the shire itself. The Melton Youth Advisory Network brings together all the service providers in these areas, who have discussions and support each other. If the minister could consider this request, it would be appreciated by all the families and children within my electorate.

Electricity: supply

Mr CLARK (Box Hill) — I raise with the Minister for Energy and Resources the large increases in electricity bills being experienced by many Victorian businesses and the forecast shortages in reserve capacity for this coming summer. I ask the minister to develop and make public a plan to ensure that Victoria does not suffer an electricity crisis in the same way it is suffering a water crisis and a metropolitan public transport crisis.

In particular I ask the minister to include in this plan a commitment that the Victorian government will fully cooperate with the commonwealth government in the implementation of a national emissions trading scheme and a commitment to take strong action in future against union militancy of the sort which has dogged Victorian power plant projects in recent years and which is deterring future projects.

In recent days the media has reported numerous instances of businesses, particularly small businesses,

receiving notices of massive increases in their power bills. Yesterday I spoke to the proprietor of a bakery business in Craigieburn who contacted me after being notified of electricity price increases that are set to raise his annual power bill by around 50 per cent, from about \$24 000 to about \$36 000. It has been reported that the average price of electricity in Victoria has risen from \$32.47 per megawatt hour in 2005–06 to \$46.97 per megawatt hour so far in 2006–07, and even higher in recent times.

National Electricity Market Management Company forecasts are already showing that Victoria is facing a reserve shortfall of between 200 and 300 megawatts in several weeks of this coming summer, and that is not even factoring in the effects if rainfall remains below the long-term average.

Just recently Origin Energy announced it was deferring its proposed gas-fired plant at Mortlake, about which the government has long been boasting, in favour of a gas project in Queensland. The construction of gas-fired power plants in Victoria has suffered badly from union militancy under the Bracks government, with the AGL Somerton plant, which was originally scheduled to open by the end of 2001, in fact not being officially opened until 2003. Industrial action has also added more than a year to the construction of the Laverton North power plant.

The minister has tried to blame the drought, but it is clear that that is only part of the problem. The failure of the states to agree amongst themselves on the introduction of an emissions trading scheme, despite their clear constitutional responsibility to do so, has meant it has been left to the commonwealth to act. In the meantime that has created regulatory uncertainty for potential power plant investors. The minister has also tried to defend the government's expensive and inefficient Victorian renewable energy target scheme and has criticised the commonwealth's task force report for recommending against technology-specific regulatory schemes.

However, exactly the same approach is recommended by the state and territory governments' own National Emissions Trading Taskforce discussion paper of August 2006, which says that one of the great strengths of an emissions trading scheme is that it is technology neutral, it allows the market to seek out the lowest cost ways of achieving any particular emissions cap and it does not rely on omniscient governments directing investments and abatement activities through the more traditional command-and-control regulation or through industry or technology-specific subsidies. It is clear that the minister has a responsibility, and he needs to act.

Royal Children's Hospital: Festival for Healthy Living

Mr STENSHOLT (Burwood) — I ask the Minister for Mental Health to take action over the next two and a half years to support the Festival for Healthy Living in the Ashburton, Ashwood and Chadstone neighbourhood renewal area. For the benefit of members of this house, the Festival for Healthy Living is a mental health promotion strategy which was initiated by the Royal Children's Hospital mental health service. To date it has worked in 75 schools right throughout Victoria. We are starting in 2007 to stage a health promotion in the local Ashburton, Ashwood and Chadstone area.

The festival program is an exciting opportunity for schools to continue their journey to promote a whole-of-school approach to mental health and wellbeing. It encourages students, teachers and parents and the whole community to explore everyday issues which affect our mental health in a spirit of problem-solving, optimism and fun, particularly in a context of getting together in the arts.

I will just quote the comments of a couple of people. For example, Rob Moodie, the former chief executive officer of VicHealth, said:

The Festival for Healthy Living is a wonderful example of arts in action in the school setting, where it does really help kids ... and they therefore do so much better at school if they are engaged ... It also helps them learn new skills ... and helps them collectively resolve some of the issues that confront them in their day-to-day, their family and their school lives ...

