

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE ASSEMBLY

FIFTY-SIXTH PARLIAMENT

FIRST SESSION

Wednesday, 11 June 2008

(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

The ministry

Premier, Minister for Veterans' Affairs and Minister for Multicultural Affairs	The Hon. J. M. Brumby, MP
Deputy Premier, Attorney-General, Minister for Industrial Relations and Minister for Racing	The Hon. R. J. Hulls, MP
Treasurer	The Hon. J. Lenders, MLC
Minister for Regional and Rural Development, and Minister for Skills and Workforce Participation	The Hon. J. M. Allan, MP
Minister for Health	The Hon. D. M. Andrews, MP
Minister for Community Development and Minister for Energy and Resources	The Hon. P. Batchelor, MP
Minister for Police and Emergency Services, and Minister for Corrections	The Hon. R. G. Cameron, MP
Minister for Agriculture and Minister for Small Business	The Hon. J. Helper, MP
Minister for Finance, WorkCover and the Transport Accident Commission, Minister for Water and Minister for Tourism and Major Events	The Hon. T. J. Holding, MP
Minister for Environment and Climate Change, and Minister for Innovation	The Hon. G. W. Jennings, MLC
Minister for Public Transport and Minister for the Arts	The Hon. L. J. Kosky, MP
Minister for Planning	The Hon. J. M. Madden, MLC
Minister for Sport, Recreation and Youth Affairs, and Minister Assisting the Premier on Multicultural Affairs	The Hon. J. A. Merlino, MP
Minister for Children and Early Childhood Development, and Minister for Women's Affairs	The Hon. M. V. Morand, MP
Minister for Mental Health, Minister for Community Services and Minister for Senior Victorians	The Hon. L. M. Neville, MP
Minister for Roads and Ports	The Hon. T. H. Pallas, MP
Minister for Education	The Hon. B. J. Pike, MP
Minister for Gaming, Minister for Consumer Affairs and Minister Assisting the Premier on Veterans' Affairs	The Hon. A. G. Robinson, MP
Minister for Industry and Trade, Minister for Information and Communication Technology, and Minister for Major Projects	The Hon. T. C. Theophanous, MLC
Minister for Housing, Minister for Local Government and Minister for Aboriginal Affairs	The Hon. R. W. Wynne, MP
Cabinet Secretary	Mr A. G. Lupton, 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 Beattie, Mr Delahunty, Mrs Maddigan and Mr Morris. (*Council*): Mrs Coote, 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*): Mr Dixon, Dr Harkness, Mr Herbert, Mr Howard and Mr Kotsiras. (*Council*): Mr Elasmarr and Mr Hall.

Electoral Matters Committee — (*Assembly*): Ms Campbell, Mr O'Brien, Mr Scott and Mr Thompson. (*Council*): Ms Broad, Mr P. Davis 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*): Mr Noonan, Mr Perera, Mrs Powell and Ms Wooldridge. (*Council*): Mr Finn, 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 Foley. (*Council*): Mrs Kronberg, Mr O'Donohue and Mr Scheffer.

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 Munt, Mr Noonan, 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*): Ms Marshall 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, Ms Munt, Mr Nardella, Mr Seitz, Mr K. Smith, Dr Sykes, Mr Stensholt and Mr Thompson

Leader of the Parliamentary Labor Party and Premier:

The Hon. J. M. BRUMBY (from 30 July 2007)

The Hon. S. P. BRACKS (to 30 July 2007)

Deputy Leader of the Parliamentary Labor Party and Deputy Premier:

The Hon. R. J. HULLS (from 30 July 2007)

The Hon. J. W. THWAITES (to 30 July 2007)

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

Mr E. N. BAILLIEU

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

The Hon. LOUISE ASHER

Leader of The Nationals:

Mr P. J. RYAN

Deputy Leader of The Nationals:

Mr P. L. WALSH

Member	District	Party	Member	District	Party
Allan, Ms Jacinta Marie	Bendigo East	ALP	Lindell, Ms Jennifer Margaret	Carrum	ALP
Andrews, Mr Daniel Michael	Mulgrave	ALP	Lobato, Ms Tamara Louise	Gembrook	ALP
Asher, Ms Louise	Brighton	LP	Lupton, Mr Anthony Gerard	Prahran	ALP
Baillieu, Mr Edward Norman	Hawthorn	LP	McIntosh, Mr Andrew John	Kew	LP
Barker, Ms Ann Patricia	Oakleigh	ALP	Maddigan, Mrs Judith Marilyn	Essendon	ALP
Batchelor, Mr Peter John	Thomastown	ALP	Marshall, Ms Kirstie	Forest Hill	ALP
Beattie, Ms Elizabeth Jean	Yuroke	ALP	Merlino, Mr James Anthony	Monbulk	ALP
Blackwood, Mr Gary John	Narracan	LP	Morand, Ms Maxine Veronica	Mount Waverley	ALP
Bracks, Mr Stephen Phillip ¹	Williamstown	ALP	Morris, Mr David Charles	Mornington	LP
Brooks, Mr Colin William	Bundoora	ALP	Mulder, Mr Terence Wynn	Polwarth	LP
Brumby, Mr John Mansfield	Broadmeadows	ALP	Munt, Ms Janice Ruth	Mordialloc	ALP
Burgess, Mr Neale Ronald	Hastings	LP	Napthine, Dr Denis Vincent	South-West Coast	LP
Cameron, Mr Robert Graham	Bendigo West	ALP	Nardella, Mr Donato Antonio	Melton	ALP
Campbell, Ms Christine Mary	Pascoe Vale	ALP	Neville, Ms Lisa Mary	Bellarine	ALP
Carli, Mr Carlo Domenico	Brunswick	ALP	Noonan, Wade Mathew ⁴	Williamstown	ALP
Clark, Mr Robert William	Box Hill	LP	Northe, Mr Russell John	Morwell	Nats
Crisp, Mr Peter Laurence	Mildura	Nats	O'Brien, Mr Michael Anthony	Malvern	LP
Crutchfield, Mr Michael Paul	South Barwon	ALP	Overington, Ms Karen Marie	Ballarat West	ALP
D'Ambrosio, Ms Liliana	Mill Park	ALP	Pallas, Mr Timothy Hugh	Tarneit	ALP
Delahunty, Mr Hugh Francis	Lowan	Nats	Pandazopoulos, Mr John	Dandenong	ALP
Dixon, Mr Martin Francis	Nepean	LP	Perera, Mr Jude	Cranbourne	ALP
Donnellan, Mr Luke Anthony	Narre Warren North	ALP	Pike, Ms Bronwyn Jane	Melbourne	ALP
Duncan, Ms Joanne Therese	Macedon	ALP	Powell, Mrs Elizabeth Jeanette	Shepparton	Nats
Eren, Mr John Hamdi	Lara	ALP	Richardson, Ms Fiona Catherine Alison	Northcote	ALP
Foley, Martin Peter ²	Albert Park	ALP	Robinson, Mr Anthony Gerard	Mitcham	ALP
Fyffe, Mrs Christine Ann	Evelyn	LP	Ryan, Mr Peter Julian	Gippsland South	Nats
Graley, Ms Judith Ann	Narre Warren South	ALP	Scott, Mr Robin David	Preston	ALP
Green, Ms Danielle Louise	Yan Yean	ALP	Seitz, Mr George	Keilor	ALP
Haermeyer, Mr André ³	Kororoit	ALP	Shardey, Mrs Helen Jean	Caulfield	LP
Hardman, Mr Benedict Paul	Seymour	ALP	Smith, Mr Kenneth Maurice	Bass	LP
Harkness, Dr Alistair Ross	Frankston	ALP	Smith, Mr Ryan	Warrandyte	LP
Helper, Mr Jochen	Ripon	ALP	Stensholt, Mr Robert Einar	Burwood	ALP
Herbert, Mr Steven Ralph	Eltham	ALP	Sykes, Dr William Everett	Benalla	Nats
Hodgett, Mr David John	Kilsyth	LP	Thompson, Mr Murray Hamilton Ross	Sandringham	LP
Holding, Mr Timothy James	Lyndhurst	ALP	Thomson, Ms Marsha Rose	Footscray	ALP
Howard, Mr Geoffrey Kemp	Ballarat East	ALP	Thwaites, Mr Johnstone William ⁵	Albert Park	ALP
Hudson, Mr Robert John	Bentleigh	ALP	Tilley, Mr William John	Benambra	LP
Hulls, Mr Rob Justin	Niddrie	ALP	Treize, Mr Ian Douglas	Geelong	ALP
Ingram, Mr Craig	Gippsland East	Ind	Victoria, Mrs Heidi	Bayswater	LP
Jasper, Mr Kenneth Stephen	Murray Valley	Nats	Wakeling, Mr Nicholas	Ferntree Gully	LP
Kosky, Ms Lynne Janice	Altona	ALP	Walsh, Mr Peter Lindsay	Swan Hill	Nats
Kotsiras, Mr Nicholas	Bulleen	LP	Weller, Mr Paul	Rodney	Nats
Langdon, Mr Craig Anthony Cuffe	Ivanhoe	ALP	Wells, Mr Kimberley Arthur	Scoresby	LP
Languiller, Mr Telmo Ramon	Derrimut	ALP	Wooldridge, Ms Mary Louise Newling	Doncaster	LP
Lim, Mr Muy Hong	Clayton	ALP	Wynne, Mr Richard William	Richmond	ALP

¹ Resigned 6 August 2007

² Elected 15 September 2007

³ Resigned 2 June 2008

⁴ Elected 15 September 2007

⁵ Resigned 6 August 2007

CONTENTS

WEDNESDAY, 11 JUNE 2008

SUMMARY OFFENCES AMENDMENT (TATTOOING AND BODY PIERCING) BILL	
<i>Introduction and first reading</i>	2187
BUSINESS OF THE HOUSE	
<i>Notices of motion: removal</i>	2187
PETITIONS	
<i>Water: produce gardens</i>	2187
<i>Port Phillip Bay: channel deepening</i>	2187, 2188
PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE	
<i>Notification of a new inquiry into Victoria's public finance practices and legislation</i>	2188
DOCUMENTS	2188
MEMBERS STATEMENTS	
<i>Economy: small and medium enterprises</i>	2188
<i>Scottish community: Victorian tartan</i>	2188
<i>Weeds and pest animals: control</i>	2189
<i>Clayton Community Centre: opening</i>	2189
<i>Syndal Preschool: 50th anniversary</i>	2189
<i>Professor Thomas Spurling</i>	2190
<i>Veneto Club: synthetic playing surface</i>	2190
<i>Planning: Montrose quarry</i>	2190, 2194
<i>Hilltop Sounds Committee</i>	2190
<i>Sorrento: first settlers site</i>	2190
<i>Bill Ermacora</i>	2191
<i>Disability services: Yarrawonga accommodation</i>	2191
<i>International Men's Health Week</i>	2191
<i>Disability services: out-of-home support services</i>	2192
<i>Deutsche Post: offensive stamps</i>	2192
<i>Disability services: Ferntree Gully electorate</i>	2192
<i>Rail: Huntingdale–Rowville line</i>	2192
<i>Corio Bay Senior College: debutante ball</i>	2193
<i>Monash Freeway, Glen Iris: pedestrian overpass</i>	2193
<i>David Broom</i>	2193
<i>Schools: Catholic sector</i>	2194
<i>Great Trentham Spud Fest</i>	2194
<i>Government: performance</i>	2194
<i>Glenroy West Primary School: student leaders</i>	2195
MATTER OF PUBLIC IMPORTANCE	
<i>Water: Victorian plan</i>	2195
STATEMENTS ON REPORTS	
<i>Public Accounts and Estimates Committee: budget estimates 2008–09 (part 1)</i> ...2215, 2217, 2218	
<i>Economic Development and Infrastructure Committee: mandatory ethanol and biofuels targets in Victoria</i>	2216
<i>Scrutiny of Acts and Regulations Committee: Police Integrity Bill</i>	2218
<i>Public Accounts and Estimates Committee: financial and performance outcomes 2006–07</i>	2219
APPROPRIATION (2008/2009) BILL	
<i>Second reading</i>	2220, 2231
QUESTIONS WITHOUT NOTICE	
<i>Rail: St Albans level crossing</i>	2223
<i>Water: Victorian plan</i>	2224
<i>Rail: Caroline Springs station</i>	2225
<i>Emergency services: volunteers</i>	2225
<i>Transport: east–west link needs assessment</i>	2225
<i>Water: Melbourne usage</i>	2226
<i>Former member: employment</i>	2227
<i>Water: infrastructure</i>	2228
<i>Local government: FuelWatch</i>	2229
<i>Latrobe Valley: clean coal technology</i>	2230
GAMBLING REGULATION AMENDMENT (LICENSING) BILL	
<i>Second reading</i>	2250
ADJOURNMENT	
<i>Pembroke Secondary College: funding</i>	2284
<i>Uniting Aged Care: Coburg facility</i>	2285
<i>Mount Buffalo National Park: facilities</i>	2285
<i>Mining: community education</i>	2286
<i>Wellington Road–Westminster Drive, Rowville: pedestrian safety</i>	2287
<i>Airlines: frequent flyer programs</i>	2287
<i>Mount Erin Secondary College: future</i>	2288
<i>Preschools: Bundoora electorate</i>	2288
<i>Morwell electorate: speech pathology and therapy services</i>	2289
<i>Meredith Kindergarten: funding</i>	2290
<i>Responses</i>	2290

Wednesday, 11 June 2008

PETITIONS

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

Following petitions presented to house:

**SUMMARY OFFENCES AMENDMENT
(TATTOOING AND BODY PIERCING)
BILL**

Introduction and first reading

Mr HULLS (Attorney-General) — I move:

That I have leave to bring in a bill for an act to amend the Summary Offences Act 1966 with respect to tattooing and body piercing and for other purposes.

Mr RYAN (Leader of The Nationals) — I wonder if the Attorney-General could provide us with a piercing outline as to the nature of this legislation?

Mr HULLS (Attorney-General) — I am happy to beat the drum on this one! This bill amends the Summary Offences Act by outlawing intimate body piercing for anyone under the age of 18. Indeed, it makes it an offence to perform non-intimate body piercing on anyone under the age of 16 without the consent of their parent or guardian. We think this is an appropriate bill; it gets the balance right; and we do hope it has the support of all members of this house, particularly members of The Nationals.

Mr Ryan — On a point of order, Speaker, I am wondering about the rule of anticipation, and whether this bill reflects entirely the legislation which has been introduced by Mr Drum in the other place.

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

Motion agreed to.

Read first time.

BUSINESS OF THE HOUSE

Notices of motion: removal

The SPEAKER — Order! I wish to advise the house that under standing order 144 notices of motion 44, 45 and 174 to 187 will be removed from the notice paper on the next sitting day. A member who requires the notice standing in his or her name to be continued must advise the Clerk in writing before 6.00 p.m. today.

Water: produce gardens

To the Legislative Assembly of Victoria:

The petition of residents of Victoria draws to the attention of the house that under stage 3 water restrictions, we are only able to water our gardens twice a week. Produce gardens are different to purely ornamental gardens in that they provide us with the very fruit, vegetables and herbs we eat. This is the very freshest and therefore healthiest type of food you can get and through recent study it has been shown that home gardeners can potentially grow their own produce with one-fifth of the water than commercial growers per dollar value of goods, so we believe it should be our right to be able to grow and eat it.

We, the undersigned, know that only being able to water these type of gardens twice a week may be merely enough to keep them alive, but more regular watering is often required, that is before the soil dries out, to keep these gardens productive. Production is the very purpose of produce gardens so they should be given efficient, mindful watering, as required.

The petitioners therefore request that the Legislative Assembly of Victoria acknowledge and establish that home produce gardens are a different category from ornamental gardens and either allow them an exemption from current water restrictions or under advice from an experienced, environmentally aware, horticultural organisation, for example, Sustainable Gardening Australia, introduce more appropriate water rules for produce gardens.

By Mr HERBERT (Eltham) (231 signatures)

Port Phillip Bay: channel deepening

To the Legislative Assembly of Victoria:

The petition of the citizens of Victoria points out to the house that:

We oppose the proposed dumping of over 2 million cubic metres of dredged toxic waste from Port Melbourne channel, Yarra River and Williamstown channels into the proposed toxic dump site in the bay. The toxic dump proposal in our bay by the authorities is very foolhardy and certainly not hole-proof to toxic leakage in our waters. Such a proposal is unacceptable.

There is no EPA approval for the Port Phillip dump site. The port of Melbourne authority has no authority to dump hazardous waste in Port Phillip Bay, and has no approval to acquire the land for the site.

The petitioners request that the Legislative Assembly of Victoria oppose the proposed dump site project in our bay.

By Mr DIXON (Nepean) (21 signatures)

Port Phillip Bay: channel deepening

To the Legislative Assembly of Victoria:

The petition of the citizens of Victoria points out to the house that:

We oppose the proposed dumping in Port Phillip Bay of over 3 million cubic metres of dredged toxic waste from Port Melbourne Channel, Yarra River and Williamstown channels into the proposed toxic dump site in the bay. The proposal to dump contaminated materials in our bay is very irresponsible and provides no certainty that leakage of toxins into our waters will not occur. Such a proposal is unacceptable.

The petitioners request that the Legislative Assembly of Victoria oppose disposal of contaminated materials at the proposed dredge material ground site or any other area in our bay.

The petitioners request that the Legislative Assembly of Victoria oppose the proposed dump site project in our bay.

By Mr DIXON (Nepean) (200 signatures)

Tabled.

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

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Notification of a new inquiry into Victoria's public finance practices and legislation

Mr STENSHOLT (Burwood) presented report.

Tabled.

Ordered to be printed.

DOCUMENTS

Tabled by Clerk:

Auditor-General:

Implementation of the Criminal Justice Enhancement Program — Ordered to be printed

Performance Reporting in Local Government, together with the best practice guide Local Government Performance Reporting: Turning Principles into Practice — Ordered to be printed

Services to Young Offenders — Ordered to be printed

National Parks Act 1975 — Advice under s 11

Ombudsman — Investigation into contraband entering a prison and related issues — Ordered to be printed.

MEMBERS STATEMENTS

Economy: small and medium enterprises

Ms ASHER (Brighton) — I refer to an ill-judged press release issued by the Treasurer on 5 June 2008 in which he boasted that Victorian SMEs (small and medium enterprises) have bucked the national trend of declining confidence, and noted that confidence had increased by four points to 48 per cent in the last quarter. However, if the Treasurer had in fact read the *Sensis Business Index — Small and Medium Enterprises* report of May 2008 — his words, not mine — he would not have issued that press release. If the Treasurer had read the report, he would have seen that the confidence of Victoria's SMEs has declined over the last year, from a net 58 per cent to 48 per cent. If he had read the full report, he would have seen that whilst 24 per cent of Victorian SMEs see the economy as growing, 42 per cent see the economy as slowing. If the Treasurer had actually read this report, he would have read the sections which say as follows:

Victoria continued to record decreasing perceptions of the economy in the past quarter.

And:

Victorian SMEs recorded falls in the past quarter for employment, profitability and capital expenditure.

But most of all, if the Treasurer had read this report, he would have picked up the fact that, of attitudes to state government policies in the SME sector, only 14 per cent of SMEs are supportive of this government compared with 24 per cent last year, and 28 per cent found its policies worked against them.

Scottish community: Victorian tartan

Mr BRUMBY (Premier) — Victoria is proud to be the multicultural capital of Australia, and we are proud of one of our first and most enduring migrant communities, which is our Scottish community. More than 32 000 Victorians are Scottish born. More than 162 000 Victorians proudly identify themselves as having a Scottish heritage, including of course many in this Parliament, and I am one of those Victorians. I am almost half Scottish, with the saltire featuring on my paternal and maternal family tree. My mother comes from a long line of Adams and Airds, and my father's grandmother was a Grant and, I am told, a pure Scot.

On behalf of all Victorians of Scottish heritage, I am delighted to announce that Victoria, which already has a sister state relationship with Scotland, now has its own state tartan. The Victorian tartan has been designed by Mrs Betty Johnston, and registered on the Scottish tartans world register. Our tartan consists of an interwoven pattern of blue, representing the colours of our coat of arms and the flag of the Eureka Stockade; five white lines, representing the five stars of the Southern Cross; green, representing the olive branch on our coat of arms; and pink, representing our state's floral emblem, the common heath.

This is a great day for Scottish Australians. I thank Mrs Betty Johnston for her wonderful work in producing the tartan and for the support of Scots of Victoria — —

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

Weeds and pest animals: control

Mr DELAHUNTY (Lowan) — This city-centric Brumby government again stands condemned for cost-shifting responsibility for weeds and pests on roadsides to local government. I have been contacted by many people in my electorate upset at the lack of coordination of government departments and agencies to control weeds and pests such as rabbits. To quote from one email:

The rabbits are spreading all over the area on main and secondary roads, laneways, young blue gum plantations, the Lower Glenelg National Park and on private property.

Action needs to be taken urgently and a coordinated program of eradication is essential if the spread is to be arrested.

Another said:

Let's hope they realise their bunny-buster program wasn't as efficiently run as they thought and maybe some counterchecks need to be put in place.

This is a small sample of community frustration. This should not happen when we have the Department of Sustainability and Environment, DPI (Department of Primary Industries) and catchment management authorities all having a say in the control of weeds and pests, but there is little action in working with land-holders. Councils are not impressed to be told that most of the \$20 million for weed and pest control over the next four years will go to the DPI. West Wimmera chief executive officer Jim McKay said:

This leaves about \$35 000 per year ... for each council; that will not even pay a wage.

It is no wonder that the North West Municipalities Association has advised the Municipal Association of Victoria that it does not want responsibility for the management of roadside weeds and pests and is requesting the state government to amend legislation to remove responsibility from local government. Victoria is bigger than Melbourne, and the government must coordinate its government agencies and work with the community.

Clayton Community Centre: opening

Ms MORAND (Minister for Children and Early Childhood Development) — Last month I had the pleasure of joining the Minister for Health and my colleagues the member for Oakleigh and the member for Clayton for the opening of the magnificent Clayton Community Centre. The mayor of Monash, Paul Klisaris, Monash councillors and the chief executive officer, David Conran, and many other council staff and members of the community were present for the opening.

The new \$24 million centre creates a multipurpose health and community centre providing a very broad range of services. The Brumby government has contributed \$8 million towards the development, which will see MonashLink Community Health Centre take up space to deliver services including physiotherapy, podiatry, speech therapy and community nursing. Young families will also benefit from the provision of maternal and child health services and the 30-place kindergarten program. The centre also has a public library and an aquatic health club.

This is a great example of a collaboration between local government and the state government in providing the breadth of great services in one convenient location for the residents of Monash.

Syndal Preschool: 50th anniversary

Ms MORAND — Also last month I had the opportunity to join over 100 local Waverley residents to celebrate the 50th anniversary of the Syndal Preschool in Mount Waverley. The celebration included many teachers who had worked at the centre over the past 50 years and many children who had attended it over that period.

This great local kindergarten has been providing a wonderful and supportive learning environment for thousands of children over the past 50 years. Congratulations to teachers Shiona Watson and Andrew Van Oosterwijck and the committee for organising the celebration.

Professor Thomas Spurling

Ms MORAND — Finally, I congratulate Waverley resident Professor Thomas Spurling on his appointment as a Member of the Order of Australia in this year's Queen's Birthday honours list.

Veneto Club: synthetic playing surface

Mr KOTSIRAS (Bulleen) — I call upon this government to provide funding for the upgrade of the sporting grounds at the Veneto Club in Bulleen. As a result of the drought the club is now seeking to lay synthetic turf for the playing surface of the soccer pitch. The Veneto Club is home to 36 junior soccer teams, and it also fields a 1st division senior soccer team; in fact, it is used by over 750 children. On top of its own teams, the Veneto Club receives inquiries from local schools and community groups to use its sporting grounds. However, due to the poor and dangerous conditions of the ground, their requests cannot be accommodated. The installation of synthetic turf will improve the ground, thereby allowing its members and the wider community the opportunity to use the facilities safely.

The club is having a morning tea on Friday, 13 June, at 10.30 a.m., when people can inspect the grounds and be provided with an overview of the club's future plans. I therefore call upon the Minister for Sport, Recreation and Youth Affairs, who is at the table, to attend this meeting, firstly, to see how dangerous the surface of the grounds is at present, and secondly, to be briefed on the future plans of the club. The vice president, Mr Sabbadini, has written a letter to key stakeholders, requesting assistance to convince the state government to provide the club with much-needed funds.

I am proud to support the Veneto Club and I strongly support its application for funding to improve its sporting grounds. The upgraded facilities would increase availability of a weatherproof facility for the club and the local community. I call on the minister to not ignore Bulleen once again. Our children deserve better.

Planning: Montrose quarry

Mr MERLINO (Minister for Sport, Recreation and Youth Affairs) — I rise to congratulate the Montrose, Kilsyth and wider communities for their fight to protect the local environment. On their behalf, I thank the Minister for Planning, Justin Madden, in the other place for not intervening in Yarra Ranges Shire Council's decision not to expand the Montrose quarry, which has been a significant issue for decades.

The previous attempt to expand the quarry was in the late 1990s when I was on the council, along with the current member for Kilsyth. Then, as now, council rejected any expansion following careful consideration of all the issues, including the very strong views of the community.