Similarly Bob Salo, the director of clinical services for the Royal Children's Hospital mental health service, said mental health has always struggled to overcome an image problem. This problem is not diminished in child and adolescent health, and this festival helps to give a really good picture of what a vigorous, healthy child or young person is. It also helps children understand what the issues are in mental health. The process indirectly addresses stigmatising attitudes about mental health problems and raises the profile of mental health as a continuum.

I am very proud to say that in our local community of Ashburton, Ashwood and Chadstone everyone has got together. That includes the principals of local schools Ashwood Secondary College, St Mary Magdalene's Primary School, St Michael's Primary School, Park Hill Primary School and Solway Primary School, as well as Child and Adolescent Mental Health Services, community health services from Monash and Boroondara, the regional education office, the Catholic

Education Office, the regional Department of Human Services office, the Inner East Primary Care Partnership and the two councils of Monash and Boroondara.

They are all getting together, and they had a meeting today, the first meeting of the formation steering committee, to set up this festival of healthy living over the next two and a half years, from 2007 to 2009. I understand that some funding has been made available by the Department of Human Services for this project and that Ashwood Secondary College is going to be the agreed fund-holder for this. I have already asked the minister to ensure that the Department of Human Services and her officers continue to support this project over the next two and a half years to make it a fantastic success for our community.

Police: Dromana and Sorrento stations

Mr DIXON (Nepean) — I wish to raise a matter for the Minister for Police and Emergency Services regarding the future of Dromana and Sorrento police stations. I am asking the minister to ensure that the current review of police services on the Mornington Peninsula does not include a downgrade of services, personnel and cars at both of these stations. The local district inspector has come out and said the purpose of the review is to collect the community's views about the future of policing.

Is he really genuine about this? I think having tiny little ads in the local papers, the venues for these public meetings being the lunch rooms of two very small police stations, and no other publicity speaks volumes about how serious the police really are about collecting the community's views. I suggest that perhaps there should have been greater publicity about these public meetings and letters to clubs and organisations. The option being considered is that these two police stations be reduced to operating only from 9 to 5, Monday to Friday, with police cars being taken away from these stations and only one counter staff member.

Now the inspector wants a community view, and I am prepared to give that community view. The downgrading of these two police stations is just not an option. The population of both these areas is increasing; in fact the Martha Cove development in Dromana is adding an extra 700 residences just to the Dromana area. The busy tourist season is not just January; it runs from November right through to Easter and includes many long weekends like this one. Many of the holiday homes really are second homes, and people spend a lot of time both in Melbourne and on the peninsula, so the population is certainly increasing in that respect as well. If we lose these police stations, we lose a lot of local

knowledge that has been built up over the years. In fact a lot of the local police give up promotions so that they can stay in their community and be part of that community. They have certainly done that.

The option means that the Dromana police station will be absorbed into Mornington and the Sorrento station into Rosebud, which would only really just plug holes there. It would not add anything to policing in the area. It would also increase the response time. Any outcome of any review should mean that there will be more front-line police in the Mornington Peninsula, not less.

I am not scaremongering here. The reason I am raising this is that sergeants from both those police stations came to me and asked me to raise this in Parliament. They have not been afraid to publicly state that this is a real issue and something that they are concerned about. A newspaper article last week refers to the Police Association's secretary, Paul Mullett. It states:

'It's a concern not only for the Police Association but for the community', he said.

'It will be their safety that will be compromised'.

Mr Mullett said moving officers to larger stations was a 'band-aid' solution to a lack of resources.

'Frankston and the Mornington Peninsula have been a hotbed for a lack of resources for years and it's a shining example of where these resourcing issues remain'.

Consumer affairs: three-wheel strollers

Dr HARKNESS (Frankston) — Tonight I raise a matter for the Minister for Consumer Affairs. I refer the minister to recent very tragic accidents in South Australia with three-wheel strollers. The action I seek is that the minister investigate the safety of these prams, or these three-wheel strollers, and also review the guidelines for their sale and use. There have been two recent very tragic accidents in South Australia which have involved three-wheel prams rolling down hills and into bodies of water and have resulted in the loss of life of the infant passengers.

The Minister for Children, who is at the table, would also appreciate how tragic it is that small, young lives are lost in what were probably needless accidents. These three-wheel prams are causing some concern. As the father of a seven-month-old baby, I am certainly deeply concerned that the manufacturers of these prams are not adhering to the strict requirements of the Australian standards when constructing this popular mode of baby transportation.

Choice.com.au recently tested three-wheel strollers using criteria such as safety features according to the

Australian standard. According to the results obtained by Choice, 7 of the 11 strollers tested failed some component of the test. Even more frightening is that, although three-wheel strollers are popularly dubbed 'jogging prams', only 5 of these 11 manufacturers actually recommended that users could jog or even walk at a fast pace with them.

An honourable member — How's your baby?

Dr HARKNESS — My baby is doing very well.

It would appear that compliance with the Australian standard — AS/NZS 2088 — is voluntary for manufacturers. This safety standard should be made compulsory and enforced stringently.

Although I note the tragic accidents in South Australia were not entirely the fault of stroller manufacturers, they did bring to the public's attention possible safety flaws in three-wheel strollers. One of the suggestions to come out of the tragic accidents in South Australia is to install safety brakes on three-wheel strollers in case the stroller's existing brake facilities fail to activate. Another difference between traditional prams and the new jogger strollers is that the wheels on traditional prams are smaller, which means they are unable to travel down an incline at a fast speed compared with the larger wheels of jogger strollers.

I ask the Minister for Consumer Affairs to investigate the safety standards of three-wheel jogger strollers to ensure that our children remain as safe as possible when being transported in this popular style of pram. I and my wife, Tawny, enjoy pushing Kirsten around the streets of Frankston, often letterboxing leaflets. We might even get into the member for Hastings's electorate now and again and push — —

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

Crib Point: bitumen plant

Mr BURGESS (Hastings) — I have raised this matter in the house several times. I raise it again today and ask on behalf of the people of Crib Point that the Premier intervene personally to prevent an election promise made by his government being broken and the spirit of a township being damaged. I bring to the attention of the Premier an election promise made by the former member for Hastings, on behalf of the Bracks government, to the people of Crib Point. I ask that the Premier take immediate and decisive action to ensure that this election promise is kept.

On 22 November 2006, just three days before the state election, the former Labor member for Hastings sent an individually addressed letter to each member of the Crib Point community saying:

Following my representation, the Bracks government has already said no to a bitumen plan in Crib Point.

Boral, the developer of the proposed bitumen plant, has now submitted its proposal to the Mornington Peninsula Shire Council. The plant is to be situated at Crib Point on port of Hastings land. The Port of Hastings Corporation is a state government body — Boral is locating the bitumen plant on its land with the support and cooperation of the Bracks government.

The people of Crib Point fought long and hard to secure the commitment of both sides of politics to the bitumen facility not being allowed to proceed in Crib Point. Having obtained both of those commitments in writing the people of Crib Point should be able to feel safe in the knowledge that they will not have to suffer the toxic fumes and the B-double truck traffic on the already clogged and dangerous roads in that area as well as the indignity that would accompany a bitumen facility being installed in their town.

The Port of Hastings Corporation recently informed the Westernport Oberon Association that the land that had been set aside to bring its submarine ashore — in the same area intended for the bitumen facility — has been withdrawn. I stated in this house on 23 May and I repeat now that it would be a very sad indictment of the Bracks government if it were prepared to deny Crib Point and the whole Western Port community a world-class tourist facility and to instead force upon it the very same bitumen facility it promised the local community it would prevent.

The port of Hastings development should be contained to the Long Island area north of Hastings and effectively partitioned from local townships. Crib Point should be freed forever from the spectre of industrialisation. However, regardless of the outcome of the current round of port planning, Crib Point does not want, need or deserve a bitumen facility. I ask the Premier to ensure that this election promise to the community of Crib Point is kept by taking immediate and decisive action to prevent the bitumen facility from proceeding.