I take this opportunity to acknowledge and applaud the tireless community effort, particularly the Montrose Environment Group and the STOP Montrose Quarry Expansion group. Special thanks must go to Kim Wormald, David Dobson, Robin Dobson, Graham Lorimar, Darren McCrorey, Alan Wiltshire, Graeme Hindley, Claire Thomas, Fleur Dymond, Lorraine Pedder, Max Woolcock, Vicki Setches, my former colleague Dympna Beard, and councillors Len Cox, Noel Cliff and Mayor Tim Heenan. The community will long remember and benefit from their unwavering commitment.

Hilltop Sounds Committee

Mr MERLINO — I would also like to pay tribute to the Monbulk electorate's vibrant young music community. Last week I had the pleasure of announcing a \$10 000 grant to the Shire of Yarra Ranges to purchase music equipment for the area's youth. One of the groups to benefit will be the Hilltop Sounds Committee. Hilltop Sounds is made up of 12 young people from the Belgrave, Monbulk and Upwey areas, and they just held their first-ever music event at the Monbulk Community Centre, attracting over 300 people.

I was fortunate enough to meet seven members of the Hilltop Sounds, including Andrew Shears, Michael Moore, Nicole Tarrant, Nicole Druiven, Zoe Fullarton, and Kristie Van Develde. I wish these young people and their colleagues all the best with continuing their very important role in Monbulk's local music scene.

Sorrento: first settlers site

Mr DIXON (Nepean) — Recently 1.2 hectares of land on the Point Nepean Road, Sorrento, was sold for over \$18 million. This land, which is beachfront, makes up a large part of the first European settlement site in Victoria in 1803. It is commonly known as the Collins Settlement site, having been named after Lieutenant-Colonel David Collins, the commanding officer of the first settlement.

Adjacent to the land is a public memorial to the first settlers, which was constructed as part of the bicentenary celebrations back in 2003. Walking past the monument, you come to the newly constructed visitor

information centre and then along the cliff top to the top of the Eastern Sister, which overlooks Sullivan Bay and the actual site of the first settlement. The Eastern Sister also contains the graves of some early settlers. I am confident that the new owners of the land in question will respect the heritage value of the site.

Unfortunately there is no access from the top of the Eastern Sister down to the beach of Sullivan Bay and the first settlement site. I am asking the government, in consultation with the new owners of the land, to reserve an easement and allow a path to be constructed down to and along Sullivan Bay, so that visitors to the area can appreciate for the first time the actual geographical site of the first settlement. This would substantially enhance the visitor experience and complement the existing monument, upgraded paths and fencing, interpretive signage and the new visitor information centre. I urge the government to consider this idea, which has broad community support, and work to bring it to fruition.

Bill Ermacora

Ms GREEN (Yan Yean) — Today I want to apologise to my uncle Bill Ermacora, who turned 70 last week. He had a fantastic celebration with family and friends last weekend. Sadly I missed this wonderful celebration due to other commitments. Bill Ermacora was born on 5 June 1938 to parents Bill and Olga, who migrated from a place near Udine in northern Italy in the 1920s. The Ermacora family ran a wine saloon in Smith Street, Collingwood, and really showed Australians how Europeans could enjoy wine in a responsible way. Unfortunately, in the early 1960s and under pressure from the Australian Hotels Association, the Bolte government closed all such wine bars, which were run primarily by sophisticated Europeans like the Ermacoras. Bill had to have a dramatic change in life. He became a farmer and went shearing. He learnt to farm under the guidance of my grandfather, Frank Plozza, and his daughter, my aunt Lorraine, who Bill married in 1962.

Bill is a great bloke. He is a caring and innovative farmer of fat lambs and fine wool. He farmed at Scotts Creek and Simpson and is now at Winslow. He has been a great Country Fire Authority volunteer for many decades, and is a great dad to Jacinta, Luisa and William, and papa to Annika, Elena, Isabella and Greta. I want to thank Bill for his great support of me and my family over my life. Many happy returns and buon compleanno!

Disability services: Yarrawonga accommodation

Mr JASPER (Murray Valley) — One of the critical issues facing people with a disability in my electorate of Murray Valley is a lack of respite and long-term accommodation. I have detailed in the Parliament past representations I have made to community services ministers, including deputations that have not been successful in achieving financial support. This is despite the demonstrated need. In the Moira shire alone there are over 30 people with disabilities waiting for accommodation, with that number expected to double to over 60 in a few years.

It should be remembered that many of the people with disabilities are being cared for by ageing parents desperate to find accommodation for their sons or daughters before they are no longer able to care for their disabled family members. Recognising the situation, a committee has been set up at Yarrawonga to raise funds to build a facility to house up to six residents. I was part of the appeal launch held on Friday, 8 February. I am informed that almost \$400 000 has been raised through donations and functions, where there has clearly been overwhelming support from the local community and organisations. Added to this, a house-size block of land has been donated by the local Gorman family for construction of the facility. I understand the project cost of the facility is now approximately \$800 000.

With the bulk of the funding required having been raised, I believe the state government has an obligation to recognise the urgent need in the Yarrawonga community for this house to support people with disabilities and provide funding support for the project to become a reality.

International Men's Health Week

Mr PERERA (Cranbourne) — I rise to speak about International Men's Health Week, which kicked off yesterday and is going right through to this Sunday. Last Friday I had the pleasure of being joined by Daniel Alford, exercise physiologist, and Hugh Walpole, social worker, from Southern Health in celebrating International Men's Health Week.

Men and boys face health concerns different from those faced by women and girls. 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. The week is also an opportunity to acknowledge the great work that Southern Health staff like Daniel and Hugh do in

supporting men's health issues in the Cranbourne area. The December 2002 edition of *Mortality Atlas Australia* published by the Australian Bureau of Statistics shows that the death rates for the main causes of death are generally higher among men than women.

The appointment of Professor David de Kretser as Governor of Victoria is recognition by the Victorian government that men's health is a mainstream issue. Before taking up the position of Governor, Professor de Kretser was the director of Andrology Australia, the Australian Centre of Excellence in Male Reproductive Health at Monash Institute of Medical Research, which has created inroads by raising awareness of male reproductive health. The average death rate per 100 000 persons — —

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

Disability services: out-of-home support services

Ms WOOLDRIDGE (Doncaster) — The objectives of the Disability Act 2006, that people with disabilities should be given real choices and that all efforts should be made to enable them to participate as part of the community, are supported by all. However, it is becoming increasingly clear that this government has put the cart before the horse. Only now — two years later — has a tender been opened for the conduct of a review of the prices paid by the government for the purchase of a range of out-of-home support services for people with disabilities, including shared supported accommodation, day programs and specialist services delivered in both the government and non-government sectors.

The current unit costs were established in 1992. Disability organisations are increasingly saying that they cannot deliver individualised services with the funding provided by the government. What is more, there is also a significantly increased regulatory burden with all the new reporting requirements, putting even more cost pressure on these organisations. It is unbelievable that this government put in place a major new way of working in the disability sector but had no idea of the cost burdens and impact of its own legislation.

The pricing review needs to be honest, transparent and thorough, and it also needs to give the sector confidence that the government truly understands the impact of individual funding on people with disabilities and their families and service providers, so that the system is viable and sustainable for the future. Funding then

needs to be delivered to make that a reality. Anything less will ensure that disability organisations are left without the resources they need to carry on their very important work.

Deutsche Post: offensive stamps

Mr LANGUILLER (Derrimut) — I am concerned and disappointed with the German central post office, which is responsible for the printing of stamps in Germany. Deutsche Post, a world leader in IT and logistics, printed 20 stamps bearing an image of the face of Rudolf Hess, Hitler's deputy during the Second World War. It appears that ordinary citizens are able to submit requests for stamps with faces of people they wish to be immortalised, and it seems that a neo-Nazi group has gone through the checks and balances of the German post office and managed to celebrate the birth of that monster, Rudolf Hess, on 26 April. The German post office expressed disappointment and undertook that it would not happen again. This is a lesson for everybody who might think that any system can rely exclusively on the checks and balances undertaken by computers using new technologies. I am disappointed that other more stringent checks and balances were not put in place. This event offends the Jewish people and those of us who regard Nazism as abhorrent.

Disability services: Ferntree Gully electorate

Mr WAKELING (Ferntree Gully) — Recently the shadow Minister for Community Services, the member for Doncaster, and I, met with staff and parents at the Yooralla First Base facility in Ferntree Gully. Yooralla provides a fantastic service for residents with high needs. During these discussions it soon became abundantly clear that the Brumby Labor government has failed to adequately fund disability services in this state. The government announced in 2006 that Victorian people with disabilities would be provided with government funding to meet their individual needs. Both parents and staff at Yooralla agree with this principle. However, it was made very clear to the member for Doncaster and me that the state government is chronically underfunding this program if it is to provide individually tailored programs for each of its 17 high-need participants. On behalf of my community I will continue to fight for better disability services for individuals and their families in the Ferntree Gully electorate.

Rail: Huntingdale–Rowville line

Mr WAKELING — It is very clear that the Rowville community expects the Brumby Labor government to deliver on its 1999 election commitment

to fund the feasibility study for a railway line to Rowville. To continue this campaign the shadow Minister for Public Transport, the member for Scoresby and I recently launched a poster campaign under the banner 'Brumby snubs Rowville rail'. This campaign has been warmly received by my community, and the member for Scoresby and I are committed to this project. Despite what those opposite may say, I am personally committed to this campaign and will not rest until this project is delivered. The people of Rowville have made it very clear that a key priority that they expect to see delivered is this feasibility study. I call upon the government to deliver on its 1999 election commitment and fund the feasibility study.

Corio Bay Senior College: debutante ball

Mr EREN (Lara) — Recently my wife, Geraldine, and I were pleased to attend the Corio Bay Senior College debutante ball as the guests of honour. It was a fantastic night which everybody enjoyed. In the limited time I have available I would like to mention the names of the people involved in this great evening. The organisers and teachers were Arda Duck, Daniel Cook, Mandy Price, Chris Stuart, Paul Hooper, Miriam Pietrzak, Sylvia Tomkin, Michelle McIntosh and Geraldine Gallop.

The debutantes and their partners were Nicole Marretta, Mark Delac, Natalie Williams, Kane Blackman, Melissa Smith, Jake Moreland, Stephanie Gomez, Darcy Hutchinson, Daniella Delac, Mateo Kevric, Emma Cleary, Brendan Slater, Zoe Brown, Ryan Raymer, Ashlee Cadee, Ashley Cullen, Jenna Wilson, Josh McInnes, Kimberley Kaw, Chris Magowan, Stacey DeBruin, Kyle Ricketts, Tahlee Kay, Scott Milkauskas, Chloe McKone, Harley Hunter, Melanie Ormeno, Josh Cleary, Gemma Arklay and Ben Garcia.

This was the second occasion on which I attended the debutante ball at this college, and it was yet again a fantastic night which everybody enjoyed, and I congratulate the school on doing a fantastic job.

Monash Freeway, Glen Iris: pedestrian overpass

Mr O'BRIEN (Malvern) — The York Road pedestrian overpass provides a safe method of crossing the Monash Freeway for many residents of Malvern, Glen Iris and surrounding areas. It offers access to a number of parks and other facilities and is favoured by families with children because it does not compete with road traffic, as do other local overpasses. As part of the Monash Freeway upgrade the York Road bridge is to

be removed to facilitate roadworks, but under the contract it must be reinstated.

The Monash Alliance is now proposing that the bridge be removed permanently and the contract varied to allow it to avoid its legal obligations. This can only happen if the Minister for Roads and Ports permits it to occur. The Monash Alliance claims that at a community meeting — which was poorly advertised and poorly attended — there was some support for the permanent removal of the overpass. However, this contrasts with a later meeting held on 4 June at which 88 per cent of attendees supported the reinstatement of the York Road bridge, including both Stonnington and Boroondara councils. A petition with over 160 signatures was in favour of the bridge's reinstatement compared with a petition with five signatures opposing it. Monash Alliance representatives were left in no doubt as to the feelings of local residents and their representatives on this issue. Given the \$360 million cost blow-out on the Monash Freeway upgrade, there is deep cynicism as to the motives of the Monash Alliance.

I remind the minister that the contract currently requires that the bridge be reinstated. If the minister allows the Monash Alliance to rip up the contract, he is allowing it to rip off the community. The minister must not do so.

David Broom

Mr PANDAZOPOULOS (Dandenong) — I rise to congratulate David Broom of North Balwyn for having recently been appointed director of finance and administration at the Commonwealth Parliamentary Association headquarters in London. David was selected following a search in all commonwealth countries for someone to fill this position. There were 15 applicants from Australia, and he was chosen as Australia's candidate. Every commonwealth region went through its own process of interviewing applicants. He was the Australian nominee, and he won handsomely, being appointed to this important job involving all commonwealth parliaments. David has an outstanding background in finance and administration. His most senior role in the Victorian public sector was as chief financial officer of the Victorian Electoral Commission. He has also worked in federal government agencies and in the private sector.

The Commonwealth Parliamentary Association, of which most members of this Parliament are members, represents 17 000 commonwealth members of Parliament in 152 different parliaments. It is a great credit to Victoria and to David Broom that he is, as I understand it, the first Victorian to have such a

high-status and senior job representing us as parliamentarians at the Commonwealth Parliamentary Association in London. I have great confidence that he will do an outstanding job on our behalf and on behalf of all commonwealth parliamentarians around the world.

Schools: Catholic sector

Dr SYKES (Benalla) — Last week I visited five of the seven Catholic schools in the electorate of Benalla and spoke with their principals. I was impressed with their passionate and continuing commitment to providing the best possible educational opportunities. However, it is clear that they are very frustrated by the inequitable funding arrangements which see Victorian Catholic schools receiving only 15.8 per cent of their total funding from government grants, compared with the national average of 25 per cent.

The impact of this funding inequity is significant and has been exacerbated by the Brumby government's refusal to provide additional funds to cover the flow-on costs to Catholic schools of the recent enterprise bargaining agreement for teachers in state schools. The Brumby government's response is to say, 'It is not our problem; it is a federal government responsibility. They will have to put up their fees; it is the people's choice which school they send their children to; they do not have to pay the fees'. This is an outrageous and insensitive response.

The Brumby government claims that education is its no. 1 priority, and even it must appreciate that Catholic schools educate hundreds of thousands of students, thereby easing the burden on the state school system. Blaming the federal government no longer holds water; after all we are now in the era of so-called cooperative federalism, where supposedly a little word in the ear of 24/7 Kevin will immediately solve the problem. I challenge the Minister for Education to visit Catholic schools in my area and hear firsthand about the low socioeconomic status of many of their families, and I call on the Brumby government to live up to its claim that it governs for all Victorians, including students from battling families attending Catholic schools. By the way, I am not a Catholic.

Great Trentham Spud Fest

Mr HOWARD (Ballarat East) — I wish to congratulate the organisers of the first Great Trentham Spud Fest, which took place recently. This event was planned over the past year to bring the Trentham community together around the theme of the potato. It ran over three days and featured events and displays at

the Trentham mechanics hall. This included displays of historic photographs of potato growing in the region, displays of the range of potato varieties that can be grown, and potato people and sculptures made by local schoolchildren. At the opening I, along with others in attendance, were well fed on a broad range of food items, all of which, not surprisingly, involved potatoes. These ranged from the usual potato chips and stuffed potatoes to potato scones, potato fruitcake and many other delicacies.

Most of the many community groups and businesses in Trentham became involved in presenting displays and events that catered to all age groups. These included a dinner at the Trentham neighbourhood house, a potato cooking competition, a bus tour of historic potato sheds once lived in by itinerant potato diggers and a market at the recently restored railway station. As well as bringing the community together, the Trentham spud fest also provided an opportunity to bring visitors to Trentham. This town was hit badly by the burning down of the Cosmopolitan Hotel — the Cosmo — and the subsequent closure of the Fir Tree restaurant, but many new, innovative tourism-related businesses have since opened, and the town is now starting to move forward. The spud fest, which is hoped to occur regularly, should be a great —

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

Government: performance

Mr HODGETT (Kilsyth) — EastLink is set to open at the end of this month. We should not forget that in 2002 the Labor Party promised to build a toll-free roadway, but just months after the 2002 election it reneged on this promise. It was during this time that former Labor members of this place held the famous 'Tolls are good. Prove us wrong!' breakfast with the then Minister for Transport, the current Minister for Community Development. Is there any truth in the rumour that the member for Seymour is planning a forum entitled 'Pipelines are good. Prove us wrong!' with Premier Brumby and the Minister for Water, or is this just a false assertion?

Planning: Montrose quarry

Mr HODGETT — On another matter, I rise to commend the Minister of Planning in the other place for taking my advice and not intervening in the Yarra Ranges Shire Council's decision to prevent the expansion of the Montrose quarry. Last November the council unanimously rejected Boral's application to expand the quarry; however, in late January this year

Boral lodged a request for the planning minister to intervene and override the council's decision.

I raised this matter both formally and informally in the Parliament, urging the minister not to overrule the local council and not to become the planning authority by preparing the amendment necessary to allow the quarry expansion to proceed at Montrose. What was of most concern to me was that the minister was seriously considering intervening in this matter. It is not often that Labor listens to the community, but in this case I am pleased the minister has taken my advice and decided not to assume the role of planning authority but to leave the planning control in the hands of the council. This is a great win for the local community on this longstanding issue. Perhaps now the minister may see fit to formally respond to the matter I raised in the adjournment debate on 17 April regarding planning and the Montrose quarry.

Glenroy West Primary School: student leaders

Ms CAMPBELL (Pascoe Vale) — In May I had the great pleasure of presenting students of Glenroy West Primary School with their badges. These students had been elected to a variety of representative positions. The students include: from the leadership team, Fritz Frost, Mark Lowerson and Stephanie Wong; Chapman house captain Matthew Bruce and vice-captain Christian Bruce; Clovelly house captains Jacob Sooula and Matthew Turner and vice-captain Sophie Doyle; William house captain Hayden Hasselo and vice-captain Mitchell Leathers; York house captain Justine Cabandong and vice-captain Brody McPharlane; and student representative councillors Chavohn Williams, Joanna Zafiroopoulos, Thomas Lua, James Greer, Grace Edmonds, Naomi Ball, Jack Simmons, Jackson Hole and Nina Zepcan.

I congratulate all the students who were elected to their positions and wish them all the best in their respective roles and also for their final year at primary school. I look forward to hearing of the students' cooperative work with the staff of Glenroy West Primary School, and also of their achievements. Each year Denise Mendham does a wonderful job of pulling together this fantastic event. This year I was joined by school council principal Dean Miskimmin, parents club president Debbie Clarke and new school principal Brett Millott.

MATTER OF PUBLIC IMPORTANCE

Water: Victorian plan

The ACTING SPEAKER (Mr Nardella) — Order! The Speaker has accepted a statement from the Minister for Water proposing the following matter of public importance for discussion:

That this house congratulates the Brumby government for the biggest investment ever made in the Goulburn region, which will provide new water for farmers, the environment and Melbourne water users.

Mr HOLDING (Minister for Water) — It gives me a great deal of pleasure to contribute to debate on this matter of public importance because this is a vitally important project not only for regional Victoria but also for all Victorians. The basic rationale for this proposition is that by investing in upgrading our irrigation infrastructure we can make substantial savings and then return those savings to more productive uses. They are savings that can be shared with our irrigators, savings that can be shared with stressed rivers and returned to the environment, and savings that can be shared with urban communities. That is the rationale for this project, and that is why it is such a vitally important part of this government's water plan to provide water security for all Victorians.

We need to recognise the context in which this plan came about. The 2007 next stage of the Victorian government's water plan came about because of record low inflows into Victoria's streams, rivers and tributaries. That required a response that built on the comprehensive plan that the government already had in place — a response that required additional augmentations, additional recycling measures, additional pipelines, a desalination plant for supplying water to Melbourne, Geelong, Western Port and South Gippsland, and also substantial upgrades to our irrigation system.

The government takes the view that upgrading our irrigation system is so important because water for irrigators is critical and because it recognises that a system that is losing hundreds of billions of litres of water every year cannot be allowed to continue to operate on that basis. But we also recognise that the investment that is required to capture those losses and to return them to productive use is a substantial investment. It is not a small investment; it is not an investment that can be left to the irrigators who use the system and who rely on it. It is not an investment that can be left to them alone. It is not an investment that can be left to the customers of Goulburn-Murray Water alone. It is not an investment that can be left to

increased debt levels within Goulburn-Murray Water alone. It is a system that we have a shared investment in; it is a system that we have a shared commitment to, and therefore it is logical that the investment in upgrading and repairing this antiquated system is a shared one for all of us.

It is not just the government that shares this view, it is in fact shared by people who live in the region. People who live in the northern Victoria region came to the government in 2006 and 2007 and said that it is possible to make investments in upgrading irrigation infrastructure and then to share the savings that those investments generate. It was people from the system itself; it was people who rely on that system; it was irrigators; and it was investors who live in those areas — the leading citizens of those communities, as the Premier has described them — who came to the government with the proposition that by investing in the savings and by sharing that investment we can also share the savings that are generated from it.

Far from being just people who live in the area and the state government who share that view, it is also shared by members of the opposition, because we know that, amongst others, a member for Northern Victoria Region in the other place, Damian Drum, is on the public record as saying that investing in irrigation upgrades and then sharing the savings, including sharing those savings with urban communities, is a reasonable thing to do. That is exactly what this government has done.

That is the origin of this project. It is a project that had its origins and its advocates in the region itself, who came to the government and said that by investing in irrigation upgrades we could share the investment and share the savings. That is the background to this project. What is the rationale that the government has put in place? Firstly, stage 1 of the food bowl modernisation project is an investment of \$1 billion to generate 225 billion litres — that is, 225 gegalitres — of savings and then share those savings one-third, one-third and one-third with irrigators, with stressed rivers in the environment and with the urban communities, particularly those in Melbourne. That is the rationale of the project that is being put in place.

The state government has also now been able to secure up to an additional \$1 billion in commonwealth funding, subject to due diligence, to generate an additional 200 billion litres worth of savings and to share those savings fifty-fifty with irrigators and with stressed rivers. The proposition that we have on the table is a total shared investment of up to \$2 billion and total savings in the order of 425 billion litres.

How does this project stack up? Very clearly this project stacks up because irrigators are being asked to invest only \$100 million of the up to \$2 billion investment that will be made. Melbourne Water customers will invest \$300 million in the upgrades that will occur; taxpayers from Victoria will contribute \$600 million from the Consolidated Fund; and the commonwealth government will contribute up to \$1 billion. In other words, for their \$100 million, or 5 per cent of the total investment, irrigators will have returned to them more than 40 per cent of the water savings that are made; Melbourne water users making \$300 million worth of investment, three times the investment of irrigators, will have less than 20 per cent of the water savings that are made returned to them. That is the rationale of the project.

So what have the critics had to say? It is a controversial project, there is no question about that; all of our water projects are controversial. There is controversy around the desalination project, there is controversy around the goldfields super-pipe, and there is even controversy about the Wimmera-Mallee pipeline. We know water is an issue that generates passion; it is important for communities around Victoria. People want to know that the government has in place a plan to provide water security for all Victorians.

Therefore it is worth asking: what is the basis of the opposition to the project? Firstly, there are those who say that few, if any, savings can be made from investments of this kind. We say as a state government that we completely reject this proposition. We believe that not only can hundreds of billions of litres worth of water savings be made, but savings of the magnitude that we predicted are more than capable of being made as a consequence of this investment. What is the basis of this confidence? We look at the average losses in the system, not only over the last 100 years but over the last 10 to 15 years, where losses in the system have amounted to 700 billion to 800 billion litres worth of losses each year, even in the dry years of the last 10 to 15 years. They have been the losses that we have seen; therefore it is not unreasonable to believe that if we upgrade this system from 70 per cent current efficiency to 85 per cent efficiency, those losses can be saved and returned to more productive uses.

There are those also who say that the only savings that will be made will be made by installing new meters. We say that you can make savings by reducing leakage; you can make savings by reducing seepage; you can make savings by reducing the outfalls that currently occur; you can make savings by the installation of total channel control. Those systems enable you to identify where leakages are occurring within the system, and

through strategic use of channel lining and other treatments you can further reduce the losses that are occurring in the system.

You can also make sure that the delivery system works better — the delivery system enabling irrigators to get the water at the time they need it rather than having to order it days and days in advance and then being subject to the vagaries of weather changes and rainfall events. Instead, subject to the vagaries of those sorts of occurrences, by the introduction of better delivery systems and total channel control we can harvest those savings. That is the response to those who say that there are few, if any, savings that can be made in investments of this kind.

There are also those who say that they support the investment of \$2 billion worth of upgrades to the system, but they do not believe that any substantial savings can be made. To those people I say, ‘Why would you make an investment of this kind? Why would you invest \$2 billion of overwhelmingly taxpayer dollars? Why would you advocate the investment of that amount if you did not believe that substantial savings could be made?’. There are those who say Melbourne has other options and should not be engaged in the process of constructing the Sugarloaf pipeline. We say Melbourne is exploring and implementing those other options.

We are building a desalination plant — the biggest desalination plant in this country. We are investing in recycling projects, including the eastern treatment plant, which will see \$300 million invested to generate 100 gigalitres-plus worth of savings, and using that recycled water for productive, consumptive uses in Melbourne. We are investing in recycling, we have invested in conservation measures, and we are investing in a desalination plant. Therefore Melbourne is exploring and implementing the very options that others who are critics of this project advocate.