Public transport: Macedon electorate

Ms DUNCAN (Macedon) — The matter I wish to raise this evening is for the Minister for Victorian Communities.

An honourable member interjected.

Ms DUNCAN — Who is here. I call upon the minister to take action to address transport needs in the electorate of Macedon. Macedon is a fast-growing area and like many areas of Australia is also ageing. It has a rural population, and with an increasing population and increased ageing, mobility is becoming more of an issue. According to the projected population growth, families with small children are likely to form the majority of new residents, increasing the number of workers seeking to commute to Melbourne and other regional centres, as well as young people dependent and increasingly dependent on public transport, on cycling and on walking.

The area has benefited enormously from the recent refurbishment of the Bendigo railway line, and in particular the early morning train to Bendigo, which the residents, particularly in the northern part of my electorate, have been calling for for many years. We have seen the increased patronage on that service and on all the services on the Bendigo line since the upgrade of the tracks and the signals. That early morning train was actually introduced some four months earlier than previously intended because of the demand from local residents.

The DEPUTY SPEAKER — Order! Could the member indicate how the Minister for Victorian Communities will address transport needs.

Ms DUNCAN — As I previously stated, I am asking the minister to continue to work on coordinating existing transport services in the Macedon electorate and to improve the connectivity between the services that are there. As I said, we are still in need of further transport solutions to improve access to the rail service, as well as better local transport options to improve access to health services, sporting and recreational activities, educational services and employment and other community networks.

Easy and available access to these activities is vital to the ability of residents to engage and participate in community life and directly impacts on the wellbeing of individuals in the community. We need transport solutions that enable our youth to move safely and freely in and around the district. We also need solutions for non-urgent medical transport — transport options to enable the elderly to travel to and from medical appointments. And of course for the more active members of the community we need better pedestrian and cycle infrastructure. And our communities are looking forward to these increased — —

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

Responses

Mr BATCHELOR (Minister for Victorian Communities) — I have two matters to respond to here; firstly to the member for Macedon in my capacity as the Minister for Victorian Communities, and secondly to the member for Box Hill as the Minister for Energy and Resources.

Firstly, the member for Macedon has raised with me the need for better community transport options in her electorate. I agree with her statements regarding the link between mobility, social inclusion and community wellbeing, because we know that greater mobility allows for greater community participation, and that is what the Department for Victorian Communities is all about. It is about connectedness, which in turn results in a sense of inclusion, which is integral to the strength of any community.

In this sense transport disadvantage is just as serious a problem as other forms of disadvantage — not that the members of the Liberal Party in the chamber tonight would understand that issue of disadvantage. But it is why the Bracks government has committed \$18.3 million to improve access to local transport, \$14.5 million of which will go towards a program called Transport Connections. This program is designed to help communities find practical solutions to improve or establish local transport services, and this is achieved by bringing community groups, individuals, transport providers and local businesses together. It is about a partnership to develop tailored transport solutions, and the community will do this by making better use of existing transport resources through new and coordinated transport approaches.

Transport Connections is about community partnerships. The grants that we provide for this support the employment of a Transport Connections coordinator — a transport broker, in other terms — who will work with community representatives across a number of community sectors to develop project plans and identify strategies to address transport disadvantage. These transport brokers will identify underutilised existing transport assets, they will identify the needs of local residents and they will identify volunteers who are able to assist in coordinating these assets and needs to form the essential part of any community that is about connecting people.

The member for Macedon will be pleased to know that the state government will provide a grant of \$360 000

to the Macedon Ranges Shire Council to coordinate the extension of a successful trial of a Transport Connections program called the Getting Around project, which has already been undertaken in her area. The Getting Around project, which was part of a pilot program trialled by this government, operates in the Macedon Ranges and Mount Alexander shires. It is part of a Transport Connections program which aimed to better utilise the existing train service and facilitate the development of connector bus services from outlying towns to railway stations. This project achieved that, but we acknowledge that there is still more to do. That is why we have extended the transport brokerage role for another three years.

The extended Getting Around project will address many of the concerns raised by the member for Macedon. It will aim to develop transport services for people with special needs who are unable to access conventional public transport services. It will also aim to further improve connecting services to the railway line to make it easier for people in the more isolated parts of the member's electorate to travel to and from work and to travel to and from health services and other activities that are located in regional centres or even in central Melbourne.

The brokerage program also aims to address the travel needs of younger people in small rural towns so they can access activities during times when there is little or no mainstream public transport. The project will develop plans to improve pedestrian and cycle infrastructure and to devise green travel plans for local workplaces, schools and other centres of community activity. The project involves a strong network of partnerships between the Macedon Ranges and Mount Alexander shires that includes the Central Victorian Health Alliance, the Rural Access Project, the Mount Alexander and Mount Macedon Ranges youth affairs networks, the Lancefield neighbourhood house, local learning and employment networks and a number of others.

It is truly a community partnership, and the involvement of these groups will ensure that a diverse range of interests is catered for and that a variety of different needs are met in the local community. It is really a wonderful initiative, but at its core it is about partnerships. It is about what the work of the Department for Victorian Communities is all about. I look forward to hearing from the member for Macedon about how the Getting Around project, which was part of a successful pilot program, is continuing. I know the member will actively support it in her area.

The member for Box Hill raised with me a number of issues in my capacity as the Minister for Energy and Resources. I raise with you, Deputy Speaker, the way the member for Box Hill has gone about this, because on my brief count he raised eight separate, individual items here tonight, and it is not possible for me, within the constraints of the standing orders, to respond to each and every one of those eight items. I would ask you, Deputy Speaker, to take this up with the Speaker in order to deal with maverick members of this chamber who seek to exploit the generosity of people in the chair such as yourself, but I will deal with a number of the issues.

The first thing I seek to raise is his attack on the Mortlake power station. This is a proposal where the Bracks government has provided all the regulatory framework for Origin Energy to enable it to develop a new gas-fired power station at Mortlake. The member for Box Hill suggests that this project is dead, that it will not be developed and that it will be deferred. That is absolutely and unequivocally denied by Origin Energy. What Origin Energy is saying is in stark contradiction to what the member for Box Hill is saying here. And if you need further proof than that, Deputy Speaker, I will quote from its website dated today, 6 June 2007. I have it here and I will make it available for Hansard. It is on the Origin Energy website and headed 'Mortlake power station project'. Under the subheading 'Overview' it says:

To meet the growing and future demand for electricity in Australia, Origin Energy has sought development approvals to build a natural gas-fired power station in western Victoria, near the township of Mortlake.

The proposed project involves the construction of a natural gas-fired power station at a site 12 km west of Mortlake. It is planned to construct the plant on approximately 20 hectares of land with an extensive buffer zone around it.

Properties surrounding the proposed site are large land-holdings, with the nearest resident approximately 2 km from the site. The area is used for grazing land and timber plantations.

The power station, of approximately 1000 megawatts, will be built in stages adjacent to the existing Moorabool to Heywood 500 kV high-voltage transmission line. The plant will be supplied with natural gas via a 78 km dedicated underground natural gas transmission pipeline from the new gas processing plant being built near Port Campbell, as part of the offshore Otway gas project.

As a joint venture partner in the Otway gas project, our recent gas discoveries provide a real opportunity to develop a natural gas-fired power station that will:

provide least cost new-entrant electricity generation

minimise environmental impact

provide an alternative to coal-fired generation in the national electricity market, and

enhance system reliability and security.

The website goes on to say, under the subheading 'Decision to proceed':

The decision to proceed to project construction is contingent upon a number of factors such as the forecast supply and demand in the national electricity market (NEM) and the impact of government policy in relation to emissions (e.g., emissions trading schemes).

At this stage, the forecast of supply and demand in the NEM does not signal the need for the Mortlake power station prior to 2010.