There are those who say that Melbourne is somehow stealing water from regional Victoria. We say that with the investment by Melbourne Water customers of \$300 million, as well as the commitment to not enter the water market to purchase additional water, as well as the limitations that are in place on the capacity of the Sugarloaf pipeline — both the physical constraints of the pipeline itself as well as the legal commitment to cap the Sugarloaf pipeline extractions as part of Melbourne’s bulk entitlement to 75 gigalitres — those guarantees are in place to ensure that that claim about stealing water is debunked.

There are those who say that Lake Eildon will have less water in it as a consequence of this project. The facts are the exact opposite: all of our research shows that on average Lake Eildon will have 27 centimetres more water in it as a consequence of this investment, not less. I readily concede — —

Honourable members interjecting.

Mr HOLDING — Twenty-seven centimetres. I readily concede that 27 centimetres of water is a very small quantity of water, but it is water in addition to the water that is already in Lake Eildon. Now those opposite say that Lake Eildon will have less water in it, and they have also had the audacity to run the line that Eildon will become a closed catchment, a closed storage, as a consequence of this investment. We have said all along, from day one of the announcement of this project and investment, not only that Lake Eildon will have more water in it but that there will be no change to the current recreational uses of Lake Eildon — the boating, the fishing and all of those things that occur.

What else has Plug the Pipe had to say? In that wonderful press release it put out last week it said:

Yesterday the Brumby government spent thousands of taxpayers dollars publishing a list of food bowl modernisation supporters in Melbourne’s major newspapers.

This was under the heading ‘What lies Mr Brumby?’. There we go — yet another lie from Plug the Pipe protesters. Not a dollar of taxpayer resources was expended on the production of this advertisement. This advertisement was paid for by supporters of the food bowl modernisation project, many of whom live and work and invest in the region and depend on this investment, depend on this modernisation project, to underwrite their future and to safeguard the investments they have made in irrigated agriculture in this region.

The truth is that this is a vitally important project for all Victorians. It is a vitally important project for all Victorians because it invests in a broken, clapped-out irrigation system which is desperately in need of an investment to upgrade its productive capacity. To all of those opposite who say, ‘Make the investment but don’t share the savings’, I say, ‘Where will the \$300 million come from that Melbourne Water customers are investing? Who will pay that shortfall? Are they happy to see irrigators pay an additional \$300 million — four times the investment they are currently required to make?’. They would be advocating that those irrigators make up the shortfall or that taxpayers should come to the table and basically fund the whole cost of the project, or that the project should somehow be scaled

back and that the quantum of savings we can make from investing in this vital upgrade should somehow be reduced to the tune of \$300 million. We say that a shared investment in this upgrade is appropriate and that therefore sharing the savings is appropriate. Irrigators will get more than 40 per cent of the water, stressed river systems will get more than 40 per cent of the water, and Melbourne water users will also benefit from this massive — —

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

Mr RYAN (Leader of The Nationals) — Water is the currency of the 21st century. It is the last great competitive edge for rural and regional Victoria. It is an issue of life and death for so many people throughout the country parts of this state. Indeed Mark Twain was right when he said, 'Whisky is for drinking; water is for fighting over'. That is what we have on our hands now as a result of the way this government has mismanaged Victoria's water resources during the eight years it has been the government of this state.

The Goulburn-Murray region is the magnificent food bowl of Victoria. It has 14 000 productive farms and \$9 billion worth of production, both on-farm and in the manufacturing sector, and \$1.5 billion of that production is exported annually. But the key to it is the issue of the availability of water. In an environment where so often we hear in this place and beyond its walls the plea in relation to rural and regional development, 'Why would you ever do something which would negate, or reduce at least, the capacity for future rural and regional development in country Victoria, very particularly in a region which has such a proud record of doing what it does so magnificently, not only for the state but indeed for the nation?'. Water entitlements are things which in this nation, and in particular in this state, are guarded absolutely jealously. If you are going to touch it, you do so very, very carefully. If you are going to do anything about it, you hasten slowly. If you are going to do anything about it, you consult widely and you act judiciously. The process that you employ in relation to it is an absolute imperative. That is the history of the way water legislation has evolved over the years in this state. It is part of the Victorian heritage, particularly in relation to rural and regional Victoria, that issues regarding water, its ownership and its use are treated with the respect they deserve.

The food bowl modernisation scheme is an absolute case in point. It has gone pear-shaped because this government and this minister and this Premier have ignored the protocols which for so long have governed

water usage in the state of Victoria. Let it be said, in the course of this debate and otherwise, that we on this side of the house support the food bowl modernisation scheme. Of course we do. We argue about aspects of the way the money should be spent, we are particularly concerned about the small producers in the Goulburn region — all of that — but we support the principle of the modernisation of those irrigation schemes. We see that as a laudable thing to do, and in relation to that element of this debate we congratulate the government on its preparedness to invest. But in relation to the pipeline, we are absolutely, utterly and trenchantly opposed to it.

The minister mentioned the Wimmera-Mallee pipeline, and I mention it as a case in point by way of comparison. That great project was decades in the making. It happened as a result of an immense amount of community consultation. People like Stewart Petering and others came to this Parliament so often over the years to provide briefings to those of us who were the government of the day, and indeed to those who were the opposition of the day, and we gradually saw it built up through a process of careful community consultation. We have seen the complete antithesis of that process in the way this government has gone about this terrible approach to the food bowl modernisation scheme.

What happened here, as the minister has again confirmed, is that sometime in 2006 — and apparently, we now find, before the election of that year — a group of unelected people, well meaning no doubt, came to this Parliament to say that they were prepared to sacrifice some of the Goulburn Valley's water for the sake of getting an investment on behalf of the Victorian government. There was no consultation or discussion with the public at large — no public airing. The worst feature of it, though, that I find very hard to forgive and forget is that they came here as apologists for country Victoria. They were not prepared to come here on the basis of saying to the government, 'We make the magnificent contribution which we do, and therefore we ought to be supported as a community'. Rather, they came here on the basis of saying to the government, 'We are prepared to give you a slice of what comes out of this investment if you are prepared to make the investment in the first place'.

That is the issue that I simply do not understand on behalf of these people. No doubt they also told the government, 'It will be fine. We will look after the selling of it from a local perspective'. It has to be said that has not gone as well as that group might have thought, putting it at its very lowest. As I say, we now know this happened before the election of

November 2006. These people took it upon themselves to act on behalf of the broader community up there.

The government is the one that I simply cannot forgive — this slack, lazy, slothful, visionless, opportunistic government. The government must have thought it was unbelievably lucky when it accepted the proposal which was advanced to it by this group. The government could not believe its luck. For seven years the government pocketed \$2.5 billion of dividends from the water authorities and did nothing about the supply side of the equation in relation to water resources in Victoria. The government spent all that time telling people not to use as much. The government did nothing to address how we are going to supplant the water supply. The drought had started in 1997, as the Auditor-General's recent report confirms, and the government got caught out. What happened next? In the door wandered this group from northern Victoria and offered them a slice of the most valuable commodity that northern Victoria has and that it depends upon — namely, some of its water supply. The government, which was then in a state of panic, embraced this as manna from heaven.

Nevertheless we saw that there was nothing allocated to funding for water in the budget in 2006. Indeed nothing was said in November 2006 in relation to what the government was going to do, save for the fact that it would not pipe water from north of the Great Dividing Range. We saw the red helicopter ads, of course, that came out in June last year, but there was no consultation on what the government was going to do. Then on 19 June or thereabouts last year, barely a year ago, there was the announcement about the pipeline, which the government had sworn it would never do, and about the desalination plant, which it had bagged unmercifully in the lead-up to the election of 2006. This was of course reflected in the Auditor-General's recent report tabled in this Parliament. It was a damning summary replete with condemnation of the government in the way that it has gone about all this.

The pipeline itself is the focus of commentary on the part of the people who oppose what is proposed here. The savings are in doubt. The government has had about 8 or 10 different versions of the extent of the savings. Nevertheless the government says the first 75 gegalitres will go to Melbourne, come what may. If the government has such faith in this project, why would it not have the last 75 gegalitres to be saved out of the 225 come to Melbourne? Would not that be a statement of faith on the part of the government? All this is taking place in circumstances where the prevailing climatic conditions in the north of the state continue to deteriorate. There is the CSIRO report

about the probability of lesser inflows, particularly from floods. There is all the commentary on climate change. There is the draft river red gum report, which is yet to be responded to by the government.

Penny Wong, the federal Minister for Climate Change and Water, is rampaging around in the water market with an open chequebook, buying water left, right and centre. The federal government is threatening now to lift the 4 per cent cap on trading and this government is obviously prepared to cooperate. All this is occurring in an environment where this government is persisting with this pipeline proposal. Increasingly, Melburnians are waking up to the fact that this is the wrong thing to do. The enormity of the community opposition out there has been established and is growing: the letters, the petitions, the protests at the Parliament, the protests beyond the walls of the Parliament and the protests in the streets of northern Victoria.

Premier Brumby must go to sleep at night thinking, 'What has gone wrong?'. In 1999 — and I have given him this credit before — he was probably the main driver of Labor assuming government in this state. Now he does not dare set foot north of the Divide without having armed guards around him and people to look after him because he is concerned about what might occur in relation to his own welfare. I hasten to add that I do not, and I will never, countenance any activity of a nature that would offer any sort of physical threat to any member of Parliament. That would be a disgraceful thing to do. But I just pose a suggestion in a rhetorical sense: he must wonder, 'Why has this gone so wrong?'. The answer is because this government abandoned the long-established protocols on water and its usage in Victoria. Faced with the magnitude of the opposition to this proposition of building the pipeline, the Labor government reverts to type. There was the character assassination that we witnessed over the course of the past week or so. The Premier of a state is actually quoted on the front page of the *Age* newspaper, one of our major dailies, as saying:

A number of the claims that Plug the Pipe people are making at this rally are just not true. They are lies and they know them to be ...

Fancy the Premier of this state using intemperate language of that nature. This is typical of the government: it is more of the same. These are the same government members who have talked about 'quasi-terrorists', 'ugly, ugly people', 'a sorry bunch of people' and now, of course, there is the ultimate commentary accusing people of being liars. This has been in circumstances where the government seeks to put a new spin upon this. It tries to characterise this as some politically motivated opposition. Had members of

the government had the guts to be out there on the front steps last Tuesday, they would have seen the young and the old, the sick and the lame, the farmers, the manufacturers and the businesspeople. Government members would have been there to witness the 600 vehicles bringing people from all across country Victoria to express their condemnation of this pipeline. All this commentary was coming from a vast array of people throughout country Victoria, and yet the Premier terms these people 'liars'.

What about this report of the comments of the Premier of the day, in an article in the *Age* on 21 October 2005:

The government said it was not committed to any particular option but ruled out another dam for Melbourne and taking water from farmers north of the Great Dividing Range.

That was a lie! That is what it was. What about what the then Minister for Water, Mr Thwaites, said in the debate on the Water (Resource Management) Bill on 27 October 2005? I quote:

I will be brief and indicate that it is the government's policy that Melbourne retailers will not be purchasing water from north of the Great Dividing Range.

Another lie! A press release issued by then Minister Thwaites on 15 November 2005, after meeting Victorian Farmers Federation representatives, states:

I also reminded the meeting that the government had recently made a major commitment that it would not allow Melbourne water authorities to trade north of the Divide.

Another lie! You can ream through them, Acting Speaker.

The ACTING SPEAKER (Mr Nardella) —

Order! The honourable member is sailing very close to the wind in using the word 'lie' and accusing a member of this house of lying. I ask the honourable member to be careful.

Mr RYAN — A press release of April 2006 states:

The government does not support importing water from north of the Great Dividing Range to meet Melbourne's future needs.

Let us call that a fashionable assertion, Acting Speaker.

All this was replete with commentary from the government that these people on the steps of Parliament House last Tuesday were liars.

The ultimate tragedy in all this is that there are solutions to this imbroglio. The government can resolve this, and it can do so honourably. There are different options it can explore. The food bowl modernisation should be

undertaken, but, in answer to the minister's query, what the Victorian Government should do is contribute the extra \$300 million to the \$600 million it already has on the table, to make it a \$900 million investment. The irrigators will continue to contribute their \$100 million.

We then have the up to — I emphasis 'up to' — \$1 billion coming from the federal government. We therefore have our pool of money still preserved. In that environment the savings achieved in the north could stay in the north and be divided equally between the irrigators and the environment. The irrigators do not want, nor do they lay claim to, all the savings, but they want to keep it all in the north.

What Melbourne Water could do then is take the \$300 million it is otherwise supposed to put into this and add that to the \$750 million it would save by not building the pipeline, and bring that massive investment back into Melbourne. It is in the government's own documentation. To see that, you only need to read *Melbourne Augmentation Program — Water Recycling Options*, the technical report from June 2007 and Melbourne Water's *Stormwater Recycling Feasibility Study* of 8 June 2007. They provide options which the government should properly explore to enable this program to be undertaken in a manner which will ensure that this great city of Melbourne is able to have its water supplies. Of course it has to have them, but there are other ways to do it. The government should invest. It is investing \$1.4 billion in the Monash Freeway, \$1.3 billion into the myki ticketing system and it is proposed it will invest \$18 billion in implementing the Eddington report — guess how much it will actually spend?

These people are not liars, Acting Speaker. The Premier is wrong. They are telling the truth, and they should be honoured.

Mr HARDMAN (Seymour) — I rise to support the matter of public importance:

That this house congratulates the Brumby government for the biggest investment ever made in the Goulburn region, which will provide new water for farmers, the environment and Melbourne water users.

I support the food bowl modernisation project. It is an investment in northern Victoria, an investment in jobs and an investment in local communities. It is something that has not happened under previous governments and it is something that the people of that region asked the government to fund by actually sharing the savings with them.

The government looked at that proposition after it was presented to it after the last state election. The people from that region came to the government to have it consider this proposal, which would make a big difference to that area. On that basis I obviously support all the water projects right across the state, including the north–south pipeline, which is an important and integral part of the food bowl modernisation project. I need to make that very clear. The project is obviously part of making that region safe for the future.

I visited that area with farmers and Department of Primary Industries staff and spoke to the proponents of the project and also with a farmer from that area, because DPI officers thought I should get a balanced view of the concerns and what have you about a modernisation project and what it means. I listened to the farmers' concerns and to the concerns of the proponents of the project. What the farmers said to me was, 'We need you to upgrade our irrigation system here, because if you do not, what is going to happen is people will start selling off their water and walking off their farms because they cannot get the value out of the water that is there'. That is basically what they said.

The people who put up this proposal felt that they would probably be the last men standing in the sense that the smaller farmers would have been the ones who would actually have gone off the system first; they would not have been able to afford to utilise their water because other areas would have developed modern irrigation systems and taken that water out of the food bowl area.

It is a very important project from that point of view. I really do believe that the Victorian people expect the government to act, to do something about what is a crisis. That is why we have had to make tough decisions, including building a north–south pipeline and a desalination plant. The government did look at other projects, such as collection of stormwater and utilising recycled water. The government concluded that this was the best way we could actually get water to Melbourne and to the food bowl irrigation area before a crisis occurred — and that is what we have done. The desalination project will also augment Melbourne's water supplies into the future. It is really important to note that this is only the next stage of our water plan. Before this we have done a lot of other things across the state, and we are also implementing other plans that are outside this.

I will mention some of the things that this state has done on behalf of the people of Seymour in relation to water, which are really important things to remember. Some of the people of the Seymour electorate are with

Yarra Valley Water and some are with Goulburn Valley Water. The people of Wallan were with Goulburn Valley Water when their system was failing. Several years ago the state government invested \$22 million to put that growing town onto Melbourne's water supply. We invested that money and now those people in Wallan get water from Melbourne's water supply. They will also benefit from the north–south pipeline, as will the people who live in the townships of Yarra Glen and Healesville in the Seymour electorate.

On top of that, we are also augmenting the supplies in Kilmore and Wandong-Heathcote Junction by reversing the pipeline that used to go from Kilmore down to Wallan, because the Sunday Creek Reservoir has failed as a result of the drought. What is happening is that the pipe now pumps 1 megalitre a day. I believe it goes up through Wandong-Heathcote Junction and Kilmore, assisting with their water supply.

But we are not stopping there. What is actually happening is that the Sunday Creek Reservoir has failed so badly that Broadford still requires water to be trucked in every day. Despite taking at least 6500 and probably 7000 people off that supply system, we are still faced with a situation where we are carting water into Broadford every day. These people are putting up with stage 4 water restrictions, and it is not easy for them. But now we are building a pipeline from Tallarook down to Broadford. The Minister for Planning — I thank him very much — ensured the planning process went very smoothly and quickly so that we could do this. I have seen the pipes already sitting on the ground waiting to go in near Tallarook. That is really important because those communities deserve to have a decent water supply, as do communities right across the state, including those serviced by the Wimmera–Mallee pipeline.

We have invested seriously in those communities by putting in a pipeline that will stop those towns from dying. Those towns would be in a dreadful situation with no future to look forward to if we did not bring forward this project, invest heavily in it and save those towns. In the next stage of the plan we talked about is to extend that pipeline to Hamilton and also build a pipeline to Geelong, which is an important part of our community.

Ms Overington interjected.

Mr HARDMAN — As the member for Ballarat West reminds me, we have built pipelines through to Bendigo and Ballarat, two important regional economies that support large areas around them.

The north–south pipeline project is very controversial. I understand that members of the opposition smell blood. The member for Seymour seems to get a lot of mentions in this house in this day and age, as opposition members like to condemn me for supporting my own electorate, for standing up for the whole of the state and doing the right thing. The opposition tends to oppose everything. It used to accuse us of being a do-nothing government. I accuse the opposition of being a stand-for-nothing opposition, because it stands for nothing. If opposition members were in government and carried on the way they do in opposition, they would be doing nothing the whole time.

I support the north–south pipeline project on the basis that it is integral to the food bowl modernisation project. It must also be remembered that the Seymour electorate will also benefit through the hundreds of jobs that will be created in both the northern Victorian irrigation renewal project and also in the construction of the pipeline. I have gone to the Sugarloaf Alliance, the Minister for Water, the Minister for Regional and Rural Development, the Treasurer and the Premier and said, ‘These areas in my electorate need to see benefit from this project’. That is why there is a Melbourne Water local procurement project. That is why I spoke with the industry capability network. That is why I have invited Regional Development Victoria officers to my area to talk to the shire mayors and chief executive officers as well as community and business leaders about what are the types of things we can do to show that there will be benefits beyond this project. That is why there is a \$5 million community benefits package, a compensation package, for the communities that will be directly impacted by the pipeline. That is why there is compensation for land-holders.

All that is partially due to the work I have been doing to ensure that the people of the Seymour electorate are cared for by this government. There has also been plenty of community engagement, and there will be more community engagement. There will be real consultation about direct routes through the area. That is why I went on a tour with the people from the Steels Creek area, who wanted to show me why an originally preferred route was not a good idea. We got that changed through making the case.

The actual benefits from community grants will be fantastic, but we are providing local employment opportunities, looking to provide local training opportunities and providing opportunities for Landcare and environmental groups that do the work. Those things are happening and — —

The ACTING SPEAKER (Mr Nardella) — Order! The member’s time has expired.

Mr WELLER (Rodney) — Today I rise to speak on the matter of public importance. I think we should clarify a few things. There have been assertions made about water losses in the Goulburn–Murray irrigation district. It is good to see that the member for South Barwon is in the chamber. Earlier this year he stated to the house that the Goulburn–Murray irrigation district loses in excess of 800 000 megalitres of water every year. I have the figures here from Goulburn–Murray Water. The member for South Barwon agrees that that was the comment he made. The Goulburn–Murray Water figures show that losses for 2003–04 were 659 000 megalitres.

Dr Sykes — Not 800 000?

Mr WELLER — For 2004–05, they were 680 000 megalitres.

Dr Sykes — Not 800 000?

Mr WELLER — In 2005–06, losses were 667 000 megalitres — not 800 000. In 2006–07, they were 551 000 megalitres and in 2007–08 losses are shown as only 450 000.

Dr Sykes — Not 800 000?

Mr WELLER — Not 800 000!

Mr R. Smith — False assertions.

Mr WELLER — Indeed the figures have been falsely asserted. Back in September last year the Premier told this house that the losses were 800 000 to 900 000 megalitres, when the figures show otherwise. If we take the government at its word — which is dangerous — and accept that it will deliver what it says it is going to deliver, we understand it is going to get the system up to 85 per cent efficiency and that is what is going to deliver the savings.

That is fine. If we go back to 2005–06, the losses were 660 000 megalitres. It took 2.4 million megalitres to deliver 1.74 million megalitres that year and the losses were 660 000 megalitres. If you do the multiplication, you find we lost 15 per cent of the 2.4 million megalitres, which means we will still lose 360 000 megalitres after it has been modernised. Therefore you will have a saving of 300 000 megalitres. That is very good, but the problem is that the government has committed to finding 520 000 megalitres from savings.

Dr Sykes — How many?

Mr WELLER — Savings of 520 000 megalitres. It has committed to finding 225 000 megalitres for the first stage of the food bowl modernisation — that is, 75 000 megalitres to the farmers, 75 000 megalitres to the environment and 75 000 megalitres to Melbourne — and Melbourne gets its share before anyone else gets theirs.

Then in the second stage it has committed to providing 100 000 megalitres to the farmers and 100 000 megalitres to the environment. That brings the figure up to 425 000 megalitres. Then it has committed to finding 25 000 megalitres for the environment from the reconfiguration. The minister did not dispute these figures at the PAEC (Public Accounts and Estimates Committee) hearing the other day. The government has committed to finding 52 000 megalitres from the Shepparton modernisation, and then there is a further 18 000 megalitres to come from Central Goulburn (CG), channels 1 to 4. That brings the figure up to 520 000 megalitres, and it has saved 300 000 megalitres.

Let us consider a year like we had in 2005–06, which given climate change would be a good year. In that year there was water right on the Goulburn system, and water right plus 44 per cent on the Murray system. That would be a good year going forward, so let us do the sums. A total of 520 000 megalitres has been committed, and in the first phase we are going to have 75 000 megalitres to Melbourne and 75 000 megalitres to the environment, so that accounts for 150 000 megalitres. Then another 100 000 megalitres goes to the environment out of the out of the next phase, which is a total of 250 000 megalitres out of the pool. Then we have the 95 000 megalitres that the government has already committed to reconfiguration and Shepparton CG1 to 4, so it comes up to 345 000 megalitres in total — and we have saved only 300 000 megalitres. So even in a good year there would be 45 000 megalitres less in the irrigators pool.

If we have a year like we have had this year, when we lost 450 000 megalitres — not the 800 000 to 900 000 megalitres the government falsely asserts — what will happen if we get to 85 per cent efficiency? We used 1.3 million megalitres this year to deliver 850 000 megalitres — we lost 450 000 megalitres. Fifteen per cent of 1.3 million megalitres is 195 000 megalitres. In a year like this we can save 255 000 megalitres, but we have a commitment to the environment and to Melbourne of 345 000 megalitres. That means that in a year like this, if everything happens as the government predicts, irrigators will be

90 000 megalitres worse off. That is why people in northern Victoria are marching in the streets — because there will be less water in the pool. That is the best-case scenario, because it relies on this government being able to deliver the program on budget. If it runs out of money and does not complete the whole system, it will be worse. We know the government will keep its commitments to Melbourne and its commitments to the environment. It will be the irrigators who lose. The best-case scenario is that in a good year the irrigators would lose 45 000 megalitres and in a year similar to this one the figure would be 90 000 megalitres.

We all know that the government cannot deliver on what it has promised. We have seen the cost of the Wimmera–Mallee pipeline blow out by 50 per cent. We have seen what the government has been doing in the Shepparton East program, with a blow-out of 50 per cent. The government cannot deliver on time or on budget. We also need to remember that Central Goulburn 2, which is the pilot program for this modernisation, has been an absolute debacle. Central Goulburn 2 was started in 2001–02, and it has not been completed yet. There are enormous problems there. It has not delivered the savings the government wanted. The government has to make a further investment in that project to get it finished. It looks like there will be a blow-out in costs to double what it would have been.

The government has invested in Goulburn-Murray Water, the government's own institution — Goulburn-Murray Water is a corporation that is wholly owned by the government. The PAEC report that was tabled last sitting week is interesting. It shows that this government is more about spin than substance. The report talks about drought support for farmers. It talks about \$19 million and what the government is going to do over the next three years: \$6 million of that \$19 million is to be used to promote the northern interconnector. Rather than helping farmers with programs that assist them, there is \$6 million for the promotion of the northern interconnector!

Mr Delahunty — Is that right?

Mr WELLER — That is right. If you read the PAEC report, you will see that it is quite clear about the drought. This government is about promotion and spin. I have a transcript here from a Kathy Bedford radio program of last week. It was asserted by Bob Richardson of Plug the Pipe that the advertisement that was in the paper last week was the government's advertisement. When the Premier was asked about it, he said:

Look at my ad. Look at my ad. Jess, please. Look at the ad. Sorry, just one second, just — can we ...

He was so excited about his ad that he held it up while being interviewed on radio, and the reporter laughed. The government can say that it did not contribute money, but the Premier went on radio and said it was his ad — and he was so excited about it being his ad that he held it up for everyone to see on radio!

The proponents of this modernisation of the Goulburn-Murray irrigation district say that modernisation is the only way to stop water leaving the district. All I can say is that modernisation, with the north-south pipeline, only provides another avenue for water to leave the district.