This is the decision of Origin. There is no deferral here. In fact, Deputy Speaker —

Mr Clark — On a point of order, Deputy Speaker, I have read the document, but I would ask that the minister make it available to the house so other members can see it.

The DEPUTY SPEAKER — Order! The minister did indicate he would make it available.

Mr Clark — He indicated he would make it available to Hansard.

The DEPUTY SPEAKER — Order! Will the minister make it available to the house?

Mr BATCHELOR — In fact, Deputy Speaker, I am prepared to have the whole document incorporated into *Hansard*, and I seek the leave of the member for Box Hill to do that.

The DEPUTY SPEAKER — Order! Is leave granted?

Mr Clark — Leave is granted.

The DEPUTY SPEAKER — Order! Leave is granted.

Mr BATCHELOR — It will be incorporated —

The DEPUTY SPEAKER — Order! The Leader of the House needs to ensure that that has been checked with the Speaker. Has it been checked with the Speaker?

Mr BATCHELOR — I do not know what the member for Box Hill has done.

The DEPUTY SPEAKER — Order! I am referring to the document the minister has. In terms of

incorporating it into *Hansard*, it needs to be checked with the Speaker.

Mr BATCHELOR — I will check it with the Speaker.

The DEPUTY SPEAKER — Order! The minister cannot incorporate it this evening if he needs to check it with the Speaker. He could make it available to the Clerk, and I am sure that that will suffice. The minister, to continue.

Mr BATCHELOR — So members can see that the intention of Origin is, as it has always stated, to proceed with this project in 2010. There is no question of deferral. This is a lie that has been perpetrated by the Liberal Party. It is not true. The senior official from Origin Energy has refuted these statements that have been spread in the local media and other avenues. In fact what Origin is saying is that its decision is dependent upon two things only: firstly, the demand for electricity that this station will produce from the national electricity market; and secondly, the decisions relating to a national emissions trading scheme.

We know there are two proposals for a national emissions trading scheme. One is from the states, which will provide a national emissions trading scheme by 2010, exactly to coincide and align itself with the Origin proposal. The other proposal for a national emissions trading scheme on the political agenda at the moment is the Prime Minister's proposal, which sees no national emissions trading scheme for many years to come. As industry representative after industry representative have said, the failure of the Prime Minister to commit to a fixed date and to a fixed cap and a fixed-target emissions trading scheme is jeopardising investment, and that is exactly the risk that is posed to the Mortlake power station. If it does not go ahead, it will be John Howard's fault. If there are any blackouts or outages here in Victoria, it will be John Howard's fault. We need that to be known very clearly.

The member for Box Hill has come into this house tonight to align himself with the pro-outage policy of Prime Minister John Howard — and he stands condemned. If there are outages how will the member for Box Hill come into the house and explain that to the people of Victoria who have lost businesses, wages and productivity through the encouragement by the member of this type of irresponsible and reckless voodoo economic policy that is being promoted by the Liberal Party in this chamber tonight?

A whole host of other issues — another seven — have been raised by the member for Box Hill, and I will

work my way through those systematically. The important thing to remember here is that Origin Energy has been given approval to build this 1000-megawatt, gas-fired plant near Mortlake in the state's south-west. This is being built adjacent to the high-voltage transmission line. The locational decision to build it near the transmission line and near the gas reserves in the Otway Basin makes this a very attractive investment opportunity. It is for those reasons that Origin is quite enthusiastic about this proposal.

Tony Wood, as I said earlier, is a senior official. He has been quoted in the papers as saying that this proposal is 'not dead'. He says it is still alive, and it is only people like the member for Box Hill who want to come into this chamber and try to sabotage private investment in Victoria's electricity generating system. The member for Box Hill and the Liberal Party are economic saboteurs when it comes to electricity generation, and the member stands condemned. He knows that Origin's purchase of the Sun Retail business in Queensland last year meant that its already existing program for development would precede the Mortlake development. The member well and truly knows that. He has already admitted that he has read the Origin Energy website so he fully understands, but yet he comes into the house to say things that he knows are not true.