Mr CRUTCHFIELD (South Barwon) — I rise with a great deal of pleasure to speak on the government's matter of public importance regarding the food bowl modernisation program. I think we agree that the \$2 billion northern Victoria irrigation renewal project, which is another name for it, is an investment in the future of farming communities across Victoria and a vote of confidence in the Victorian agricultural industry in the north. It is a vote of confidence not just from the state government but in recent times also from the federal government. Despite drought and climate change we believe this industry has a prosperous, long-term, viable future. Modernising irrigation infrastructure and building the Sugarloaf pipeline will generate hundreds of regional jobs and pump billions of dollars into the regional economy for the benefit of all Victorians.

We understand that country Victorians are genuinely anxious about what the future holds in a time of climate change and prolonged drought. I had firsthand experience of that when I was in Wodonga and Shepparton for the discussions around biodiversity at a time of climate change, which I know some members attended. The green paper has travelled around regional Victoria, and water was a discussion topic there. I note that the majority of councils and municipalities around Shepparton and Wodonga were represented at that forum. I was there for the whole 5 hours and not one council officer raised the issue of this project in a negative way.

An honourable member — They are not game.

Mr CRUTCHFIELD — They were very friendly, they were very forthright and they were very communicative. In fact the only comment regarding the north-south pipeline and the food bowl modernisation project was one of a positive nature. People from local councils and municipalities were very positive in terms of endorsing the federal government's additional \$1 billion, which matches the state's funding of

\$1 billion for the project. They thought that took away significant doubt from their view of the project. So all I can say in terms of there being 'a groundswell of opposition' is that I experienced none in Shepparton and none in Wodonga. Their real fears and distress are about the uncertainties created by drought and climate change.

It is disappointing to see that the legitimate concerns of some people are being used by others for a political agenda. The attempt to rob this region of a once-in-a-lifetime opportunity is disappointing. People in regional Victoria and in Melbourne understand the benefits of this particular modernisation project and indeed of the Sugarloaf project, and they can make up their own minds.

I mentioned Shepparton and Wodonga. Members are well aware that the food bowl area generates some \$9 billion of activity every year and about \$1.5 billion worth of production from that area is exported. Everyone in this place understands that farmers make a contribution to the state's prosperity, and we all acknowledge that water is being delivered through an old, crumbling and leaking irrigation system that was built some 80 years ago. On average more than 30 per cent of water in the food bowl — some 800 gegalitres of water — is lost each year through leaks, system inefficiencies and evaporation. Even during these drought years, when less water has been delivered, losses average around 700 gegalitres, and from experience we know that lifting the efficiency of the system from 75 to 85 per cent will capture at least half the annual losses.

We have learnt from modernisation projects that are under way in other areas of Australia, such as those in the Macalister irrigation district, in Central Goulburn and at Coleambally in New South Wales. They all provide significant new water — which is not nonsense, as was asserted by the Leader of The Nationals. There is new water. The modernisation project at Coleambally has been funded entirely by the irrigators. Where did the concept come from? What was its genesis? There has been much discussion about that local community's initiation of this project. Like many other projects, it is not unusual for community groups to come to government and say, 'We have a visionary project for our region that we think government should invest in'. The government believes that Melbourne water users, government and local communities should invest in such projects in a shared way so that the benefits of any improvement will flow to all Victorians.

I might add that members of The Nationals and the Liberal Party have endorsed that view in previous times. Damian Drum, a member for Northern Victoria Region in another place, said on 20 December 2006:

The Nationals believe that if you are going to get water for cities, you should be able to do so out of investing in infrastructure. You should be able to go into the inefficient systems, the inefficient channels that leak, and fix them up and pipe whenever you can.

He went on to say:

You can effectively create new water, but the government does not want to do that.

Members in this place may recall the 21 November 2007 debate on the matter of public importance. During that debate the former member for Benambra, Tony Plowman, wrote a letter to the current Premier about a tour that he conducted in 2002.

Honourable members interjecting.

Mr CRUTCHFIELD — I know you know that. I am just reminding members opposite that the genesis of this project comes from a broad spectrum — not just from the local community but indeed from members opposite.

In relation to the Imperial Valley irrigation district outside Los Angeles, the former member for Benambra said:

A percentage of these savings was directed to the City of Los Angeles as payment for their funding of these projects.

...

The similarity of needs for the city of Melbourne and city of Los Angeles led me to believe that a similar project could well be undertaken in the Goulburn irrigation district in Victoria, with the majority of funding coming from the city of Melbourne.

On that basis I support the project and am fully prepared to work towards its successful implementation.

I thank the former member for Benambra in this place and Damian Drum, because they have articulated not only the policy of this government but are certainly supporting the views of irrigators, businesspeople and local leaders of the Goulburn-Murray irrigation system.

What is the alternative? The Brumby government is totally committed to modernising irrigation infrastructure and to building the Sugarloaf project. I note that members opposite have indicated they will not tear up or plug the pipe. I think the Minister for Water has said that they were prepared to 'hug the pipe'. If members opposite had no commitment to the project,

they would want to plug the pipe. If they were so principled in their opposition to the project — —

Honourable members interjecting.

Mr CRUTCHFIELD — It will be built, make no mistake! I am sure of a number of things, and this is one of them.

I know that the member for Seymour supports this project, and he has again articulated his support for it in the house today. We are not prepared to settle for the coalition's non-policy position on this. The coalition's policy can be summed up as doing absolutely nothing and hoping it rains. Members opposite may be down on their knees wallowing in political opportunism, but what are their alternatives?

The Plug the Pipe group has said we should put a dam in the Otways. I have heard a Liberal local councillor in my area say, 'Let's put a dam in the Otways and bring the water to Melbourne'. Others say we should put a dam in Gippsland and bring the water to Melbourne. The aim of this government is to create new water and bring it to Melbourne.

I would like to see members of both The Nationals and the Liberal Party go to Geelong and say they want to put a dam in the Otways and do not want Geelong people to share in the benefits of new water from the Goulburn-Murray. I ask them to go down to Geelong and say, 'Let us dam the Otways and not put in the Melbourne-Geelong interconnector'. I challenge members opposite to go to Geelong and say, 'We do not support the Melbourne-Geelong pipe, and we want to put a dam in the Otways'. Wouldn't that go down well!

Mr Walsh — It will go down very well!

Mr CRUTCHFIELD — The member for Swan Hill has said that he will go down to Geelong and do exactly that. I challenge the member for Swan Hill, and I will help him.

Ms ASHER (Brighton) — I am pleased to participate in the debate on the matter of public importance before the Chair. It is yet another self-congratulatory matter of public importance from this government in the face of significant public discontent. After many years of the Bracks government and now the Brumby government being in office, we are now seeing what its style is.

When government members are faced with political opposition, abuse and defiance is their no. 1 reaction. Now they are crash-tackling farmers from the north.

Those farmers do not like the government's policy solution to the water problem, so the Premier, the Minister for Water and the Minister for Energy and Resources have decided they will crash-tackle farmers — people who hold a different opinion from that of the government. The only problem is that this is a democracy, not a football game, and people are afraid for their livelihoods. In my opinion we have seen intemperance and insensitivity from both the Premier and his Minister for Water.

The coalition case is that we support the food bowl project. It is an excellent project to have a \$2-billion irrigation upgrade in the northern part of Victoria; however, from our perspective, there are problems with the conditions attached to the project. The main condition is the creation of the Sugarloaf interconnector — known as 'the pipe' — which is what all the protests are about. On this side of the chamber we do not believe that country Victoria has to have an offset for capital expenditure on infrastructure. If there is a deserving project — and in our minds the irrigation upgrade is an extremely deserving project — we believe country people should be allowed to have a capital works upgrade in their own right without an offset going to Melbourne. It was the Treasurer who let the cat out of the bag on this one when he addressed a meeting of local government representatives. He actually said that there cannot be an irrigation upgrade in country Victoria without benefits for Melbourne. Why can there not be expenditure in the country for country benefit, and expenditure in the city for city benefit?

One of the most appalling elements of this proposal is that the government promised it would not do it. The government promised in 2006 that it would not take water north of the Great Dividing Range for Melbourne, and that was reiterated in its Central Region Sustainable Water Strategy. Another element that is problematic for the government is that it can bleat all it likes about the projected water savings; it can call people liars when in fact there is a difference of opinion, but the Auditor-General in a report tabled in this Parliament made it clear that the savings projected by the government were not robust; there was no rigour in setting them. The Auditor-General has claimed that the government simply relied on an interest group that came to it projecting these savings. The government has simply picked up these projections and is trumpeting them as truth.

Melbourne has a range of alternatives, and I have articulated in this house, as have others, those alternatives for Melbourne Water. Melburnians do not want to be on water restrictions. The current low

inflows into our reservoirs has impressed on Melburnians the need to be wise with our water, the need to alter watering practices and the need to alter water usage practices in our homes, and so on. Nobody seriously wants to see gardens die; nobody seriously wants to see sports grounds not get watered, meaning young people cannot play sport; nobody wants to see Melbourne's gardens and parks under stress; but there are alternatives for Melbourne's water supply.

What the government could have done was to build a dam, but it has rejected that option because of its alliance with the Greens, and I understand the political reasons for that. It could have built a desalination plant, as other Labor states have done. I always instance the West Australian Labor government where a desalination plant has been built in Perth on time and on budget — a fantasy for this government! — that is now supplying 17 per cent of Perth's drinking water. The government could have upgraded the eastern treatment plant, a very important piece of capital infrastructure, which could make a significant amount of recycled water available for the Melbourne market. In 2002 the government announced an upgrade of the eastern treatment plant at a cost of \$150 million. It reannounced this project in 2006 at a cost of \$300 million. This is a project which is still not going to be completed until 2012.

I compare that with the western treatment plant. This project was announced in 1999 at a cost of \$120 million. It was reannounced in the ALP's 2002 election policy at a cost of \$100 million — that is amazing: the cost is going down. However, in August 2004, the government reannounced this project at a cost of \$124 million and said it was almost complete. In November 2004 the government announced that the project would cost \$126 million. That was interesting, because that project went up \$2 million in about two and a half months, according to those press releases. However, in June 2005, the government announced that the project was complete at a cost of \$160 million. I give the example of the western treatment plant to show how sceptical I am about whether the government will be able to upgrade the eastern treatment plant by its forecast date of 2012.

There are a range of other recycling measures that the government could institute. We have put on the table a Victorian Water Substitution Target Bill, and I have spoken about that previously. Another thing the government could do is to move along its capital works. Again I make reference to budget paper 1 which shows that of the 77 per cent of projects announced in the May 2007 budget, only 23 per cent of the money is going to be expended by June 2008.

If you go through budget paper 1 you can see that on almost all of the water projects all of the expenditure is in the out years. This is great for the announcement, but expenditure and delivery is well into the out years. Of course the government could also fix those 51 billion litres of leaks in the Melbourne system.

The government has a number of political and other problems on its hands. Firstly it has acted too late. It knew that water was a key issue in 2002, which was why the former member for Albert Park, John Thwaites, was appointed water minister. The government did absolutely nothing and is now paying the price for its inaction. Another problem is the government's approach to water. It has collected \$2.3 billion in dividends, tax equivalent payments and environmental levies — \$2.5 billion if you count the half of the tax equivalent levies that have not been collected so far — and according to the government's own figures, it has spent \$1.7 billion on water projects. The government has traditionally regarded the water authorities as cash cows when at a time of low inflows it should have put this money into water projects.

The key problem for the government is its language: 'ugly, ugly people' from the Minister for Energy and Resources; liars from the Premier; 'quasi-terrorists' from the Minister for Water; the fact that country people are too far away according to the Premier; and I heard the Minister for Water say, 'Yet another lie' in his presentation this morning. The government will bear the brunt of this sort of attitude towards people who have a policy disagreement with it and whose livelihoods are being threatened by its water policies.

I also want to make reference to the Public Accounts and Estimates Committee report of May 2008 which looks at government advertising, because it appears to me that this is the only thing the government can deliver on. It cannot deliver on water projects, but it can deliver on government advertising. In this report we see that Barwon Water advertising is up 20 per cent, Goulburn-Murray Rural Water Authority advertising is up 66.6 per cent — and I bet that a lot of that is political; Melbourne Water advertising is up 40 per cent; City West Water is up 22.6 per cent; and South East Water is up 21 per cent. These are all examples, furnished by the Public Accounts and Estimates Committee, of the government's advertising. That does not include the Auditor-General's finding that \$13 million was spent on Our Water Our Future.

One of the most outrageous advertising campaigns that the government is embarking on at the moment tells people what the water myths are. Some of the so-called myths are political arguments put forward by the

coalition and others are the lies told by the other side, which it is now spending taxpayers dollars to counter. I am pleased to participate in this debate. This is a disgraceful project, and the government should stop it.

Mr DONNELLAN (Narre Warren North) — I am pleased to talk today on the matter of public importance. The food bowl modernisation project will deliver more water to farmers and make northern Victoria more prosperous. Irrigated agriculture in the area generates about \$9 billion of activity and about \$1.53 billion worth of exports every year. It makes these contributions through irrigation channels that are about 80 years old. They are old and worn out, and they need upgrading.

Listening to the debate today, I heard people say, 'The project is good, but we do not like the pipe', and, 'The savings are not there'. The project is either good and the savings are there, or the project is not good and the savings are not there. The opposition parties cannot have it each way. Listening to each opposition member's contribution to the debate, the coalition seems to have a most inconsistent policy. The coalition has an urban water person and a country water person — sort of a Zing and Zang. I would have thought water needs to be treated equally across the state, but for some reason the Liberal-Nationals coalition believes you can have separate policies for water in urban and country areas — that somehow you can treat them differently. We all know that does not work; it is absolute rubbish and drivel coming from the coalition.

The upgrade will definitely increase the community advantage of the agricultural sector in Victoria. Farmers will be able to produce more with less; it is a fact of life. It will definitely improve Victoria's export capacity; there is no doubt about that. When you do that, you also build stronger communities, because they have greater security of water into new industries. We are putting in money to benefit the area. It will create more responsive irrigation systems to deliver water at the best times, on time, and to measure it properly, so that we do not have the long and short megalitres we have had for decades. Somehow people seem to have the right to a long megalitre rather than a short megalitre, which is the proper megalitre; they would rather have the long megalitre, because they would like to have a freebie as well.

The upgrade will also improve salinity and waterlogging, which are undermining productivity across northern Victoria, as well as corroding infrastructure such as rail, roads and even buildings. We are certain that this \$2 billion investment will deliver

average savings of 425 gigalitres per year. That has been called into question by the coalition, but then again it says it is a good project. Either the savings are there, or they are not. It is a simple proposition. It is either a good project because it realises savings, or it is a bad project. The coalition cannot have it each way, and at the moment it is having an each-way bet.

We know these savings are achievable because we can go to the Liberal and National parties' statements on this. I do not wish to repeat what other members have already said in the house, but I will anyway, because I think it needs to be put forward. What did Damian Drum, a member for Northern Victoria Region in another place, say on 20 December 2006? He wanted to talk about new water, which supposedly does not exist.

The Nationals believe that if you are going to get water for cities, you should be able to do so out of investing in infrastructure.

This is what we are doing. He continued:

You should be able to go into the inefficient systems, the inefficient channels that leak, and fix them up and pipe whenever you can. If there are people at the end of very long and inefficient channels who want to get off the system, then the government might be able to buy those operators out and save significant amounts of water. There are many ways in which you can go into the irrigation system throughout the Goulburn system and invest heavily in infrastructure to achieve savings. You can effectively create new water —

which is what we are being told does not exist. The Plug the Pipe people and others are telling everybody that this water will be stolen — that there is no new water. But Damian Drum, a member for Northern Victoria Region in the place, has told us that there is new water. The coalition cannot have it both ways.

What did Tony Plowman, the former Liberal member for Benambra, say? He must have found new water as well — these guys are gold diggers! The coalition should be sending these guys out to find gold all around Australia, because they have found it. I quote from a letter by Tony Plowman:

In 2002 I conducted a study tour of the irrigation industry in California ...

Because the Colorado River was fully committed and all other resources had been utilised the course of action taken by the city of Los Angeles was to offer substantial funding for the upgrade of the irrigation infrastructure in two irrigation districts.

The Imperial Valley irrigation district and the San Joaquin irrigation district in southern and central California both required a substantial upgrade of their infrastructure. These projects were successfully completed, with both irrigation districts enjoying the benefit of the introduction of

state-of-the-art infrastructure which provided substantial water savings.

A percentage of these savings was directed to the city of Los Angeles as payment for their funding of these projects.

In other words, it does not look as if the city of Los Angeles was accused of being a thief or of stealing by the Liberal Party. Today the coalition accuses the government of stealing from people, but the government is actually putting in money to improve things in the area — that is the difference. If we were just taking the water without improving the irrigation channels, the coalition's statement would be valid. The problem is it is not valid; it is a load of absolute drivel. The Victorian government will invest \$600 million; Melbourne's water authorities will invest \$300 million; Goulburn-Murray Water will invest another \$100 million in stage 1; and the commonwealth government will invest another \$1 billion in stage 2. Overall there will be water savings — whether they are 425 gigalitres or 400 gigalitres. It is either a good project that delivers these savings or it is not — you cannot have it both ways.

You can stir up all the hatred you like, but you have to do something. As John Kennedy, the former Hawthorn coach, would say, 'You've got to do something'. You've got to have a policy. At the end of the day there is no policy but fear and a hatred of the city, and a stirring up of the special hatred which the conservative parties are pretty good at doing. They have no policy. Their only reason for existing is that they do not like the Labor Party; they have no ideological reason for existing other than to hate the Labor Party. In the coming months we will have one scare after another.

The other week we were told by the Liberal Party that the north-south pipeline would reduce river flows, ruin farming families and increase food prices. I am still looking for one economist who backs that up; it is a load of drivel. The Victorian Farmers Federation also said that. No other person has backed up such absolute drivel. At the end of the day if people want to be in the debate, they need to be a little bit honest. If the project is good, then the savings will be there.

We have got a 'Johnny-and-Tampa' hatred campaign where divisions are stirred up and you hope that somehow or another that will deliver electoral victory. This is more about the survival of The Nationals in the country than it is about doing something for the people. Dimbo the village idiot would not believe statements such as, 'You can somehow or other have a good project but there will be no savings in it'.

If this had to be funded by the irrigators themselves, Goulburn-Murray irrigation and people I have spoken to estimate that the cost of a megalitre of water would have to increase by 1000 per cent, and that is just not viable. We know that; we know it is not viable. At the end of the day the government has come in to do what is necessary: to fix the channels, to improve the delivery of water, and to do what no-one else has done. We know it works because the Liberal Party and The Nationals have told us it works. Numerous times they have told us it works, but now they pretend that is not what they said — that it was taken out of context and that it does not exist.

At the end of the day we need to remember what the coalition did last time around in the country. It did not fix irrigation channels; it closed 12 hospitals; it closed 178 schools; it killed 16 passenger lines, and there was a slow bleeding of 17 500 jobs from rural Victoria. This government is committed to regional Victoria and to investing in regional Victoria. Who did not support the Regional Infrastructure Development Fund? I believe it was the Liberal Party again. At the end of the day the Liberal Party was seen to do in regional Victoria.

Mrs POWELL (Shepparton) — I am pleased to speak on this matter of public importance that was introduced by the Minister for Water. It is very typical of this government to congratulate itself for providing some sort of investment in country Victoria; it is not used to making that sort of investment. For the government to congratulate itself for bringing in some sort of investment is just typical when most of the investment is state-owned investment. This government has been in power for nine years; we have been suffering from drought for about that time as well.

This government's water policy, as other members have said, is to pray for rain. When that did not work, at the last minute it went into crisis mode and started piping water into the areas that had run out of water. It must have known from all of the scientific statistics that we are not going to have as much rain as we have had in the past, and yet it still has not prepared a plan.

The government also knew that Melbourne's population was increasing, but what has it done to increase water supplies for Melbourne? It did not do anything except say that now it is going to pipe water from the Eildon system, where the storage levels are actually lower than they have been for many years.

This government is good at spin and propaganda. We have seen the advertisements it has put out. We have seen the red helicopter ads it put out all over Victoria. We have seen the ads on television about sharing the

water, but when the government talks about sharing the water, it talks about sharing the water between the farmers, the environment and Melbourne. There is nothing which says that if there are any savings, they will go to Melbourne first; then if there is anything left, it will go to the farmers for irrigation. There is nothing said about that.

The government has reports showing the data and the savings, and on all of those reports there are disclaimers which virtually say that it does not have any confidence in the data, so we should not have any confidence in the data either or use it because the government says it will not be blamed for any inaccuracies in it.

The member for Rodney talked about the massive full-page ad which has been in the papers recently, which probably cost about \$20 000, and how the Premier is taking credit for it. We heard that the food bowl group is promoting it, but the Premier is now saying it is his ad. I think what really annoys the people that I represent in the Shepparton district, which is one of the areas that will lose out if the water goes to Melbourne, is that the government says it will only upgrade the infrastructure if it benefits Melbourne people. How appalling!

What does this government think irrigators do with the water? Does it think they drink it? No, it brings to Melbourne, to the rest of Victoria and to the world fresh, good quality, affordable fruit, vegetables, meat and milk. It provides to this state and to the nation the best food that you can get anywhere. That is why we are called the food bowl of Australia. Taking water from the food bowl of Australia, which could be used in more and better production, does not make sense.

The government now defends its pipeline policy by saying that a number of irrigators and business people went to Melbourne and asked the government to do it. We would like to know who those people were. The people of the Shepparton district would like to know who went to this government. Was it before the last election? We are being told that it was. Who were those people who are not elected, and who were not appointed? They are not a statutory body, but they made a deal on behalf of our farmers, our irrigators and our business people to do this. What right do these people have to do a deal with the government? But they have definitely been duded.

They went to the government — and I know this from the food bowl group — and were told that for \$2.2 billion from the state government they would need to take only one-third of the savings. Now they are getting \$600 million from this government, and not

only one-third, one-third and one-third, but 75 000 megalitres of water is going to Melbourne first. It is not one-third, one-third and one-third at all; it is actually the first 75 000 megalitres of water going to Melbourne. We hear the government talking about new water which it says is coming from savings. The only new water is rain, and we do not seem to be getting that.

One of the issues in all of the forums and all of the information groups that I went to was on farmers talking to the Food Bowl Alliance and the government about the Detheridge wheel; a lot of the savings were coming from the Detheridge wheel. They said, 'This is inaccurate. We are going to replace that, and we are going to get all of this new water'. That water is already used in production. If you remove that water from farmers, they have to replace it. They have to buy back water, and it is going to be much more costly and harder for them to get that water. Let us not make any mistakes: the water from the Detheridge wheel is not new water; it is water the farmers and producers of our food, fibre and meat already use.

The government responded to the food bowl draft discussion paper, and agreed to most of the recommendations in the final report, but that draft discussion paper was put out in the same week that people in many venues around Victoria held their meetings, so nobody knew what was in the discussion paper. At those discussion groups — I went to a few of them — the government was told that people do not support the pipeline, but it was not reflected in the government's report. It was told that the majority of submissions to that report opposed the pipeline, yet that is not reflected in the government's final report.

We are told that the environment will get more water, and that the 75 000 megalitres of water will come from savings. I have a letter from the Premier. In October 2007 I asked in this place whether the government would continue to upgrade the infrastructure but abandon the pipeline. The response I got back from the Premier — the adjournment debate was on 11 October 2007, and the letter to me was dated 1 October 2007, which is pretty interesting — says:

Using Victoria's long-term water allocation records from the last 100 years, it is estimated that on average 800 to 900 billion litres of water in the Goulburn and Murray irrigation systems is lost annually through system inefficiencies ...

Those figures are well out of date. At the moment Goulburn-Murray Water says the loss is 450 billion litres — almost half the savings the government thinks it is going to get — but the government still continues

with this pipeline. Also, we had one of the clearest indications that the government is moving away from saying the water is going to come from savings, when the Premier said:

Melbourne will receive its first share of the water savings in 2010, before the desalination plant comes online in 2011. This water will be sourced from savings generated by the food bowl modernisation project works, due to begin in winter 2008, and if necessary on a short-term loan arrangement from savings from other projects currently under way, such as the Central Goulburn 1234 project and the Shepparton modernisation project.

As we can see, the Premier is already conceding that those savings will not be there and that the government is going to raid water that has been held in storage to be used for the environment. Let us not make the mistake of thinking that the government is looking after the environment of our area.

We know that water for Melbourne will have to come via the north-south pipeline. We are talking about a pipeline that will go through 70 kilometres of good farmland and Crown land. I have been to the area that it will pass through along the Melba Highway, and there are signs saying 'No pipeline!'. The impact on the environment and on greenhouse gas emissions will be absolutely huge. We need to make sure the government goes ahead with the upgrades, because we need them, but we certainly want the government to abandon the pipeline. The Premier has said that the water will come from savings, but the savings that are already owed amount to 170 000 megalitres of water for the Snowy and Murray rivers. The savings are not there, and the government owes so much in savings that it is not going to be able to make up even the savings it will need to use.

My community, the Victorian Farmers Federation, the Country Women's Association of Victoria, the Municipal Association of Victoria, the Murray Darling Association, the Auditor-General and the results of most of the polls that are taken in my area and in the newspapers are saying, 'Do not build this pipeline'. The community is saying, 'Do not hold to ransom the food bowl of Australia by upgrading systems and saying, "We will upgrade it, but you have to give us some water for Melbourne"'. Melbourne has other options: it should recycle the 350 000 megalitres of water that goes out to the sea each year.