The Bracks government will continue doing all it can to establish and encourage investment here in Victoria. We encourage, and we will continue to lead, the reforms in the national energy market reform process endorsed by the Council of Australian Governments process. We will not abandon the Victorian renewable energy target scheme, and we will not cease the introduction of the Victorian energy efficiency target scheme, as proposed by the Prime Minister's task group.

We believe that a robust emissions trading scheme will not only enable gas projects like the one at Mortlake to go ahead but will also encourage the development of other renewable projects such as wind, geothermal, solar and biomass to play a constructive role in contributing to the power generation capacity of Victoria.

Mr ANDREWS (Minister for Consumer Affairs) — I thank and congratulate the member for Frankston for raising this very important issue. He is a passionate advocate for his local community, and as a father with a seven-month-old baby I think he personally understands the importance of pram safety and infant product safety in a broader sense.

There were a number of matters raised. Two very unfortunate and tragic incidents in South Australia in recent times received some media coverage. Two young babies unfortunately died, so it is important that the member for Frankston raises this particular issue. The member would be aware that Victoria under Labor has a proud record of investment and achievement in terms of product safety outcomes. We are broadly regarded as the jurisdiction with the most activist and interventionist product safety framework, and that is delivering real results.

In broad terms in relation to infant and nursery product safety — —

Ms Asher interjected.

Mr ANDREWS — These are very important matters, and I would have thought the Deputy Leader of the Opposition would have been supporting that view. We know that up to 400 children aged between nought and five are admitted to our hospitals each year with very serious injuries as a result of failures in the product safety of nursery and infant products. We have run a pilot program in the cities of Casey and Latrobe over the last 12 months or so, where 13 000 information booklets have been circulated to young mums and dads. Time is against me and I will not go into that in any great detail, but it is an innovative program which is being evaluated, and I anticipate that we will be in a situation where we can roll out that program statewide. That will be of great benefit to children, parents and the community in a broader sense right across Victoria.

In relation to the specifics of the matter raised by the member for Frankston regarding three-wheel prams, I am pleased to report to the member that the issue was raised by representatives of the South Australian government at the recent Ministerial Council on Consumer Affairs held last month in Melbourne, which I had the great pleasure of chairing. As a result of those discussions, ministers at that meeting and the parliamentary secretary to the federal Treasurer, representing the commonwealth government, asked the Consumer Products Advisory Committee, or CPAC, as it is known, which is a national body made up of consumer protection agencies, to report as a matter of urgency on the progress of the development of mandatory standards for prams and strollers. That would pick up the three-wheel variety that are so popular and were the subject of the member for Frankston's inquiry tonight.

The process of developing those mandatory standards is well under way. I would hope that in quick time I will be able to inform the member for Frankston about a

national approach to address the significant safety concerns in relation to these popular prams in the light of tragic events in South Australia and the obvious potential for other tragic events in our jurisdiction and other jurisdictions around Australia. I again congratulate the member for Frankston for raising this important matter as a parent and as a passionate advocate on behalf of consumers in his local community.

Ms NEVILLE (Minister for Children) — The member for Melton has raised with me a very important issue of providing funding for a family community hub in the shire of Melton. The member is well placed to make this request as he is aware of the range of issues and challenges that face children and families in those interface growth communities. This government is also very aware of those challenges and the need to meet the demands of our growth communities. That is why we have allocated significant money under the Growing Communities, Thriving Children initiative to contribute capital towards integrated children's hubs and family centres, specifically targeting these growth interface councils. We have done this because we know of the enormous benefits that are derived from building integrated early year services, benefits that improve the outcomes for children in this community.

We know how important it is to make it easier for parents to access services. We also know the value of allowing professionals — maternal and child health nurses, and kindergarten teachers — to actually be under one roof and work together and share information. We also know the benefits to our children and our community when we invest more and we invest earlier. The need for this kind of integrated service delivery is very pressing for the growth corridors. Many areas are rapidly expanding, with large numbers of families, particularly young families, choosing to live there. We must make sure that we plan ahead and work with local government to get the infrastructure and the services right to meet the needs of these families. We take this integrated, strategic approach because we know how important it is for children and for families in these areas. Unfortunately there is a bit of a stark contrast with the federal government in relation to this.