The ACTING SPEAKER (Mrs Fyffe) — Order! The member's time has expired.

Ms DUNCAN (Macedon) — I am pleased to rise to speak in support of the government's matter of public importance. Again, it is really disappointing to hear The

Nationals members spin inaccurate information that they are using as, I guess, a scaremongering tactic among their constituents in a hope that this will increase their support. It worries me incredibly, because we all know farmers have copped a heap over the last 10 or 11 years through drought and through the previous government closing their schools and hospitals. How quickly they forget.

Even more frightening is the fact that most of my relatives live in rural Victoria and many of them, I am afraid to say, vote for The Nationals. I suppose it is a natural thing to do when you live in the country. It blows me away, because I have never seen a political party do so much to shaft its constituents. Farmers and country people continue to support the party, election after election, and I just shake my head. I cannot get over it. During the seven years when the Kennett government did nothing for regional Victoria, what did The Nationals say? Zip! Nothing! The Nationals stayed in coalition with the Liberals, remained part of the government and did nothing for regional Victoria.

We then got a Labor government. From day one, and in fact as part of the 1999 election commitment, the government put aside a whole bucket of money — pardon the pun in this debate — specifically for regional Victoria. For the first time in seven years here was a government that put its hand up for regional Victoria. A huge amount of that was because of the work done by our current Premier. What did The Nationals do? They objected to it after seven years of sitting back and letting the government of the day, the Liberals, do nothing for country Victorians. I do not have any expectations of what the Liberals would do for country Victoria, but country Victorians have some expectations of The Nationals. I could go on and on, but I am gobsmacked by that support for The Nationals when the government is prepared to invest in Victoria.

The former government did not want the rail lines. Similarly The Nationals said nothing about the Kennett government closing schools and hospitals, shutting train lines or letting them fall into massive disrepair, which it was well on its way to doing. It was just extraordinary. Now The Nationals members sit here, smile and say, 'Oh, gee, shucks!'. That is how they respond; it is the level of their intelligence. It is worrying that they try to continue to create a city-country divide, but I guess it is their bread and butter. It really is a problem. I think I heard the member for Benalla say while making a point about what was said by another speaker, that this project is about benefiting all Victorians. I could not agree with him more, because that is what we want to do and it is what we need to do. Again, as part of the misinformation that has been presented here, we have

had members pointing to the lowest inflows into storages on record and somehow trying to suggest that that is typical, that that is usual and is what is going to occur frequently.

It is true that the losses in the Goulburn-Murray irrigation district in 2007–08 are expected to be less than 450 gigalitres, which is a direct result of the severe drought and not indicative of normal years.

Mr Walsh interjected.

Ms DUNCAN — I hear the greatest climate change sceptic that I know, the member for Swan Hill, yelling out at me because I am suggesting this is a very unusual annual flow and asking me if I do not believe in climate change. If the losses, or the rainfall, in that year are indicative of climate change, we are in such serious problems that we should not worry about any pipeline because there will be no country left.

If, as the member for Swan Hill says, this water inflow is now indicative of future run-off and future rainfall, we are in such serious trouble that we may as well all go home and pack up the state. The low losses recorded in the Goulburn-Murray irrigation district in recent years have been achieved by a change in the operation of the system to save water and to maximise the water available to farmers. And farmers are doing it so hard and are doing as much as they possibly can to try to reduce the losses in their system with this creaky, old irrigation system.

The efforts that they are making to try to reduce the leakage in the system has increased costs for Goulburn-Murray Water through measures such as trucking in stock and domestic water to some properties to avoid losses from channel runs. Farmers have done an enormous amount themselves to reduce system losses by carrying some of this year's allocation to the next season, but this comes, as we know, with lower productivity returns from their land or higher offset costs such as for fodder. The Nationals are now silent.

Farmers have also agreed to and are currently modifying their practices, often to below optimum efficiency for their own property to help save water. For example, if a channel run is under way for some farmers, others will agree to also take their water earlier or later than they might have wanted so that the channel is not drawn down between watering and a second round of losses incurred when it is refilled. Such practices are not sustainable in the long term for farmers, and certainly you would not want to keep running the system this way in the future.

If we do not modernise the system, this sort of operating plan will become the norm rather than the exception, and it is not sustainable economically for the water authorities or for farmers to continue to operate like that.

The benefits of the modernisation program will increase with climate change. Last year has hopefully been a one-off, never to be repeated. However, we know that the trend for the future is reduced rainfall, so the more efficient our systems are, the more benefit we will get, and those benefits will actually increase over time as rainfall reduces. Making the investment now to convert system losses to productive use will help, at least in part, offset some of the impacts of climate change. Farmers will also benefit from both improved service levels which will be critical to improving on-farm water efficiency and from the water savings.

All Victorians have a stake in the food bowl modernisation project as the state adapts to a drier future with climate change. That is why the Victorian government is investing \$600 million into stage 1 of the project, with a further \$300 million coming from Melbourne Water and \$100 million coming from Goulburn-Murray Water. I do not think it is unreasonable, given how much Victorian taxpayers are spending — as taxpayers funds are being used to build this — for Melbourne to expect to get at least some benefit from this system.

I refer to some of the economic benefits that the project will bring to the area. Irrigators will contribute just 5 per cent of the costs, yet they will receive more than 40 per cent of the savings — 175 billion litres in total. Responding to the challenges that we face in this state and across this country, we will need to work together in partnership. Creating a statewide water grid, sharing the costs of the project and sharing the water savings is part of this. The project will enhance the future prosperity of northern Victoria, boost Melbourne's water supplies and see more water put back into our stressed river systems such as the Snowy and the Murray. Already northern Victoria is feeling the economic benefits, with 120 jobs to be advertised in coming weeks to deliver the early modernisation works.

We know the coalition's opposition is mere political opportunism, so I completely disregard what the Liberal Party says on this project and on most of what is done in regional Victoria. But I hold my head in shame at The Nationals. I cannot get over how they continue to turn their backs on their own constituency and get away with it. I actually know them and have respect for them as individuals, but they do have form in turning their backs on their constituents. I suppose

the goodwill of farmers in this state continues to give them further and further opportunities to turn their backs on them again.

In the few seconds I have left I want to talk about the economic benefits. We have seen Regional Development Victoria and Deloitte do some work on this project. There will be an additional 1300 full-time jobs in 2009 as the high construction phase will bring more jobs to the region. The Sugarloaf pipeline will increase the total number of equivalent full-time employees in the state by 1040 in 2009, and with the modernisation project, 680 additional equivalent full-time jobs will be created relative to the base case in the state at the project's peak in 2011.

This is a great project for Victoria, it is a great project for farmers, it is a great project for the city — and I commend this project.

Mr WALSH (Swan Hill) — Before I go into the issues I want to raise, I want to do a brief summary of some of the contributions from the other side. When you are in government, you can get lazy; you get the cheat sheet from the department for what you are going to say. But some members on the other side need to read their cheat sheets because the facts they have put forward are quite wrong.

The member for Narre Warren North said 420 000 megalitres of savings had been promised, but actually 520 000 megalitres have been promised by this government, so the member for Narre Warren North needs to look at his facts. He also said that it is a lie that food prices may go up. If you look at what the current drought has done to the dairy industry in northern Victoria, you will see that production there decreased by 15 per cent in 2006–07 and is down another 10 per cent this year. That is because there has not been enough water; if the government continues to take water away from that area, there will not be water in the future.

The member for Barwon South talked about support for dams. I say that there is a breath of fresh air in the Geelong council in that it has Andrew Katos there as a councillor who is prepared to speak up on water issues, who is prepared to not be intimidated by the government and particularly not be intimidated by the member for Barwon South as he tries to dominate the Geelong City Council. It is great that there is an independent voice down there in Geelong.

The member for Macedon talked about the city-country divide and for a while almost sounded like she was talking on a grievance motion rather than a matter of

public importance. Country members do not really have to say much about the city-country divide when members of the government say what they really feel. I do not believe that country people are ugly, ugly people, as the Leader of the House has said. I also do not really believe that they are a sorry, sorry bunch, as the Leader of the House has also said. I do not believe that they are quasi-terrorists; I believe they are sticking up for their rights. Finally, I do not believe that they are liars, as the Premier has said. That is something the member for Macedon wants to take notice of: country people are not liars.

The matter of public importance introduced by the Minister for Water, the member for Lyndhurst, is a defence motion to try to justify the Premier speaking as he did. It aims to get him out of trouble for calling country Victorians liars — because they are sticking up for their rights and they are using their democratic right to object to something the government is forcing onto them. If we want to talk about lies, this government has form on lies. The great lie of the 1999 election was, ‘We will return water to the Snowy River’. Where is the water for the Snowy River?

The budget papers this year say that only 4 per cent has been returned to the Snowy River. The promise was to have 15 per cent returned by next year. We are only at 4 per cent. Where is the rest of it? It is a great lie. We were supposed to have 21 per cent by 2012 — another great lie! Then we go to the election of 2002 and hear, ‘No tolls on the Scoresby’. What a corker of a lie that was! So the government has form on these sorts of issues.

Then we come to the biggest lie of the whole lot. Before the 2006 election the Premier crossed his heart and hoped to die, when he said, ‘We will not take water from north of the Divide to south of the Divide’. What happened? The government was elected, and it changed its mind overnight.

Mr Crutchfield interjected.

Mr WALSH — I advise the member for South Barwon that I will get back to new water. This government has form on this whole issue.

But to go on further, the current Premier, when he was Treasurer, went to northern Victoria the day before the announcement was made about the water project and met with the mayors. He said to the mayor of the Shire of Moira, ‘If you do not like this, we have other options. We will not proceed with this. If you do not like this, we will go elsewhere’. What happened? The next day the then Treasurer announced the project.

How can anyone in northern Victorian believe the Premier when he tells them something about water?

One thing think I will give the Minister for Water credit for is that when he stands up in this place he knows his figures. He can recite them back to front. He is great at speaking without notes, but I do not believe he knows what those figures mean or what the impact on country Victoria is when he quotes those sorts of figures. The flagship project of this government is the Central Goulburn channel no. 2 project (CG2), which was going to set the scene for the whole food bowl project. It was going to do that as the pilot. That \$225 million project has not worked. It has not delivered any savings, and there is talk of the farmers in that area suing the government. They have had their supply of water reduced because the head losses that are going through the system mean they are not getting irrigation efficiency into those areas. The government is going to spend another \$6.8 million to fix up that mess, and there is talk that it could blow out to \$10 million. This is a project that was funded by the Water for Rivers reference group, a director of which is Peter McCamish. Mr McCamish is also a director of the food bowl upgrade, so I can imagine he is not very happy about the fact that CG2 is not working at all. As I said, there is talk of legal action. It is my understanding there is an offer of \$3 million on the table to try to compensate those farmers for what they have lost on that project.

When we talk about the food bowl project the government says it was approached by a lobby group. Hundreds of lobby groups approach the government in any term in office, but the government picked this one because it suits its argument. Or did the government actually give a nod and a wink and say, ‘Why don’t you approach us, and we might do something about this’?

What did the Auditor-General think about this project? He said that the information provided on the food bowl project did not adequately explain the basis for water-saving estimates, so he did not believe the lobby group had a great idea. The announcement of the food bowl project in June 2007 was not informed by rigorous cost analysis and a full validation of the water saving estimates. The government is prepared to accept the word of a lobby group but not accept the word of the Auditor-General. It is an interesting conundrum we have at the moment. If you look at the food bowl project and the fact that water is going to Melbourne, and if you look at where that water is going to come from for Melbourne, it is out of CG1, 2, 3 and 4. CG2 is not working, so there are no savings there. The government is going to take water out of the Goulburn

environmental reserve to make sure that Melbourne gets its water.

I will finish with a poem that was published in the Swan Hill *Guardian* last year. It was written by Joanne Paynter, a year 10 student at Swan Hill College. She wrote:

You take our water,
we have no rain,
we now have the last to lose,
and nothing to gain.
Why must you steal from us?
Why prevail?
Why bleed us dry
and cover up our doomed tale?
Our spirits gone,
we will never give in.
We may end up losing,
but make ... sure you never win!

I ask the house and I ask the Premier of Victoria whether, because she has voiced her view in the Swan Hill *Guardian*, Joanne Paynter is a liar too? Is she a liar because she is prepared to stand up to the Premier of Victoria, who thinks that he can bully, intimidate and denigrate country people?

An honourable member interjected.

Mr WALSH — As other ministers have done, as I have said before, through the things they have said.

I would like to finish on this: the member for South Barwon said he had been to northern Victoria and had met with councils and that they did not have anything bad to say about these projects. That is because the councils of northern Victoria have been warned by the bureaucracy through their staff that if they speak up or criticise the government, they will not get grants. We have a government that thinks it can intimidate everyone in northern Victoria to cave in to its wishes. I oppose this MPI.

Mr NARDELLA (Melton) — I support the matter of public importance that is before the house. I will expose the people behind the Plug the Pipe political campaign and detail to the house the direct links between these campaigners and the cadre within the Liberals and The Nationals.

The food bowl modernisation policy is a critical policy and infrastructure project to provide real water savings to irrigators, farmers and the environment and to Melbourne water users. That will be achieved by a massive \$2 billion investment in the region. The food bowl modernisation project is a critical infrastructure

upgrade for a system that is more than 80 years old — even older than the father of the house.

Everybody supports this upgrade. The Liberals support it, The Nationals support it, the irrigators support it and more importantly the people with the vision support it — that is, the Brumby Labor government. They all support it because this 80-year-old system loses a massive amount of water in every year it operates — at least 800 gegalitres of water and some estimate up to 900 gegalitres of water in an average year.

Melbourne water users used 385 gegalitres in the last 12 months, down from an average of 425 gegalitres a year. That decrease is due to the stage 3a water restrictions, increased recycling like Western Water's achievement of 92 per cent water recycling, more efficient use of water in the home through, for example, new and replacement shower roses, increased star ratings on water equipment, the installation of water tanks and a Victorian government rebate for the same thing, and industry upgrades and recycling which the government has been promoting.

Listen to the members on the other side of the house: nothing has been done. They have this fallacy that we have not been out there doing and putting in place the policies to save water and to make these savings real. In an average year the food bowl irrigation system loses over double the amount of water that Melbourne consumers use in households, industry and other organisations. What happens to this water? Much of it seeps into the ground.

On the other side of this house, members of the Liberals and The Nationals, want to maintain a system that lets water seep into the ground, promoting salinity, promoting agricultural waste and promoting environmental damage. That is what members opposite are in here promoting today. This is a disaster for farmers, irrigators and the environment. Only a Labor government has a vision and the willpower to act on this wastage.

Earlier the Leader of The Nationals said, 'We talked to the Wimmera-Mallee pipeline people, we went through all the processes, we took seven years'. They did not do a damn thing to assess the irrigators, the farmers and the Wimmera-Mallee pipeline. They had to wait for the Bracks and Brumby Labor governments to put their money where their mouth is, to go in there and do the work that was necessary. The Liberals-Nationals, instead of supporting this upgrade and instead of being truthful, are using it to divide the community. The Deputy Leader of The Nationals just read out a poem. That is the exact type of situation that they are

exploiting and promoting. Their own troops within the community are promoting these campaigns because people are listening to the very simple proposition that is being put to them.

The honourable members on the other side of the house do not care: they do not care about the irrigators; they do not care about the farmers; they do not care about the communities that are affected day in, day out because of the 11-year drought. They do not care because they are running a political campaign. They are out there putting a case against the Brumby Labor government in the community.

They do not care about the environment. They do not care about salinity. They do not care about — and this is the important part for the Liberal Party in this house — securing Melbourne's water supply, because all their policies, all their initiatives, all their options were just rubbish propositions. One was to put a desalination plant in the bay to provide 45 gigalitres. One was 15 gigalitres up a river somewhere as a flood mitigation scheme that would not work. What did they do? They did two things. The Liberals and The Nationals are competing against each other in this campaign. They are trying to get ascendancy over each other on the north–south pipeline by running this scare campaign under the name Plug the Pipe. The Nationals are fighting for survival, and they are losing. Most importantly, they are losing in the north-east.

The second thing they are doing is disregarding all the evidence, all the work and all the propositions and with regard to the upgrade work that has been done, like the work on the Wimmera–Mallee pipeline and what has been done on this particular proposal that is before the Victorian community. The savings will be there after the upgrade occurs; there is no doubt about that.

Honourable members on the other side of the house have said these things in their press releases and in debates in this house and the other house. Who is behind this underhanded, nefarious, destructive campaign? The people who do not support \$2 billion of real investment into the region: \$2 billion of work, employment and local economic activity within this region. Let us go through them. Mike Dalmau, a failed Liberal candidate in 2002 and 2006, was the chair at the rally last week. Mike Dalmau is a Liberal Party stooge and cadre who is out there running this campaign, and he chaired the rally last week.

Wade Northausen is an organiser of last week's Plug the Pipe rally. Who is this bloke? He is a young Nationals activist; he is active in The Nationals politics. Who is another bloke? Nicholas Tam. He is the creator

of the Plug the Pipe Facebook group. Who is he? He is the vice-president of the Young Nationals. He is a political activist. He is another cadre in the Nationals, part of the Young Nationals. That is a pretty broad thing in the Nationals; he is probably around 55 years old. Luke O'Sullivan, the state director of The Nationals, is involved in this campaign as well in which the Liberals and The Nationals are fighting each other for ascendancy in the north-east. How is he involved? He is involved because he has printed an authorised Plug the Pipe poster. Where can you get this Plug the Pipe poster? What is the other Nationals connection to Plug the Pipe? It is the honourable member for Benalla, Dr Bill Sykes. On the Yea Pipeline Resistance website, Mike Dalmau tells people to get posters from the honourable member for Benalla's electoral office by contacting Kerrie. Here you have it.

This is a situation where the Liberals and The Nationals in coalition are out there running a political campaign against the interests of rural people, against the interests of farmers, against the interests of irrigators, and against the interests of the environment — only to attack us. We are out there doing the hard work, doing the hard slog, we are investing in jobs and economic activity within country Victoria while coalition members have left the field. They have run off the field at half-time because they want to run a political campaign. They are a disgrace and they know that they are a disgrace.

STATEMENTS ON REPORTS

Public Accounts and Estimates Committee: budget estimates 2008–09 (part 1)

Mr McINTOSH (Kew) — I wish to make some comments on the Public Accounts and Estimates Committee report on the 2008–09 budget estimates, part 1, which was tabled in this house in May 2008. I refer members to pages 23 and 24, which relate to hearings that took place involving the Minister for Police and Emergency Services, together with a number of other public officials, most importantly, Christine Nixon, the Chief Commissioner of Police. As the committee notes in its report, there were a number of matters that were actually canvassed in a wide variety of ways — from issues and measures to address family violence right through to the people allocation model. There was a significant discussion about police numbers and there was also a significant discussion about crime statistics, including an increase in assaults against the person, and there was some criticism about the statistical basis for the claim that Victoria is the safest state.

While there was wide-ranging discussion in relation to the evidence that was given on 15 May, a lot of discussion about crime statistics related to what the police are doing to address a significant and burgeoning problem in the central business district of Melbourne, and perhaps ignored other critical areas of Victoria and metropolitan Melbourne. One of the issues that was not really canvassed in these discussions — it is a matter of some regret that it was not and it should be put on the record — is that some of our largest growth areas, such as the shire of Melton, the city of Wyndham and the city of Casey, are not only experiencing a large population increase but are also experiencing a significant rise in crime against the person.

When you look at the increases in the number of assaults, for example, in metropolitan Melbourne, as disturbing as they are, in the six years from 2000–01 to 2006–07 — and I will refer to that period as ‘those six years’ — assaults have risen by some 22 per cent, which is a matter of profound concern. In Melbourne the figure has risen from about 1600 in 2000–01 to 2064, which is a increase of 22 per cent. But when you look at the city of Brimbank you see that statistically in the same period of time assaults have risen from 588 to 1099; in Melton they have risen from 226 to 589, which is a rise of 160 per cent. Those two figures dwarf the percentage increase in metropolitan Melbourne and certainly should be ringing alarm bells in the ears of any government that is interested in protecting its community.

In terms of crimes against the person in that same period Melbourne only had an increase of 2.5 per cent, yet in Brimbank there was a 62 per cent increase to 1595 crimes against the person, and in Melton some 715, which is a rise of 109 per cent. Perhaps the government should be showing a lot more interest in those alarming rises in crime.

In terms of the government’s response, as we know, it is on the record about dealing with the issues of the central business district. It will be a moot point as to whether those strategies, which include an increase of some 50 police officers to form a task force, and the 2.00 a.m. lockout, actually work or not. Certainly in relation to the outer growing suburbs of Melbourne there does not seem to be any significant response. As was recently highlighted in this place, in suburbs like Keilor Downs and Sunshine, compared with the establishment strengths of police officers in the early 1980s and early 1990s in those two stations, both stations are some 20 per cent below establishment levels, taking into account vacancies and long-term secondments. Indeed the Police Association has estimated that police numbers in the Kororoit area are

short by at least 70 officers, and this is a matter of profound concern.

Economic Development and Infrastructure Committee: mandatory ethanol and biofuels targets in Victoria

Ms CAMPBELL (Pascoe Vale) — I rise to speak on the Economic Development and Infrastructure Committee report into mandatory ethanol and biofuels targets in Victoria, of which I am a member. At the moment there is a lot of very positive discussion about Victoria taking the lead in Prius and hybrid technology. Both the Parliament and the people are absolutely delighted that this state government is taking action to ensure reductions in greenhouse emissions.

Our committee came up with an additional point that should be picked up by the Environment Protection Authority (EPA). In our investigations into ethanol and biofuel targets and the work required to cut air pollutant emissions, we discovered that the Environment Protection Authority in Victoria has an interesting mode of operating in relation to smoky vehicles. Before outlining what it actually does I want to go to our recommendation.

We have recommended that given the increased interest in vehicle air emission reductions in association with biofuels use, that EPA Victoria also implement procedures to ensure improved compliance of existing vehicles with current air emission requirements. In the course of our inquiry we learnt that currently the EPA in Victoria runs two smoky vehicle programs — a public, or community, reporting program, and an official reporting program. I think it is important and quite informative to outline to the house the difference.

The official smoky vehicle spotting program relies on reported observations by Victoria Police and EPA officers of vehicles they believe are in breach of the regulation. Reports are submitted in writing using a standard spotting form. The registered owner of a vehicle is then followed up and sent a warning letter requesting that they fix the vehicle. The letter contains the date, time and location of the offence, and owners are warned of potential fines. Experience has shown, though — and this is directly from the EPA — that only a very small number of owners are repeat or serial offenders as a result of that.

But there is also a second reporting mechanism — that is, the public smoky vehicle spotting program. This program relies on reports from members of the community. Reports under the program must contain the registration number, a physical description of the

vehicle and the date, time and location. Reporters are also required to provide their name and contact details.

If the vehicle description matches that contained in the registration database, owners are sent what is called an advisory letter. This letter sets out clearly the origin of the report with a request to check their vehicle. It does not allege an offence and owners are not required, we learnt, to submit evidence of compliance with the request by the EPA to ensure that their vehicles are no longer smoky.

A person who takes their public and civic responsibility quite seriously, believing that if they report to the EPA that the EPA will be following up smoky vehicles and ensuring that the owners comply with regulations, would be quite shocked to learn that this does not occur. As in the past the word gets out that X, Y or Z is not going to be followed by public authorities to ensure regulations are complied with, and this is occurring in Victoria in relation to smoky vehicles. It is imperative that the EPA look at its own policies, examine the regulations and ensure that when vehicles are spotted breaking regulations, they are followed up and the reports are actioned.

Public Accounts and Estimates Committee: budget estimates 2008–09 (part 1)

Mr NORTHE (Morwell) — It gives me pleasure to make a contribution to the Public Accounts and Estimates Committee report on the 2008–09 budget estimates, part 1. On pages 317 and 321 of the report the Premier was asked some questions specifically relating to government spending on advertising and the future state debt. The member for Scoresby posed a question to the Premier that asked, given Victoria's anticipated debt will increase to nearly \$23 billion by 2012, which includes non-financial public corporations, what major infrastructure projects the government would be undertaking as part of this particular debt.

In his response the Premier referred to, in part, proposed water projects including the Gippsland Water Factory. This is quite curious given the Gippsland Water Factory is not mentioned once within the 2008–09 state budget. The Gippsland Water Factory is a project that will treat local, domestic and industry waste water. It will be recycled, and 8 megalitres of that treatable water will be used for Australian paper, and 25 megalitres will be used to treat an open water sewer that travels out through the regional outfall sewer down at Dutson Downs.

I want to refer to the cost associated with this project. Over time we have seen that the costs of the Gippsland

Water Factory go from \$120 million initially up to \$140 million, \$160 million, and the latest projections are \$174 million. In actual fact, on page 322 of the report the Premier has stated that this investment is somewhere in the vicinity of \$200 million. Hopefully the Premier is not quite accurate on that report.

The ratepayers to Gippsland Water, the underlying organisation of the Gippsland Water Factory, can expect a 100 per cent increase in their rates over the five years. These ratepayers are extremely upset and concerned with this government. The government has contributed \$50 million to the Gippsland Water Factory. However, the Premier in question time on 29 May stated that the government had contributed \$150 million to this project.

Whilst some of us were jumping up and down with joy at the prospect of this additional funding, it appears that the Premier has amended that comment. I note that in *Hansard* today. May I say he probably only did this because I had highlighted that matter publicly.

Ms Kosky — That was a bit silly of you.

Mr NORTHE — It was. When the Premier suggested that the state government had contributed \$150 million to this project, I was curious: was it an error, was it a false assertion or was it a lie?

There are many angry ratepayers within the Morwell electorate who are quite concerned that, despite the government receiving substantial moneys from water authorities — \$2.5 billion in this term of government in terms of water dividends and environmental levies — only \$50 million has been contributed to this significant project. If the government was able to contribute more, it would obviously ease the burden on the ratepayers who have to pay for this project. Concerned ratepayers have also stated to me that the Premier was quite willing to step in when the Melbourne water authorities proposed to increase their rates by up to 22 per cent, as Gippsland Water had done for 2008–09. The Premier stepped in and capped their rates at 14.8 per cent. We do not quite see the analogy here. Again those in rural Victoria feel that we have been left behind and disadvantaged.

I wrote to the Minister for Water on this subject and asked how concession card holders may be compensated in the future. It is a great disappointment that in the budget we have seen that concession card holders have their rates increased by 14.8 per cent. This is of little comfort to those Gippsland Water ratepayers who face a 22 per cent increase in rates for 2008–09.

The Gippsland Water Factory is a great project. It is a local solution to a local issue. However, we call upon this government to ensure that it invests more appropriately in projects such as this to ease the burden on the ratepayers who are expected to fork out the cost of projects such as this within our region.

Scrutiny of Acts and Regulations Committee: Police Integrity Bill

Mr BROOKS (Bundoora) — I wish to make some comments in relation to the Scrutiny of Acts and Regulations Committee's report on the Police Integrity Bill 2008, which, along with a minority report, was tabled in this house yesterday. It is interesting to note some of the comments made in the minority report. I think it is important to go over the sequence of events in relation to the delivery of this report.

It is important to remember that the Scrutiny of Acts and Regulations Committee considered the bill in *Alert Digest* No. 4, which was tabled on 8 April. I consider that most members would find that report to be thorough. It did not contain any notation of dissent from the Liberal members of the committee. There was no indication in the *Alert Digest* that any submissions had been made. The Police Integrity Bill passed the Legislative Assembly the next day, on 9 April.

It was only after the bill left this chamber that we had a sudden push by the opposition to delay the bill in the upper house. The opposition used its numbers in the upper house to send the bill off to the Scrutiny of Acts and Regulations Committee for a further month and for another report. Its members on the Scrutiny of Acts and Regulations Committee have tried in every way to delay the passage of the bill. We even had the member for Warrandyte hysterically telling the Parliament that he was going to resign from the Scrutiny of Acts and Regulations Committee over this issue. I am not aware that he has gone ahead and done that yet; we will wait and see whether he does do what he told Parliament he would do, and resign from the committee.

There was a motion from the opposition in the upper house to delay the report for a further month so we could have hearings. I welcomed the prospect of having further consideration of the bill. We had public hearings after we contacted likely interested parties. I would like to thank Liberty Victoria, the Police Association, and Dr Hill from the Premier's department for attending and giving evidence. However, I must say that the report found no real issues that were new to the committee. The minority report demonstrates a pretty poor attempt on behalf of those members who put their names to it to try to justify the wasted month.

What is interesting in considering this report is why the Liberal Party is trying to delay the bill. I cannot understand why the Liberal Party would want to delay a corruption-fighting bill in the upper house. There has been more scrutiny of this bill than you can poke a stick at. I understand that only yesterday the opposition used its numbers in the upper house to delay this bill further. I think it is important for the Leader of the Opposition to tell Parliament why his party is obstructing this crime-busting bill in the upper house. The Leader of the Opposition needs to come in here and explain to the house exactly why the opposition will not support the bill and is trying to keep putting it off. In fact I think the actions of the Liberal Party in this regard are quite smelly. Its members obviously have something to hide here, or they are trying to protect somebody. I will be interested to see what eventually happens with the bill. For the life of me I cannot understand why they are trying to delay this bill.

The minority report, which, as I said, lacks substance and coherence, tries to throw up three major issues as concerns. The first one is there is a complaint from the Police Association about consultation. The second one is in relation to Liberty Victoria and its evidence around the stipulation in the bill that for someone to be eligible for appointment as the director, police integrity they need to be someone who is eligible for appointment as a judge. I think that is quite a sound qualification.

The minority report also raises an issue in relation to the terms of reference of the Scrutiny of Acts and Regulations Committee and suggests that section 7 of the Charter of Human Rights and Responsibilities supports a view that we as a committee should be looking at policy issues. I would strongly reject that position and suggest that the current practice of the committee is entirely appropriate.

I suggest the Leader of the Opposition should tell this house why he is obstructing a corruption-fighting bill, why the Liberal Party members in the upper house are trying to obstruct and delay the passage of this important piece of corruption-fighting legislation, and why the members of the Scrutiny of Acts and Regulations Committee from the Liberal side of this house continue to try to delay the passage of this report, so the bill can finally be considered by the Legislative Council.

Public Accounts and Estimates Committee: budget estimates 2008–09 (part 1)

Mr MULDER (Polwarth) — I rise to make some comments in relation to part 1 of the Public Accounts and Estimates Committee report on the budget

estimates for 2008–09 and in particular in relation to evidence taken from the Minister for Public Transport. I would like to focus on an issue raised in that committee hearing, on page 17 of the minister's evidence — that is, questions and comments from the member for Mordialloc who raised issues in relation to the early bird rail scheme.

The Frankston line, which goes through the member's electorate, was one of the lines on which the early bird fare trial, or lack of fare as the member put it, was rolled out. The member for Mordialloc claimed that she thought it was a successful trial, when in actual fact when you look at comments attributed to Bernie Carolan of Metlink, he indicated they did not think the trial set the world on fire. I believe Metlink would be the appropriate authority to comment on this particular matter as it is the agency in charge of the metropolitan ticketing system.

The member failed to recognise that the Sydenham line was also chosen by the government to carry out a trial of the early bird scheme. You would have to ask yourself how Sydenham came to be involved in this trial. Of course Sydenham is the line that services the electorate of Kororoit, and the people of Kororoit are gravely concerned about the poor public transport system that runs into their electorate. They are very concerned about cancelled trains. They are concerned about late-running trains, and of course they are concerned about the level of violence in and around the line and some of the stations that service that electorate.

You only have to look at the Connex website and download some of the statistics that are shown on a line-by-line basis to see exactly how poorly the Kororoit electorate fares on a system-wide basis. The average punctuality performance across the network through to April 2008 shows a rate of 91.4 per cent across the network. If you look at it on a line-by-line basis you see that lines such as Williamstown come up at 96 per cent. Alamein is 95.2 per cent.

On the Glen Waverley line, 95.1 per cent of trains turn up on time. On the Epping line, it is 94.1 per cent. As you go further and further through these charts you understand just how far down Sydenham is and how far down in terms of the government's priorities the people of the electorate of Kororoit are. The Sandringham line is at 93.7 per cent, Upfield is 93.6 per cent. The Lilydale line is 93.5 per cent, the Stony Point line is 92.8 per cent, the Belgrave line is 92.2 per cent, and Broadmeadows is 90.6 per cent. We then get down to lines such as the Werribee line where under 90 per cent of trains turn up on time. When you finally get to Sydenham it is the same at 89.2 per cent. That puts the

Sydenham line equal 11th across 15 metropolitan electrified lines as having the worst performance. It is equal 11th in terms of performance ratings across 15 electrified lines. It is little wonder that the people of Kororoit are asking whether they have been completely and totally abandoned by the Brumby Labor government. There are only a handful of lines whose figures are less than the Sydenham lines.

We visited that area today. People are absolutely and completely convinced that the government of the day has deserted them in relation to public transport. Not only that, some freedom of information documents received from the former Department of Infrastructure show issues in relation to unruly passenger assaults, injuries to railway staff and other incidents, such as fights, loitering and vandalism between 1 January and 30 June last year; and on the Sydenham–Watergardens line there have been 14 incidents of unruly passenger assaults, injuries to railway staff and other incidents, including fights, loitering and vandalism. On the Cranbourne line there were three such incidents, and seven on the Epping line. It just goes to show that, once again — —

The ACTING SPEAKER (Ms Beattie) — Order! The member's time has expired.

Public Accounts and Estimates Committee: financial and performance outcomes 2006–07

Mr FOLEY (Albert Park) — I rise to discuss the Public Accounts and Estimates Committee (PAEC) report on the 2006–07 financial outcomes, which was tabled in May. This is a fine report, because it says much about how this government works and in whose interests. I congratulate the committee and its chair for their fine work.

I would like to focus my comments by looking at the national reform agenda and its progress of implementation to date. I do so because this section of the report points to the strong and emerging theme in the operation of Australian federation under the arrangements in place between the Rudd commonwealth government and the Brumby state government, particularly in the critical area of implementing the national reform agenda. The emerging theme of these arrangements could be best summed up under a heading 'National coordination and local delivery'.

At page 56 the report points to a series of key meetings that have forged this relationship between the commonwealth and state governments. On 20 December 2007 a Council of Australian

Governments meeting breathed new life into the national reform agenda items of human capital development, regulatory reform and competition reform in key sectors of the economy. Out of this meeting came the real workhorses of forging a new cooperative federalism through a series of working groups in areas such as health and ageing, the productivity agenda, climate change and water, infrastructure, business regulation and competition, housing and indigenous policy reform.

The PAEC's report notes that many of these items stem directly from the initiative of this state government under the national reform agenda, so now we see the framework for how microeconomic reform and the heavy lifting of refashioning commonwealth-state relationships in delivering services to the Australian people will be implemented.

For instance, in health we have already seen an immediate commonwealth allocation of some \$1 billion to relieve the pressure on public hospitals — a pressure built in part by the former Liberal government's refusal to shoulder its fair burden of public hospital funding. Perhaps more importantly, we see a recognition that in delivering the new federal and state health care arrangements to be signed before the end of 2008 for implementation next year, that there will be a review of the indexation formulas for future years so as to return to the appropriate sharing of balance between the states and the commonwealth.

In the area of water management, we have seen the historic memorandum of understanding between the states and the commonwealth on the Murray Darling Basin reform to tackle overallocations, to improve environmental outcomes, to enhance irrigation efficiency and, perhaps most significantly of all in the case of Victoria and the commonwealth, agreements over the terms of a further \$1 billion of assistance towards stage 2 of the northern Victorian irrigation modernisation program. The list goes on, but I might particularly refer to the area of regulatory reform as it applies to occupational health and safety.

COAG has set up a national working group to focus on creating a seamless national economy unhampered by unnecessary state duplications, overlaps and differences. At a subgroup meeting on 1 February this year, all the relevant state and federal ministers sought commitments to harmonise relevant laws and agreements to make sure that we had model legislation in the area of occupational health and safety.

COAG established a working group of three members — Stewart Crompton, Barry Sheriff and

Stephanie Mayman. That panel has already commenced the process of consultation with key stakeholders across every state and territory. They will be reviewing legislation in each state and territory to make sure that the recommendations on an optimal structure and content of a model occupational health and safety act is capable of being endorsed right across the country.

By the end of October they will report to the ministerial council on duties of care and on the nature and structure of how a bill should be structured. There will be a new report on all matters by the end of January 2009. What we were seeing in the case of occupational health and safety reform through the COAG process is one small corner of how the new federation of the state and federal Labor governments is working to build a safer and better Victoria and, indeed, Australia.

The ACTING SPEAKER (Ms Beattie) — Order! The time for making statements has now ended.

APPROPRIATION (2008/2009) BILL

Second reading

Debate resumed from 10 June; motion of Mr BRUMBY (Premier).

Mr O'BRIEN (Malvern) — Benjamin Franklin is attributed with having said, 'The only certainties in life are death and taxes'. Perhaps if Mr Franklin had been around today to see the Brumby government's 2008–09 budget he would have amended it to read 'debt and taxes', because debt and taxes are the two keystones of this government's budget.

We only have to look at the debt situation. Net debt has increased sixfold — from \$1.5 billion in 2005 to a scheduled \$9.5 billion for 2012. Even if you were to look at total public sector net debt, that has also increased sixfold — from \$3.5 billion in 2002 to \$22.9 billion expected for 2012. Debt servicing — that is, the interest that taxpayers are paying on this Labor government's debt — is scheduled to reach \$1.75 billion by 2012. That is about the same amount that we spend on Victoria Police, and more than the total that this government is raising from gambling taxes this year.

This brings me to the question of taxes. I refer to table 4.2 of budget paper 4, which shows that government presents its figures by comparing its budgeted taxes for the 2008–09 year with the 2007–08 revised figures, whereas what the government should be doing is showing what the 2007–08 budget was compared to the 2008–09 budget, because those

figures are the ones which give the true picture on where this government has taken us in the last 12 months and where it is going to be taking us in the next 12 months.

When it comes to taxes, you can see why the government is trying to fudge the figures; the land tax increase between the 2007–08 budget and the 2008–09 budget is a 37.16 per cent increase. With land transfer duty — otherwise known as stamp duty — the increase is 30.92 per cent, or \$882 million. Total taxes on property are increasing by over 30 per cent in this financial year. For a government that claims to have some tax cuts, quite the contrary is happening. Taxes are increasing at a massive rate. Can anybody else imagine an environment where your tax revenue can increase by 31 per cent in just 12 months, yet the government claims it is cutting taxes? That is an extraordinary proposition from a government that has an absolute appetite for increased taxation.

With gambling taxes — an area particularly close to my heart as the shadow minister for that area — a comparison of the 2007–08 budget with the 2008–09 budget shows a 10 per cent increase in lottery taxes, or an extra \$32.5 million. Poor old lottery agents are going through a lot at the moment. Intralot, the new kid on the block — the new player introduced by this government — is pointing a gun at the heads of lottery agents and saying, ‘If you want to sell scratch tickets after 1 July this year, you will have to pay us a \$10 000 up-front licence fee and a \$5000 bank guarantee and training fees before you even see a single dollar of revenue’. There is no doubt that the money the government is budgeting on this year is directly coming out of the pockets of poor old lottery agents, and this government should be ashamed at the way in which it has put lottery agents to the sword to benefit its own bottom line.

Let us have a look at electronic gaming machines. Taxes are increasing by \$83.6 million on a full-year basis — up by 8.9 per cent. Despite all the government’s claims about what it is doing about problem gambling, the reality is that the tax revenue is increasing massively ahead of the consumer price index and a lot of the money that is contributed to electronic gaming machines comes from the pockets of problem gamblers.

As one of my colleagues said earlier today, gambling taxes are one of the most regressive forms of taxation, but they are a form of taxation that this government is pursuing as aggressively as possible.

In relation to gaming taxes, it is obscene in my view that at a time when the government is increasing its tax take from gambling revenue it is also slashing problem gambling advertisements. Expenditure on advertising to let addicts or potential addicts know about problem gambling counselling services was \$4.75 million in 2005–06. People might have said that that was not enough, but it was certainly a reasonable amount. That amount was slashed by over 35 per cent the following year to just over \$3 million. The Minister for Gaming confirmed in Public Accounts and Estimates Committee hearings that that cut will remain in place for the next financial year as well. The government has cut the advertising for problem gambling counselling services by 35 per cent. It cut it two years ago, and it is keeping that cut in place.

At a time when the government is making a record amount from gambling and consequently a record amount of revenue from problem gamblers, that is an absolute disgrace. I call on the government to remedy that situation as urgently as possible. I do not know if the government realises it, but problem gambling has a massive effect on not just gamblers themselves but on their families, on their communities, on their employers, who quite often wind up being the victims of gambling-related debt, and also on community groups, which a recent study showed were often the victims of gambling-related debt. As I said, for the government to be slashing funding for the advertising of problem gambling counselling services is obscene.

The government should also hang its head in shame over the fact that it has deliberately increased petrol prices to the tune of \$163 million. I raised this in my speech on last year’s appropriation bill because the government had decided to remove the subsidy it previously had on petrol prices, which was worth \$163 million over the forward estimates period. At a time when petrol prices are as high as they are, every little bit helps, and when it comes to taking away subsidies, every little bit hurts. This government has deliberately taken on a policy position of increasing the price of petrol to Victorian motorists by \$163 million over the forward estimates period, including the forthcoming financial year. For the government to profess concern for working families at the same time as it is deliberately increasing petrol prices is just not on.

When it comes to stamp duty, the government claims in the budget papers that it is reducing the stamp duty take by 3.6 per cent comparing only the 2007–08 revised figures with the 2008–09 budget. When you look at it on a full-year basis and compare last year’s budget with this year’s budget, you see that stamp duty revenue will

increase by over 30 per cent. The government still has not changed the rate; it has tweaked thresholds by about 10 per cent. Any tax cut in this area is welcome, but the government has barely tweaked the thresholds and has left the rate in exactly the same position. If over the last 12 years the federal government had taken the approach that it was going to keep the rates of taxation on income tax exactly the same and just tweak the rates every now and again, the public would be rightly up in arms. If the government is serious about tax reform it cannot just look at the thresholds, it must also seriously look at cutting the rates.

One other point I want to make in my capacity as a shadow minister is that the government has made quite a song and dance about what it is going to be doing in relation to liquor licensing and enforcement. A press release from the Premier's office dated 2 May 2008 entitled 'Victoria's alcohol action plan to restore the balance' says:

A \$17.6 million liquor licensing compliance directorate will be established in the Department of Justice to significantly strengthen enforcement of liquor licensing laws across all of Victoria.

The press release quotes the Premier as saying:

This directorate will be responsible for the inspection and enforcement of liquor licence laws and will be staffed by 30 inspectors and six lawyers who will operate across the state.

Those are fine words, but the budget papers tell a very different story. When you look at the budget paper concerned with service delivery for the forthcoming year, you see on page 178 the major outputs and targets the government sets for itself for what it is going to do with the money it is appropriating. Under the heading 'Promoting and protecting consumer interests', which refers to things that include liquor licensing, the government has targets for the number of inspections that are to take place, for compliance monitoring and for enforcement activities. For the 2007–08 financial year the government's target was 7750. In its press release the government announced a \$17.6 million boost, a new liquor licensing compliance directorate, 30 new inspectors and 6 lawyers. How many additional instances of inspections, compliance monitoring and enforcement activities do you think those 30 additional inspectors and 6 lawyers would produce? According to the government's budget paper the answer is zero — not one extra inspection, not a single extra instance of compliance monitoring and not a single extra enforcement activity. How can this government say it is spending \$17.6 million on increasing compliance with liquor licensing laws when its own budget papers show not one extra instance of inspection, monitoring or

enforcement? These figures show that the government is not serious about this issue. It is more interested in spinning the issue rather than tackling the serious problem of alcohol-related violence.

In relation to my electorate, I can leave my comments until the last 4 minutes of my speech because sadly, once again, there is not much of which to speak. Lloyd Street Primary School is one of the five state primary schools in my electorate, and it is in serious need of upgrading. This was acknowledged by my Labor opponent at the last election, and it was one thing that we both agreed on. I was able to secure a pledge from my party to significantly fund an upgrade for Lloyd Street Primary School, unlike my opponent, who nonetheless went into print recognising the need for the school to be upgraded.

The school council president, Simon Richards, was quoted in the *Stonnington Leader* in the first week of May as saying the school was desperate for funding. The article quotes him as saying:

When is it going to be Lloyd Street's turn? ... The building needs painting, if it's not done soon, there will be structural damage ...

We are talking about a school that is at full capacity on a very small plot of land, with very old buildings that are falling apart and with portables eating up the children's recreational space. What has the government delivered for the school in this budget? Nothing — not a cracker, not a major upgrade. Nothing at all. This government promised to upgrade every state school in Victoria over a 10-year period; it had better get cracking in Malvern, because it has not touched any of my schools yet, and it does not look as if it is going to. The electorate is getting pretty sick of this government playing politics over our children's education based on postcodes. Unless the government starts providing funding on the basis of need rather than political margin, it will pay a very serious price in 2010.

There has been a \$360 million blow-out on the Monash Freeway, so a lot of money is being spent somewhere, but it is not being spent on noise barriers for residents in my electorate. The government holds itself to a lesser standard when it comes to noise barriers than it does CityLink. CityLink has to have barriers in place to prevent noise going over 63 decibels, but government-funded upgrades can go as high as 68 decibels. If the government is serious about bringing the community with it on these major projects, it needs to make sure that residents are not adversely impacted.

There is nothing in the budget for the Malvern police station, which is desperately in need of some money for

an upgrade, and nothing for public transport. There is also nothing in terms of level crossings. My area has five level crossings, all of which clog traffic quite significantly and all of which are in the top 5 per cent of dangerous level crossings in the state, according to the recent VicRoads and Department of Infrastructure surveys. However, there is no money for even a scoping plan to deal with these level crossings.

Unfortunately, my constituents are probably paying more than those in just about any other electorate in terms of taxes to the government, but they are getting the least of just about anybody. The people of Malvern are more than happy to contribute their fair share — in fact, I think they contribute far more than their fair share. All they ask for is a fair go in return, but sadly the 2008–09 Brumby government budget is anything but fair to the people of Malvern.

The ACTING SPEAKER (Ms Beattie) — Order! Now is an appropriate time to break for lunch. The government will have the call when debate resumes.

Sitting suspended 1.01 p.m. until 2.04 p.m.

Business interrupted pursuant to standing orders.

QUESTIONS WITHOUT NOTICE

Rail: St Albans level crossing

Mr BAILLIEU (Leader of the Opposition) — My question is to the Premier. Will the Premier match the coalition's commitment and fully grade separate the St Albans level crossing, which is rated the fourth most dangerous crossing in the state, or will he continue to ignore the pleas of thousands of local residents and the St Albans Traders Association whose president told the Star News Group on 20 May that the government's long proposed but never delivered bypass 'was not wanted' and 'would not solve any safety issues'?

Mr BRUMBY (Premier) — I thank the Leader of the Opposition for his question, and for his new-found interest in the western suburbs of Melbourne. We should start with the facts in relation to this matter, and they are that our government is totally committed to the St Albans strategy for grade separations on the Sydenham line. That strategy was put in place following consultation with local residents, local traders, the city council and public transport operators. The St Albans strategy to improve road safety and reduce congestion is a three-stage strategy. It involves, firstly, the underpass of the railway line at Taylors Road, so that is stage 1 of the strategy; secondly, the local bypass of the main road and the rail underpass,

which is stage 2; and thirdly, the grade separation of the Furlong Road rail crossing. Fifty-four million dollars has been committed for stage 1 of the strategy, and that is the underpass of the railway line at Taylors Road. I am pleased to say that construction is under way and is expected to be completed by early 2009. Planning for stage 2 is also well advanced. VicRoads has a preferred route and is undertaking a detailed design.

Generally in relation to transport in this area we have significantly expanded bus services in Kororoit. We have added two new routes: 400 and 460. We have delivered seven route extensions — 215, 216, 418, 419, 421, 425 and 456 — and we have done that into the growth suburbs like Caroline Springs. Six bus routes have had their hours extended until 9.00 p.m., seven days a week. They are routes 408, 418, 419, 425, 451 and 456.

The Leader of the Opposition raised the issue of grade separation. In addition to that we have an additional 62 services a week to Deer Park station, and I have the new and improved timetable for Deer Park which has been delivered by a Labor government, not by the Liberals. Only Labor could deliver those improvements. When I first entered this Parliament in the 1990s I entered as a member of the other place, and much of the Kororoit electorate was part of Doutta Galla Province. During the period of the Kennett government I remember the campaigns against the \$100 home tax. I remember the cuts to public transport — —

The SPEAKER — Order! The Premier will not debate the question.

Mr BRUMBY — I remember the cuts to schools, the cuts to hospitals — —

The SPEAKER — Order! The Premier is debating the question, and I ask him not to do so.

Mr BRUMBY — Finally, I see the Leader of the Opposition and the Leader of The Nationals now on a roadshow around the state promising money to anybody who asks for it. I remember at the last election there were unfunded commitments between the Liberal Party and The Nationals of \$7 billion, and, Speaker, do not think — —

Mr Ryan — On a point of order, Speaker, the Premier is debating the issue, and I ask you to have him return to the question.

The SPEAKER — Order! The Premier is debating the question, and I ask him to conclude his answer.

Mr BRUMBY — No-one believes the commitments that are made by the Leader of the Opposition, just as nobody believes commitments that are made by the Leader of The Nationals. This is a hollow and dishonest promise not intended ever to be delivered, and it will not be delivered under a Liberal government.

Water: Victorian plan

Ms MUNT (Mordialloc) — My question is to the Premier. I refer the Premier to the government's commitment to make Victoria the best place to live, work and raise a family, and I ask: can the Premier outline to the house what action the government is taking to ensure Victoria's water security for a record number of Victorians?

Mr BRUMBY (Premier) — I thank the member for Mordialloc for her question and make the obvious response that our government is taking decisive action to secure water supplies for Victoria.

Honourable members interjecting.

Mr BRUMBY — I will ignore the interjection. I am told that this morning a speech was made in the house by the Leader of The Nationals, in which he proudly said that the former government had consulted for 10 years on the Wimmera–Mallee pipeline but had never committed to it!

Honourable members interjecting.