Recently the federal minister, in a speech that he made on child care, declared that the care and the education of young children were separate issues, that child care was all about looking after children for a few hours and that early learning is something far removed from that. The federal minister is certainly very much out of touch in his understanding of the importance of early year services. Young children are always learning; they are learning from birth right through. They are learning in

whatever place they are in, whether it is at home, at child care or at kinder. They learn through play, they learn through exploring, and they learn through the relationships that they develop at home and in care arrangements.

The Victorian government has acknowledged the importance of these early years in a recently developed plan that it presented to the commonwealth government, with a number of significant recommendations and initiatives which, if the commonwealth supported them, would enable us to lead very wide-ranging, systemic reform in early childhood services. Unlike the commonwealth government, this government will continue to work with local government and with local communities to deliver the services and infrastructure that children and families want and need. This is what drives better outcomes for children.

The Shire of Melton's proposal that the member has recommended sounds both exciting and innovative. It contains a range of services that families need — services like kindergarten, maternal and child health services, occasional child care, counselling, playgroups, family violence services, and mental health services. It sounds like a great proposal, and it certainly fits within the guidelines of our community hub centres. I commend the shire, and also the member for Melton, for the hard work it has put into this proposal. I will certainly be giving this proposal my very serious consideration.

I am also very pleased to respond to a very important matter that was raised by the member for Burwood. I would like to acknowledge his longstanding interest and support in the area of mental health. Mental health and wellbeing is everybody's business, and I know that the member for Burwood is well aware that the department is one of the partners in funding this very important festival in his community. It is certainly a project that I am very pleased to be able to offer my support to.

The Festival for Healthy Living aims to promote mental health and emotional wellbeing. It provides opportunities for students to explore these issues using performing arts and visual arts. Funding for this program is managed through the Royal Children's Hospital, and the funding has gone through to the Ashwood Secondary College. It involves students developing solution-based performance pieces, artwork and written work facilitated by teachers, with assistance from the professional performing artists who work in the schools over the duration of the project. Opportunities are provided for schools to enhance their

whole-school wellbeing programs by linking together and by being involved in reflective, ongoing professional development.

The house is now adjourned.

House adjourned 11.44 p.m.

One in five children and adolescents will experience a mental health problem over their life. Half of these who experience a mental illness will also experience poor schooling outcomes and limitations on social development. One of the aims of the festival is to remove the stigma associated with mental health and increase awareness about mental illness. It will also provide practical opportunities to respond to issues that can sometimes be triggers in the development of mental illness amongst young people. There is no doubt that if mental health issues go untreated, children and young people risk ongoing problems, which lead to school failure, broken families and, for some, more acute mental illnesses in later life.

We understand now more clearly than ever that mental health problems impact on the capacity of a child and a young person to be able to learn to build and maintain relationships and their capacity to participate in the community. Research has shown that the performing arts are an effective tool when working with children and adolescents to explore issues that underpin good mental health.

As I said, mental health in our community is everyone's business, and I can assure the member for Burwood that I am committed to continuing to work in partnership with local communities and to support projects that contribute to good mental health in our community.

The DEPUTY SPEAKER — Order! The minister, to refer matters raised by the members for Brighton, Yan Yean, Lowan, Nepean and Hastings.

Ms NEVILLE — There are a number of matters that were raised by honourable members, and I will refer them to the relevant ministers.

The DEPUTY SPEAKER — Order! I would like to point out to the house that the principles of the adjournment debate and the manner in which matters should be raised have been laid out quite clearly from time to time, and they are also very clear in the rulings which are made available to all members. Even prior to the Leader of the House indicating it, I had intended to advise the house that I will be looking at *Daily Hansard* tomorrow and then discussing with the Speaker some of the matters raised in relation to the interpretation of urgency, the fact that matters raised should be within ministers' portfolios and the fact that only one matter per member can be raised. I am sure this will come back to the house in due course.