The SPEAKER — Order! I ask the Premier not to debate the question.

Mr BRUMBY — We make no apologies for the fact that we are taking decisive action to secure Victoria's water supplies. Whether it is the water supplies for Melbourne, whether it is the water supplies for the food bowl region, whether it is the water supplies for the Wimmera Mallee, whether it is the water supplies in north-eastern Victoria or Gippsland, we are taking decisive action to ensure that we can drought-proof our state to the maximum possible extent.

The reason we need to do that is we obviously have dry climatic conditions and we have climate change, but we also have the strongest population growth occurring in this state for decades. Last week the Australian Bureau of Statistics released its latest data. The December 2007 figures show that Victoria's population grew faster in percentage and absolute terms since records began 35 years ago. More babies were born than in any other year on record, more overseas migrants settled in

Victoria than in any other year on record and our population growth of 1.6 per cent was higher than the national average.

Is this not a contrast to the 1990s, when the Leader of the Opposition was the state president of the Liberal Party, and to the years when 30 000 to 40 000 Victorians a year were leaving Victoria?

Mr Ryan — On a point of order, Speaker, the Premier is debating the issue, and I ask you to have him return to the question.

The SPEAKER — Order! I uphold the point of order and ask the Premier to come back to answering the question.

Mr BRUMBY — Those ABS figures that were released this week show that Melbourne's population will increase by 1 million by 2020. Again, what a contrast between what is occurring in Victoria now — people are voting with their feet, coming to live here from interstate and from overseas; it is not just the population growing in Melbourne but in country Victoria; the four fastest-growing inland cities in provincial Australia are Bendigo, Ballarat, Shepparton and Mildura — and those years in the 1990s when people could not get out of the state fast enough, could not leave country Victoria fast enough, with the closed schools, the closed hospitals, the closed railway lines and the lack of planning for the future.

The SPEAKER — Order! The Premier is clearly debating the question, and I ask him to stop doing so.

Mr BRUMBY — That is why our state is investing so significantly in water infrastructure projects to secure our future. The goldfields super-pipe is already securing the future of Bendigo and Ballarat. If it were not for Labor governments — our government — those cities would be out of water because of the lack of planning that occurred in the 1990s under the former Kennett government.

The desalination plant will deliver 150 gegalitres of water. The eastern treatment plant, following a \$300 million upgrade, will produce 100 gegalitres of class A recycled water. The Gippsland Water Factory was put in place to secure the future of Australian Paper in Maryvale and treats up to 35 million litres of domestic and industrial waste water. The Wimmera–Mallee pipeline, the biggest water-savings infrastructure project in Australia, will be delivered by our government — delivered by a Labor government — and on top of all of those things the northern Victorian irrigation renewal project, the food bowl project, is a \$2 billion project that will deliver

425 gigalitres of new water for the food bowl region, for the environment and for Melbourne.

We are on about taking decisive action to secure the future of our state and to ensure that we have water supplies to meet the needs of our farmers and the environment and our provincial cities. We are doing that through unprecedented investment. It is the right decision for the state, and they are the right decisions to meet the extraordinary growth in population that we are experiencing.

Rail: Caroline Springs station

Mr BAILLIEU (Leader of the Opposition) — I refer the Premier to his answer just given and his commitment to taking decisive action. I ask: will the Premier match the coalition's commitment to a new railway station in Caroline Springs?

Mr BRUMBY (Premier) — I think the point about the Leader of the Opposition is this: the Leader of the Opposition, when he was the state president of the Liberal Party — —

The SPEAKER — Order! I ask the Premier not to debate the question.

Mr BRUMBY — I am not debating the question, Speaker. As I was saying, at the last election the aggregate unfunded promises of the Liberals and The Nationals were worth \$7 billion.

Honourable members interjecting.

The SPEAKER — Order! I ask the Premier to address the question.

Mr BRUMBY — The commitment that is made by the Leader of the Opposition is completely unfunded, and it is not believable. The only record the Liberal government had in this area was in selling off assets.

Emergency services: volunteers

Ms CAMPBELL (Pascoe Vale) — My question is to the Minister for Police and Emergency Services. I refer the minister to the government's commitment to make Victoria the best place to live, work and raise a family, and I ask: can the minister advise how the Brumby Labor government is taking action to support emergency services volunteers in regional and rural Victoria?

Mr CAMERON (Minister for Police and Emergency Services) — Certainly the government is very, very pleased that what it has been able to do is

double the funding for emergency services during the time of the Labor government.

An honourable member interjected.

Mr CAMERON — How much has the Country Fire Authority got? I will tell you what it has got — there has been an increase in government funds going to the CFA of 130 per cent. Is that not a wonderful thing? There has been an increase of 143 per cent in funds going to the State Emergency Service and large increases going to the Metropolitan Fire Brigade.

Volunteers across our great state do a tremendous job. In the CFA — honourable members obviously endorse what the government has done with the CFA and the protection that its volunteers provide throughout Victoria — we have seen in the recent budget money allocated for the establishment of a \$2 million welfare fund. That will mean that rural fire brigades will have access to a welfare fund, as urban fire brigades have had for many years. We believe that is important. We believe it creates equity. We believe that is great for rural communities, and it is very much supported by the rural fire brigades.

Ms Asher interjected.

Mr CAMERON — Yes, that is what she asked.

Honourable members interjecting.

Mr CAMERON — Honourable members opposite want to know what we are doing to support volunteers.

Honourable members interjecting.

The SPEAKER — Order! I ask for cooperation from members of the opposition. The level of chatter and interjection is not acceptable. I ask that members of the government, if they wish to conduct discussions in a loud manner, do so outside the chamber.

Mr CAMERON — We believe that that welfare fund is something that is going to be very positively received, and on early advice it already is. In addition, with the community safety emergency support program we are making a large investment across country Victoria — and that is going to continue. That does a fantastic job. What we ultimately end up with are volunteers who are not only well trained but who are provided with great equipment. That is something that as a government we are extremely proud of.

Transport: east–west link needs assessment

Mr MULDER (Polwarth) — My question is to the Premier. I refer the Premier to comments by Brimbank

city councillors Natalie Suleyman, Troy Atanasovski, Kathryn Eriksson and Margaret Giudice that:

... current transport issues in Brimbank [are] not being addressed in the report...

And that:

... transport issues would be exacerbated if recommendations made by Sir Rod Eddington were adopted by the state government.

What action has the Premier taken in relation to the concerns expressed?

Mr BRUMBY (Premier) — I think in the earlier question that was asked of me by the Leader of the Opposition I highlighted some of the investments that the government is making in the western suburbs, particularly in the Kororoit area. I think the honourable member has asked exactly the same question again. I am happy to give him the same answer again.

I note in relation to the train services for Deer Park, for example, that during the week the number of off-peak services to Melbourne was 5 and that under the new timetable there are now 8. The number of off-peak services during the week from Melbourne was 7 and under the new timetable there are now 11. At weekends there are now 33 services under the new timetable compared with 5 previously. Overall, if you look at Deer Park, that is 35 new services a week on top of the 27 previously. I think we are putting in place positive steps to ease some of the congestion that is clearly apparent on that line.

Sir Rod Eddington was asked by the government to report to it on the east-west transport needs of Melbourne. He has presented us with that report. I made it very clear that there is a public period for consultation and debate, which will run through until mid-July this year. People are entitled to put a view, there is no secret about that. We have had views that have been put by the Labor Party conference, we have had views that have been put by Melburnians right across Melbourne. We encourage people to put a view. Those councillors have put a view. All of that will be fed back into the government. Following that period I intend to have a series of further guided consultations building on the — —

Honourable members interjecting.

The SPEAKER — Order!

Mr BRUMBY — By mid-July we will have received all of the views and submissions from the community. We will be able to summarise those and

then have some guided consultations around the key issues emerging from the consultations. By the end of the year, I have said, the government will form a final view on the Eddington report.

Eddington has recommended proposals which have an aggregate cost of somewhere between \$15 billion and \$20 billion. They involve construction periods that run for the best part of a decade, possibly beyond. They need to be looked at properly. There needs to be a comprehensive public debate. There needs to be a process within government. I do not know why the shadow Minister for Public Transport would be concerned about those comments. I think it is a good thing that there is public debate and public comment, and I welcome that.

Water: Melbourne usage

Ms THOMSON (Footscray) — My question is to the Minister for Water. I refer the minister to the government's commitment to make Victoria the best place to live, work and raise a family, and I ask: can the minister advise the house what steps the Brumby Labor government is taking to ensure that Melbourne's water users continue to use water efficiently?

Mr HOLDING (Minister for Water) — I thank the member for Footscray for her question, and it is an opportunity to inform the house that today the government announced that Melbourne would remain on stage 3a water restrictions until at least 30 November 2008.

Mr Ryan — Whose policy was that?

Mr HOLDING — The Leader of The Nationals interjects, 'Whose policy was that?'. It is in fact true that the Leader of The Nationals policy was that Melbourne should stay on stage 3a water restrictions until 2010. This is a confirmation that we welcome, and I will return to that. But in relation to today's announcement, I am very pleased to inform the house that we have been able to make this announcement today because Melburnians — Melbourne residences, Melbourne households as well as industry in Melbourne — have done a fantastic job in reducing their water consumption over the last 12 months.

As of yesterday, Melbourne's water storages were at 29.6 per cent, which is 20 billion litres, or 20 gigalitres, more water than they had at the same time last year. We have achieved this outcome because Melburnians have been able to reduce their water consumption. In fact not only is total water consumption in Melbourne down, and down quite substantially, but per capita water

consumption in Melbourne is down 34 per cent on the average for the 1990s. Households in Melbourne and Melburnians have done a fantastic job of reducing not only their total water consumption but also their per capita water consumption.

It is not just households that have come to the table in playing this very important role; industry has also helped to reduce its water consumption through the government's introduction of water MAPs (management action plans), making them compulsory across not just the top 100 water users here in Victoria but the top 1500 water users who use 10 megalitres of water or more per annum. These water users have now complied with our water MAPs policy and reduced the water consumption of industry in Melbourne by 9 billion litres, 9 gegalitres, over the last 12 months. This is a fantastic effort, and it is exactly why we have been able to keep in place stage 3a water restrictions. This is an important announcement because it has meant that those in the nursery industry, those who run commercial car washes and those who are landscape gardeners — people in all of these industries — now have the continued certainty of stage 3a water restrictions until 30 November 2008.

But of course the shadow minister for urban water, the member for Brighton, was in this place this morning saying that Melburnians should not even be on stage 3a water restrictions, even though the Leader of The Nationals says they should be on stage 3a water restrictions until 2010. Opposition members cannot get it right; they are backwards and forwards. Whatever audience they are speaking to, the message is nuanced to be exactly what that audience wants to hear. That is what you hear from the opposition. Instead we understand that what Victorians need are substantial investments in upgrades to water infrastructure.

We are not going to be the sort of government like the one led by a former Prime Minister who said that Australians should pray for rain. We will not be a 'pray for rain' government. That is why we are investing in Australia's largest desalination plant. That is why we are investing in upgrading the state's irrigation infrastructure. That is why we are investing in a statewide water grid to provide water to where it can be most efficiently used. That is why we are investing \$300 million to upgrade the eastern treatment plant to provide over 100 gegalitres of recycled water for consumptive uses for Melbourne and surrounds. That is why we are investing in projects that will provide water security for Victorians for decades to come.

We will not be a 'pray for rain' government. We are investing in vitally and desperately needed upgraded

infrastructure to provide water security to Victorians for many years to come.

Former member: employment

Mr WELLS (Scoresby) — My question without notice is to the Premier. Will the Premier guarantee that the former member for Kororoit, André Haermeyer, will not be appointed to any taxpayer-funded position under a Brumby Labor government?

Mr BRUMBY (Premier) — I am not aware of any positions in relation to the former member for Kororoit. The member for Kororoit resigned from his seat last week. He made it clear at the time that he wanted to spend some time with his wife and family, that he wanted to smell the roses, and then he would look around for employment opportunities in the future. I have not discussed employment opportunities with him. If any former member, be it on this side or that side, wished to apply for employment positions in the future, like many former members of this Parliament have, whether it be in the private sector or the public sector, then I do not — —

Honourable members interjecting.

The SPEAKER — Order! The member for Macedon! The Minister for Education!

Mr BRUMBY — The fact is that there are former members of all sides of the house in such positions, including of course the former Leader of the Opposition, Robert Doyle, who does such an excellent job as the chair of Melbourne Health, and people like a former leader of the National Party, who is a board member of the Melbourne Cricket Ground Trust — —

Mr BRUMBY — So it would be entirely inappropriate, I believe, for a Premier to proscribe employment positions for any former member of Parliament.

Honourable members interjecting.

The SPEAKER — Order! I warn the members for South-West Coast and Forest Hill.

Mr BRUMBY — I do not believe it would be appropriate. I do not believe there have been any circumstances in the past, by the way, where a Premier or a Parliament has proscribed someone's future employment opportunities. I am not aware of any views the member has, but I am not in a position to rule in or out any employment opportunities he may wish to participate in in the future.

Water: infrastructure

Mr TREZISE (Geelong) — My question is to the Minister for Rural and Regional Development. I refer the minister to the government’s commitment to make Victoria the best place to live, work and raise a family, and I ask: can the minister advise the house what action the government has taken to support regional industries with water-saving projects and what further action the government is taking in this area?

Ms ALLAN (Minister for Regional and Rural Development) — I thank the member for Geelong for his question. As we have heard already in the house this afternoon, the Brumby government’s massive investment in water infrastructure right across the state of Victoria is drought-proofing the state and providing more water security for Victoria.

But it is not going to do only that, it is also going to provide significant job and investment opportunities, particularly across regional and rural Victoria. You just have to look, for example, at the opportunities that are coming from the food bowl modernisation project and the Sugarloaf pipeline project. An independent study that has been undertaken by Deloitte has found that as a result of these projects, \$367 million is going to be injected into the Goulburn-Murray district during the construction phase, and it is going to create more than 1720 new jobs over that time.

A study of the desalination project down in South Gippsland has found that that project is going to inject \$1 billion into the Victorian economy, it is going to create 3000 jobs during the peak construction period and a further 150 jobs ongoing over the life of the project. In addition to these important and big water projects across the state, the Brumby government has also been helping industry to do its bit, particularly in regional Victoria, in saving water through our dedicated Water for Industry program. Under this program we have seen so far more than \$6.19 million committed to nine projects across regional Victoria that are going to reduce the annual demand on our urban water supplies by up to 10 000 million litres, or 10 gegalitres — a massive amount of water that has been saved as a result of having a dedicated program by the Brumby government that is working with industry and the community.

The unparalleled investment in water infrastructure, whether it be for irrigators, for industries or for communities, is going to help drive further jobs growth and further population growth in our regions, particularly as we secure the long-term viability of Victoria’s irrigation industry. It is important to note —

and this follows on from what the Minister for Water just mentioned — that it takes courage to tackle these challenges now and a real commitment to our regions, both things that are sadly lacking from members opposite.

It is interesting to note that many Victorians are getting very sick and tired of the two-faced approach that they are seeing from The Nationals when it comes to water infrastructure. On the one hand they say they support the modernisation of Victoria’s water infrastructure and on the other hand they are pretty quick to jump up and say they support those who want to see it fail.

The SPEAKER — Order! I request that the minister not debate the question.

Ms ALLAN — We have invested \$1 billion in the food bowl modernisation project, and interestingly, before the last election this was the sort of program or project that was being urged by other people in the Victorian population. It was a project that was being urged by The Nationals, yet only last week the same approach was called mad by a member for Northern Victoria Region in the other place, Damian Drum. The same project he was advocating for —

Mr Ryan — On a point of order, Speaker, the minister is debating the question, and I would ask you to have her return to answering that which she has been asked.

The SPEAKER — Order! I uphold the point of order and ask the minister to not debate the question.

Ms ALLAN — It is the work of the Brumby government that is investing in water infrastructure projects to secure water for industries and communities across regional Victoria, and we know that there is more to do. That is why just last week, as part of the \$68 million Moving Forward update package, we invested a further \$10 million in another program that is dedicated to water, energy and efficiency projects. It is going to help industry save even more water through dedicated projects that are going to generate less demand on urban water supplies.

We are also, as part of the Moving Forward update which was released last week, investing \$1 million for the development of an investment prospectus that is going to help to attract new industries to the food bowl region off the back of the \$1 billion that is being invested by the Brumby government and the \$1 billion that is coming from federal Labor. This \$2 billion project is going to generate enormous opportunities — for more jobs in the region, for more people to come to

regional Victoria — and that is going to see significant growth.

We on this side of the house want to make sure that we capture every single opportunity that is going to come as a result of this historic project. It is a shame that those opposite call this sort of project mad. We on this side of the house think this is a great project, and it is going to continue to ensure that regional Victoria is the best place to live, work and raise a family.

Local government: FuelWatch

Mr RYAN (Leader of The Nationals) — My question is to the Minister for Local Government. I refer to the Prime Minister's comments on Fairfax radio on Friday, 30 May, when, in relation to concerns that FuelWatch could increase the price of petrol in rural and regional areas, he said:

... it is a matter entirely for local government authorities in the bush to opt into the system if they want to ...

I ask: which Victorian local government authorities will have this option available, and what consultations has the government undertaken with those authorities to assist them in determining if they should opt into FuelWatch?

Mr Batchelor — On a point of order, Speaker, this was a question directed to the Minister for Local Government asking for a response about federal government initiatives. The question related to federal government areas of responsibilities and activities. The Leader of The Nationals specifically asked what actions the federal government will be taking. It is not possible for our local government minister or indeed any other minister of the Victorian government to answer what initiatives the federal government will be taking. It should be ruled out of order.

Mr RYAN — On the point of order, Speaker, the Prime Minister made specific reference to local government authorities in his quotation. I am simply asking, in a Victorian context and its local government authorities, about the application of this scheme to those authorities. What advice has the government of Victoria sought and offered with regard to the interests of Victorian local government authorities?

The SPEAKER — Order! I will provide the Leader of The Nationals an opportunity to rephrase his question. I am not in a position to recall every word of the lengthy question that the Leader of The Nationals asked the Minister for Local Government. The Leader of The Nationals has, in his response to the point of order, suggested that the question was directed to what

the Victorian government's response to the Prime Minister's comments was. I did not hear that in the original question that was asked. I am providing the Leader of The Nationals an opportunity to rephrase the question.

Mr Baillieu — On a point of order, Speaker, you have just indicated you are not in a position to recall the question. Now you are inviting the Leader of The Nationals to rephrase the question. Can I invite you to ask the Leader of The Nationals to ask the question again so that you are in a position?

The SPEAKER — Order! I thank the Leader of the Opposition for that advice. I did suggest to the Leader of The Nationals that I was not in a position to recall — and I meant to say 'word for word' — what the lengthy question involved. The Leader of The Nationals has a choice to make. He can ask the question again in a manner that explicitly relates to what I recall the question being.

Mr RYAN — With respect, Speaker, I am uncertain as to whether your concern is that you did not hear the content of the question as I originally asked it or whether you are of a view that that question was inappropriate and therefore I ought re-ask it.

The SPEAKER — Order! What I am trying to relay to the Leader of The Nationals is that in his response to the point of order that was raised he made specific references to Victorian business, which I do not recall hearing in the original question.

Mr RYAN — Albeit with respect, I am not quite certain as to your concern. I ask the Minister for Local Government: given that the Prime Minister in comments made on 30 May this year deferred to the states of Australia the application of the FuelWatch program and said:

... it is a matter entirely for local government authorities in the bush to opt into the system if they want to —

I ask: which Victorian local government authorities will have this option available? What consultations has the government undertaken with those authorities to assist them in determining if they should opt into FuelWatch?

The SPEAKER — Order! I rule the question in order.

Mr Andrews interjected.

The SPEAKER — Order! The Minister for Health is warned.

Mr Batchelor — On a further point of order, Speaker, the rephrased question from the Leader of The Nationals should be ruled out of order because it is contradictory. In the first instance he said the Prime Minister had referred it to the states — and I understand that that is not the case — and then he went on to say it was entirely a matter for local government. The Prime Minister, as I understand it, has not referred this to the state, and if he has indeed referred it to local government, that is a decision for local government to take, not the Victorian government.

The SPEAKER — Order! I have ruled the question in order.

Mr WYNNE (Minister for Local Government) — I thank the Leader of The Nationals for his question. The Prime Minister has referred no such matter to me as the Minister for Local Government in relation to the involvement of local government in the FuelWatch scheme. There has been no such referral whatsoever. As the Leader of The Nationals indicated in his question, it is entirely for local government to decide if it wishes to be involved in this initiative in any shape or form. Of course I do not need to remind the house that local government is an autonomous level of government.

Honourable members interjecting.

The SPEAKER — Order! The member for Nepean!

Mr WYNNE — It was enshrined in the constitution by this government. We respect the autonomy of local government. It is only this government that enjoys a robust and mature relationship with local government. It is not the plaything that the other side of politics —

The SPEAKER — Order! The minister must not debate the question.

Mr WYNNE — The answer to the question is it is entirely a matter for local government. We have had no referral from the Prime Minister in relation to this FuelWatch initiative.

Latrobe Valley: clean coal technology

Mr DONNELLAN (Narre Warren North) — My question is for the Minister for Energy and Resources. I refer the minister to the government's commitment to making Victoria the best place to live, work and raise a family, and I ask: can the minister update the house on plans to use Latrobe Valley coal to make fertiliser and what this means for Victoria's future coal use?

Mr BATCHELOR (Minister for Energy and Resources) — I thank the member for Narre Warren North for his question. The Latrobe Valley contains some of the most extensive coal resources in the world. These coal resources have provided Victoria with reliable, low-cost electricity for the last 75 years. They have boosted the state's economy significantly, particularly with employment in the Latrobe Valley.

The previous Liberal-Nationals government sold off the generators, sold out the Latrobe Valley and left the Latrobe Valley floundering. This government has been steadily rebuilding the area since it came to power in 1999. We have been rebuilding confidence and investment in the Latrobe Valley. With the international price for oil steadily increasing, this provides a growing opportunity for the expanded use of Latrobe Valley brown coal.

Just last week the Australian Energy Company announced plans for a \$2 billion clean coal technology project to produce nitrogen-rich fertiliser from Latrobe Valley brown coal. This is only one of a number of new projects that are on the drawing board in the valley. These projects could involve investments of between \$10 billion and \$20 billion in the Latrobe Valley as a result of the encouraging policies that are being put forward by the Brumby government. In addition to the production of fertiliser, coal drying, gasification and other clean coal technologies have the potential to produce exports such as diesel and other liquid fuels and even to produce export-quality brown coal.

Investment and job creation are central to the policy of this government. They are also central to these new projects that will be critical to securing the prosperity of the Latrobe Valley. But in an era of climate change these projects can only go ahead if they can be developed in an environmentally friendly way. Near-zero emissions are the key to that. That is why this government has invested more than \$240 million in clean coal projects since 2002, including \$127 million in this year's state budget. We have been at it for some time and we will continue to provide that support to the Latrobe Valley. This funding will help position Victoria's coal industry as one of the cleanest in the world. It will drive new employment opportunities in the Latrobe Valley, as well as boosting the Victorian economy.

We are not just looking at new technologies. The Brumby government is also investing in the infrastructure that is needed to support the Latrobe Valley's rapidly growing clean coal industry. We recently announced that \$100 000 will be provided by this government for a study to examine the potential

road, rail and port infrastructure needed to support these new clean coal technologies and industries in the Latrobe Valley. We will make sure that the Latrobe Valley is a region well equipped to drive further industry growth, expansion and jobs and provide support to those people who were callously left behind by the previous Liberal-Nationals government. This study is being conducted by the Gippsland resource infrastructure development group, or GRID. It includes representatives from the Latrobe Valley generators, from Monash Energy and from other organisations with a significant energy interest in the region.

The Latrobe Valley has been Victoria's powerhouse for more than 75 years. The Brumby Labor government is committed to planning and investing in the Latrobe Valley to ensure that it continues to be Victoria's powerhouse and provides jobs and economic growth well into the future.

APPROPRIATION (2008/2009) BILL

Second reading

Debate resumed.

Mr WYNNE (Minister for Housing) — I am delighted to have the opportunity to speak on the appropriation bill from the perspective of my three portfolio areas. I will start with housing because the 2008–09 budget will put housing in reach of more Victorians across all regions and suburbs in Victoria. This year's budget has significantly increased assistance for first home buyers in Victoria, which of course is very welcome. Changes to stamp duty will save all new Victorian homebuyers in the order of \$2460 on the purchase of a median-priced home of roughly \$317 000 — a cut of almost 17 per cent. Those budget announcements have been very much welcomed. In addition a new \$3000 bonus will be available to first home buyers who purchase a new home in regional Victoria. That will be an enormous fillip to regional Victoria going forward. Of course this bonus is on top of the existing \$7000 first home owners grant and the \$5000 first home bonus for newly constructed homes. It is a package for first home buyers. This is a wonderful budget outcome for those in regional Victoria.

My department, the Department of Planning and Community Development, will receive \$15 million over four years to provide more land for housing and reduce costs for purchasers. On top of that, we have the very welcome announcement by the Premier of the freeing up of land in growth corridors. If you put this

package together, it is a fantastic outcome for first home buyers both in metropolitan Melbourne and regional Victoria.

Turning to the public and social housing sector, we expect to spend in the order of \$1 billion on housing and homelessness in 2008–09, which is slightly more than we expected in 2007–08. The budget commits \$395.6 million to growing and improving social housing. This additional investment means that by June 2009 the Victorian government will have invested in excess of \$820 million in housing assistance above — and I emphasise the word 'above' — our commitment to the commonwealth-state housing agreement.

Building on our boost to social housing announced in the 2007–08 budget, the 2008–09 budget allocates \$201.3 million to buy and build a further 1330 new homes. This will be a mix of public, social and Aboriginal housing, and that is a fantastic outcome for us.

We will also spend a further \$194.3 million on upgrades and redevelopments to make existing properties better right across the Melbourne metropolitan area, and indeed in Geelong. The Corio-Norlane area is a classic example of where we have a huge investment, both in redevelopment and upgrades, right across metropolitan areas and in country Victoria. In the next 12 months we expect to deliver 2150 upgrades, with progressive redevelopment projects across 15 sites.

The budget will also commit a further \$14 million over four years to increase homeless services. Again, additional funding is above and beyond our commitments under the commonwealth-state agreements. There is funding of \$6.7 million for the Opening Doors program, which will improve access to housing and homeless services, \$4.2 million through A Fairer Victoria to assist in supporting vulnerable tenancies, and \$3.1 million to provide on-site support for the chronically homeless as part of our \$50 million supportive housing program.

In addition the government will provide \$9.4 million to improve our response to family violence, with a particular focus on indigenous family violence. This is part of funding of \$24.7 million over four years allocated across government and builds on the previous investment of \$35.1 million in the 2005–06 budget to improve the family violence system more generally.

Finally in relation to housing the budget includes \$52 million for public housing in neighbourhood renewal areas. What a fantastic story this is. Right

across the metropolitan area and regional Victoria our neighbourhood renewal projects have been an outstanding success story. They are lifting not only the physical infrastructure of areas where there has been systemic and chronic unemployment and underinvestment but also the social infrastructure of those areas. We are about improving the physical and social infrastructure of those areas to put life back into neighbourhoods that for so long had been neglected. We are also developing social enterprises and training opportunities for people in those areas and generating employment.

We must speak of social inclusion in the context of employment because we want people to be employed and to be active citizens so that they can be involved in mainstream economic life. That is one of the major goals of our neighbourhood renewal program. In that context there is funding of \$41 million for capital projects and \$11 million for place management and community building. It is a wonderful initiative. This funding is on top of the government's record investment of \$510 million in the previous budget — the largest amount ever committed by a state government to public and social housing. It is something I am immensely proud of, and the funds will be spent wisely right across Victoria.

I turn briefly to Aboriginal affairs, because we are committed to the implementation of the Victorian indigenous affairs framework. We believe that implementation of the framework will generate crucial outcomes in terms of closing the life expectancy gap between Aboriginal people and other people in Victoria. We know that the 17-year gap in the life expectancy outcome for Aboriginal people is completely unacceptable, and is one that this government is very committed to addressing.

We are committed to addressing the problem through a whole-of-government response, and the indigenous framework is the guiding framework for that commitment. I am pleased to advise that this budget continues to build on our commitment to improve the lives of indigenous people with a further \$48.7 million towards dealing with these critical issues. Some \$25 million will be available over five years to improve educational outcomes for indigenous children in schools. There is funding of \$4.1 million to enhance child protection services for indigenous families and \$2.1 million to establish an indigenous youth employment program. The package also focuses on managing the capability of and improving Aboriginal-controlled organisations, with a funding commitment of \$3.8 million over three years.

As the house would know, we have committed significant funds to the Koori courts, and they have proved to be a very successful initiative of the Attorney-General. Some \$590 000 has been committed to establish a new Koori County Court, which is the next division above the Magistrates Court. There is funding of \$4.4 million over four years towards developing a new Aboriginal heritage information system.

We have just celebrated the first year of the Aboriginal Heritage Act being put in place, and I think it is generally regarded across the state as being an excellent initiative from the point of view of developers, who are now given clear guidance in how they are to deal with Aboriginal heritage matters, such as when they are undertaking subdivisions of land. They will now know what processes they need to go through in terms of protecting Aboriginal sites.

From the point of view of the Aboriginal community, the act provides an opportunity for both guidance and education of the community more generally about the crucial role that Aboriginal heritage plays in the life of this state. The relationship the government has with the development community, both in the formation of the Aboriginal Heritage Act and more generally in its implementation over the last year, has been first class. I thank those members of the development who have been very active supporters of ensuring that the Aboriginal Heritage Act works in the way that the government envisaged.

Finally in relation to Aboriginal affairs, additional funding of \$8 million over four years has been allocated, as I indicated, to counter indigenous family violence, with a particular focus on men's rehabilitation services. Obviously we think that one of the most important things we can do is start to address some of the systemic issues around violence in Aboriginal communities. More broadly, the Victorian indigenous affairs framework is the guiding framework which the government is using in pursuing a whole-of-government approach to indigenous issues in this state.

We have significant challenges ahead of us, but this government is committed — in partnership with the federal government — to achieving sustainable outcomes going forward. We have indicated that this will take some years, but significant steps have already been taken by this government, and we believe that the partnership we will have with the federal government going forward will make a significant difference over the next few years.

Finally, I want to touch briefly on local government. Neighbourhood houses again have had a very good outcome. Some \$17.6 million was allocated in 2006–07.

That has been increased to \$19.3 million in 2008–09. This represents a threefold increase in funding since 1999, when we came to government. The total recurrent funding for neighbourhood houses in the 1999–2000 budget was a very small \$6.1 million. We have been a very good friend to neighbourhood houses because we believe they are significant players in our community. They are really part of the social glue that helps to hold communities together. They do a wonderful job, and we are pleased to be great partners with them going forward.

With respect to libraries, every community loves its municipal library. The government considers libraries to be a key part of the social fabric of our communities, and this financial year it is delivering record recurrent funding of more than \$31 million to public libraries. In addition to this record recurrent funding, the government will be providing a further \$1 million to public libraries in 2008–09 under the Premier's Reading Challenge Book Fund program, and it will provide \$1 million over two years to support the introduction of wireless internet capacity in libraries. Any members of Parliament who take the opportunity to go to a public library will see just what a wonderful resource they are. The internet facilities are always being used, particularly after school by kids doing their homework and research and so forth. We think that the provision of access to the internet, particularly for poorer communities, is a fundamental social justice and access issue, and we are delighted to have that \$1 million going into libraries. The \$1 million is being provided to assist libraries to implement computer safety and management systems. We think it is important that there be appropriate monitoring of access to the internet, and that initiative has been very strongly welcomed by local governments and library service providers more generally.

Finally, without canvassing it in any great detail, because I have in the house previously talked about the local government agenda going forward, all councils are going to elections in November this year. There is a huge responsibility on us as a government to make sure that we get that right. We will see the full bloom of democracy in November. We are providing \$600 000 to develop and deliver an induction program for councillors who are elected to office in November 2008, but we will be putting in place two tranches of legislation. One that will be introduced this week contains some electoral changes, and conduct and

conflict of interest issues will be dealt with later on this year, including all of the recommendations of the Ombudsman on conflict issues. We believe that local government councillors will then be in an excellent place going forward post the elections to deliver for the communities they will be elected to serve.

Mr TILLEY (Benambra) — I rise to make my contribution to the debate on the Appropriation (2008/2009) Bill. It has probably been about a month since this bill was introduced to and first debated in this house. It is good timing, now that one month has elapsed since we first debated this bill, that on 30 May I welcomed the news from the government in relation to the rail relocation project at Wodonga and the standardisation of the 200 kilometres of track between Seymour and Wodonga. We have seen successive budgets year after year, but to set the record straight, it was a Liberal coalition government that first announced funding for the relocation project. Yesterday in this place we heard the Minister for Public Transport speaking about her announcement for Wodonga, and I want to set the record straight. The minister said that the members for Seymour, Murray Valley, Benalla and me as the member for Benambra were present at that announcement. I can say emphatically that I was not extended the courtesy by this Labor government of being invited this announcement, and my parliamentary colleagues from the electorates of Seymour, Murray Valley and Benalla were not present. However, I was there, and I did listen very closely to the announcement by the Premier and the Minister for Public Transport in relation to this project. I am just getting the facts right and stating the truth.

We have heard over the last week the Premier call country and rural Victorians liars in relation to water. Where does the truth lie? Where are the lies? Where are the misconceptions? Where are the deceptions? The truth in relation to this project is that we were not there, contrary to the record that suggests that we were there. Secondly, we hear great news about rail freight. There is a particular part of this relocation project that will rip the guts out of moving rail freight out of the Mars Petcare factory to the port of Melbourne for direct export to the Asian market. Something in the order of 4000 containers annually move out of that part of Wodonga. Mars Petcare is the third largest employer in the region and accounts for about 1000 jobs. It is probably a flow-on effect from that to other small and medium enterprises that keeps the region and the electorate thriving and growing. It beggars belief that this company first came to the area in 1967 on an assurance that it would have rail access to move freight directly to Melbourne. The untruth is found in the fact that the government is applauding that it is securing

further rail freight infrastructure when in fact it is ripping the guts out of it; it is decommissioning this line.

I refer to a letter dated 28 May and sent to me by the Minister for Public Transport, just two days before the announcement. This letter says:

Advice received from Mars Petcare Australia who traditionally utilised a rail siding adjacent to its plant west of Kelly Street is that it will no longer utilise the site for rail handling as it is unable to find a rail operator prepared to service the siding. The government is not in a position to invest substantial funds in establishing a connection from the new bypass to a siding that it is not intended for use.

Let me assure everybody here, the Labor government and the state of Victoria that that siding is in operation daily, loading cans of pet food for the Asian market. Approximately six carriages every day are loaded with produce that will go directly to that market. The lie or misinformation is there, wherever it is coming from. Let us hope that this government will investigate, listen to the employers in my region and ensure that this siding remains in place so that it can provide the essential jobs in order for Victorians to live, work and raise a family, as we constantly hear in this place — and by the way, this was one of the catchphrases I used continually during my election campaign prior to entering this 56th Parliament.

The Premier's adviser for the north-east actually said to me not so long ago, 'It is not my job to deliver the rail, it is your job; you are the member for Benambra'. In response to that statement from someone working for the Brumby Labor government, I say that I am proud of being effective in opposition, of having some small part in ensuring that this government delivers on its hollow promises year after year. It has taken nine years and a lot of hard work by many people. A lot of quiet achievers out there have worked exceptionally hard on this. A lot of backslapping has been going on, but it is important to recognise other people from all parts of government and external agencies and those who will participate in the relocation of the rail. I do not wish to single out any particular person, but a lot of people need to be recognised for the hard work and effort they have put in to see the growth of the main rural centre for the electorate of Benambra, which is Wodonga.

In relation to funding, we heard yesterday the announcement of cooperation between the federal and state Labor governments, but the federal government has not added one additional red cent to this project. That \$45 million was a commitment to this project by the former Howard Liberal-National coalition. I cannot see that there has been any cooperation since the Rudd

Labor government took office. It has not said a word about the Wodonga rail project since it was elected last November, but we hope to ensure that it does. To correct the record, it was the Howard government that made the commitment, provided the initial funding and gave its full support to the project, and it is a damn shame that the Victorian Labor government and the new federal Labor government have not been able to deliver this project earlier for Wodonga.

Mr Wynne — Great project!

Mr TILLEY — I thank the minister. The upgrade is going to involve three locomotives and 15 carriages. In other parts of Victoria we see the fast rail service, and we have heard the minister talk about a faster rail service. However, the truth is what we will actually see is a lick of paint, some new curtains, seat coverings and carpet and an additional speed of up to 130 kilometres an hour. I wonder whether this will be a train service or a magic carpet ride to Melbourne! It is nothing flash, nothing new; it is not a real fast rail service. It is an upgrade to the standardisation of the line that will provide a safer network. By the way, it was this government that failed to ensure that Pacific National kept up with the details of its lease and its maintenance. It allowed maintenance to fall to such a level that the rail line was unsafe and passenger trains were not allowed to travel from Melbourne to Wodonga.

Another issue regarding this budget that has affected the electorate of Benambra is the Wodonga Regional Health Service. Wodonga has a population of about 35 000 people, and there were 32 000 presentations by people seeking medical attention at the service's accident and emergency department this year. It is under desperate pressure, and certainly needs assistance. The government should pay attention to the needs and demands of the electorate of Benambra. Hopefully the Minister for Health can do something about advancing the single health service, and I hope to hear some responses to the questions I have been asking him in relation to that.

I have spoken in this place before about our ambulance station, which was built 40 years ago. It was built to staff 10 people, but currently has 20 people working out of it. It is cramped and in appalling condition, and this is something that needs to be addressed in the short term.

On education we have finally heard — after eight years of fighting — the announcement of money for the Wodonga South Primary School relocation. Let us see that this is not the tail wagging the dog and that the

government ensures that this project is delivered in a timely fashion.

One of my favourite topics — and I hope I share this with the Acting Speaker — is the 27 kilometre unsealed section of the Omeo Highway. There is no mention of that in this budget. I hope we will both continue to fight for our electorates in order to see that our communities are well serviced in visiting the coast and getting over the other side of the Great Dividing Range for holidays or business.

On housing — —

Mr Wynne — Yes!

Mr TILLEY — It is good to hear that the minister is in the house. Lots of people stagnate on the waiting lists for public housing. Something in the order of 1300 public homes are in the area of Wodonga, and if people are lucky enough to get into one of those homes they will be paying more rent. The federal government will give on one hand and the state government will take away on the other. At least Ned Kelly had the decency to wear a mask when he was sticking you up. Those on the other side of the house are barefaced robbers.

On agriculture — this is another one for the minister — we again see cost shifting to local councils, despite the huge financial burden already faced by regional municipalities. The initial \$20 million to be spent over the next four years is not going to be enough to address weed and pest control; it falls well short. I encourage people to visit regional areas and have a look. Rather than centralising these programs, they should be decentralised. We should get back into the field and back into rural Victoria.

Our police are struggling. We saw 16 500 days lost to stress during 2006 and 2007. That has not been addressed in this budget, and an additional 100 police are out this year. Our front-line serving police officers are suffering burn out. Everything we see happening around this state is reactive. The police are suffering from low morale. Time after time, and budget after budget, this government fails; it has no commitment. It certainly does not support its front-line police.

Today we see a record price for a litre of petrol; today in Melbourne it costs around 166.9 cents. Heaven forbid what it is going to cost us in the country for a litre! We need to remember that for every 5 cent increase in the cost of fuel, the government gets \$30 million. Imagine what a willing, strong and committed government could do to ensure that infrastructure projects are well funded and are delivered

on time and on budget. I hardly think we are going to see any strong commitment from this government any time soon.

I need to cover a number of other matters. It is incredible to hear in this place about the blame game. This government is in an ideal position to make Victoria the absolutely best place. These are the facts and this is where the truth lies. At the next Victorian state election in 2010, 21 of the last 28 years the state will have been under the control of a Labor government. Every day in this place we hear government members whingeing about the seven years of the Kennett government. It was those seven years that brought this state back from being almost bankrupt and started getting it back on its feet. Unfortunately seven years was not enough, and we certainly need to fight hard now.

At the 2006 election we saw the seven-year itch, and we started to scratch it. I think that coming up to 2010 with the Liberal-Nationals coalition we will see an 11-year itch, and certainly we will be calling for all Victorians to scratch it particularly hard to try to get this Labor government out of here, because it is doing a shocking job. It certainly cannot manage money, and it cannot deliver on time or on budget.

Ms MUNT (Mordialloc) — I am very pleased to speak in support of the Appropriation (2008/2009) Bill. I would like to congratulate the Treasurer in the other place on a great budget for 2008–09. The budget is a very large and complicated document, and I want to focus on a few matters. The first is the impact of the budget on my electorate; the second is the impact of the budget and the initiatives for Victoria overall; the third is my role on the Public Accounts and Estimates Committee and some of the insights I have gained into the whole budget process and where the money goes; and the fourth is how budgets work overall.

I remember studying economics way back in my university days. We looked at what conditions should be in place particularly for business to invest in. Some of those conditions were that you had a stable government, that you had a budget that was in surplus, and that you had a stable and well-educated population to underpin those conditions. I would like to tease out those different strands in my contribution today.

Firstly, I will go through initiatives for my electorate; some of them are particular to the electorate, some of them are general to the budget but will impact favourably on my electorate. I would like to mention the initiatives for early childhood education and care, particularly the \$5.2 million over four years for

three-year-old early learning programs for up to 2000 children known to child protection authorities.

Close to my electorate is one of the largest refuges in Victoria for women and children. I remember many years ago when I was the president of a local kindergarten that many of those children came through the doors while they were being protected in that particular refuge. There were two things about that. The first was that this was during the time of the Kennett cuts, and the kindergarten had to cover the cost of both the three-year-old and four-year-old kindergarten for these children, and the fees had risen considerably because of those cuts. It was a struggle for the kindergarten to do that, but it wanted to make sure that certain positions were available for the children who really needed something good, happy and concrete in their little lives.

I recall very well sitting in the entrance to the kindergarten when a mother came in with her little child. She was so traumatised that she sat in the foyer of the kindergarten for the duration of the kindergarten session. I looked at this little child, who was very nervous and very sad but who was participating and playing with the other children and slowly opening up. That little child had a huge gash in her head, and that gash had been inflicted by a member of the family. I think it is very important for these children to be given an opportunity to go to kindergarten, and so I really welcome the initiative for three-year-old early learning programs announced by the minister in this budget.

Part of our commitment that has already been made is that every Victorian government school will be modernised or rebuilt over the next 10 years. I would like to go through some of the initiatives for the local schools in my electorate. Three schools have been accepted into stage 2 of the Building Futures initiative. They are Spring Valley Primary School, Dingley Primary School and Parkdale Primary School. Those schools are very busy with exciting planning, and I know the whole school community is involved in that.

This will lead to significant improvements in those schools. It builds on the construction work planned, completed or currently under way for Mentone Primary School, Mentone Park Primary School, Mordialloc Primary School, Cheltenham Secondary School, Parkdale Secondary College and Mentone Girls Secondary School.

A lot of schools in my electorate are currently undergoing or have undergone major building works; as I said at the very beginning of my contribution to the debate, part of having a great place for businesses to

invest is a well-educated and stable population. Also, part of the great appeal of my electorate for parents including young families to live there is the excellence of the education being provided not only by the government schools but also by the independent schools in my area.

Cheltenham Secondary School, Parkdale Secondary College and Mentone Girls Secondary School have also received significant grants for technical education initiatives. Added to the skills training initiatives that were part of this budget, that is also great for the local skills base and for our local schools.

I would also like to mention that a new ambulance station recently opened in Mordialloc. The redevelopment of the Cheltenham ambulance station is going ahead. I walked past it only last weekend and saw the work being done. In the last few years a new police station opened in Mordialloc, which, combined with a new courthouse in Highett, means these significant initiatives will help with community safety and health safety in my electorate.

I would just like to go through the particular initiatives for my electorate that were mentioned in the budget. The Mordialloc police station will have a security system upgrade worth \$20 000, and I know that police officers are very happy about that.

Of particular interest to my local press and also to locals and myself is \$500 000 to undertake repairs to the structure and upgrade of the boat facilities and amenities to enhance community access to the very popular Mordialloc pier, which is great news for our local community. If you take a look at Mordialloc pier you know straightaway that this says Mordialloc; there are a lot of recreational fishers who dangle a line over the end. The pier will have new handrails and new facilities for boats to come alongside. It is right next to Mordialloc Creek, which has all sorts of boating facilities, and is a bit of an iconic landmark in our local area. We are very happy about that and say thank you very much.

The frequency of the NightRider bus service will be increased from 60 minutes to 30 minutes. My children have been active users of the service; it is a great and safe way for our local young people, perhaps even older people, to come home from the city. I have often picked up my children from the NightRider stop very late at night. My daughter now has her car licence, so I might be able to go to bed a bit earlier rather than pick her up from the NightRider bus, which will be very good.

The sum of \$45 million has been allocated for a 64-bed sub-acute ward at Kingston Centre, with new facilities to include a hydrotherapy pool. A few weeks ago I visited this facility with the Minister for Health and once again there is great excitement at Kingston Centre about this redevelopment. It follows the allocation of funds of, if my memory is correct, around \$30 million for a new kitchen facility for use in the region for meals for hospitals. That is a huge funding allocation for the Kingston Centre for aged-care services in my electorate. It contrasts very starkly with the previous government that sold off the land around the Kingston Centre, which has since been developed for housing; but none of that money was spent on rebuilding and upgrading the Kingston facility for our local community so that we have a regional facility.

Cheltenham East Primary School will have funding to modernise and do some rebuilding works. I have spoken to the principal, Chris Snow, and he is absolutely rapt that the school will have that money. Over the last few years he has worked very hard with the school community to upgrade the school and repaint it; it is a vibrant school that provides a great education.

For our new young families there is \$4.8 million for a pregnancy assessment unit at Monash Medical Centre. I understand that will be used for pregnancies that may be more difficult or more complicated and will help those mothers to have a safe and successful delivery. There is also \$4 million for a magnetic resonance imaging machine at Monash Medical Centre. I would like to mention that the previous announcements down there have included funding for the building works for a new emergency department, which have been completed. The Monash Medical Centre is also planning for a new paediatric unit. It is a massive investment in the health of our local community.

For our trains, an upgrade to park-and-ride facilities will provide approximately 55 more car spaces at Cheltenham train station. There is a lot of good news for the Mordialloc electorate. It covers education, health and community safety, and there are significant stamp duty savings for homebuyers. I will quickly go through a few of the initiatives for business; there are a few tax savings there as well.

In my work on the Public Accounts and Estimates Committee I have seen how the budget is allocated through the different ministers' portfolios and how this funding is used. About \$38 billion or \$39 billion is allocated in this bill for the next 12 months for Victorians. Every Victorian wants greater services and to pay less tax. The challenge in government is to keep taxes at a reasonable level while at the same time

providing all the services that Victorians require. I personally think this government, under former Premier Steve Bracks and this Premier, has done a wonderful job in allocating those funds fairly and responsibly while keeping a balanced budget. Previously our commitment was to always have a surplus of at least \$100 million; the commitment now is 1 per cent of revenue. The target for 2008–09 therefore is at least \$378 million as a surplus for the state budget.

Many of the surpluses can be reinvested in infrastructure, and I know that it will be a forward focus of the government to fund major infrastructure. The benefit of funding major infrastructure is that it is like putting money into the infrastructure bank for Victoria, and funding that goes into infrastructure will benefit future Victorians, future taxpayers; it will help to cope with the population that is moving to Victoria because it is such a great place to live, work and raise a family. Also it is a spend that is not inflationary; it does not overheat the budget. It is a good spend; it is good policy.

The 2006–07 budget had a surplus of \$1.4 billion that is going to be used to target infrastructure spending; \$600 million for the food bowl modernisation project; \$291 million to deliver eight new metropolitan trains and eight new V/Line carriages; and \$500 million for other infrastructure projects for Victoria. This is a great budget not just for my local community, which as the local member I am always very pleased about, but it is also a great budget for Victoria overall. It keeps in place our government's commitment to funding what needs to be funded within a responsible, economic framework for all Victorians.

Mr THOMPSON (Sandringham) — In commenting on the budget I would like to cover a range of issues that affect multiple government departments. The Labor Party has had the opportunity to deliver a government information superhighway, but unfortunately and regrettably for the residents of Sandringham and the people of Victoria we have been left with a boulevard of broken dreams. Under the previous Liberal government Victoria was a world leader in multimedia and information technology industries. Bill Gates noted in his book *Business @ the Speed of Thought* that Victoria was the world leader in multimedia, electronic service delivery and IT. This view was also supported by a group of seven industrialised nations known as the G7, and elsewhere.

While from one side of the globe man can put a spaceship on Mars, in the Sandringham electorate Victoria Police cannot tell the people of Sandringham how many traffic fines are issued from one camera on

one day. Then there are multiple other examples that affect other departments. In the Department of Planning and Community Development there is the Electronic Conveyancing Victoria (ECV) project; in the area of transport, the failed myki ticketing system; in the area of health, the delays to HealthSMART; in the area of education, the delays to the ultranet project; in the area of housing, the extraordinarily and tragically bungled housing integrated information program; and in the area across the whole of government, the failure of Project Rosetta to deliver its improvements on time and on budget.

Under the ministerial watch of the Attorney-General and Ministers Madden and Jennings in the other place, the Electronic Conveyancing Victoria (ECV) project commenced in 2000; meanwhile, other jurisdictions were working on their own conveyancing projects. In 2004 the major banks told all jurisdictions they wanted a single national system, but the Victorian government did not listen. In 2005 a national steering committee of representatives of all jurisdictions and industry was set up to develop a single national system. The national electronic conveyancing office implemented the work program of the national steering committee. All jurisdictions except Victoria stopped their projects and supported the national system. Victoria continued with Electronic Conveyancing Victoria.

Over the last three years the national steering committee has put considerable effort into accommodating Victoria and working with it. The national electronic conveyancing system involves a legal framework, legislative changes, governance issues, risk management, business practices, systems operation, funding arrangements and industry, government and community confidence. ECV simply provides a computer system which may or may not be suitable as a national system. Victoria continued to develop the Electronic Conveyancing Victoria project without regard for requirements outside Victoria.

ECV went live in November 2007 at a development cost of \$40 million. At the same time the government increased titles office registration fees to cover the system's operational costs. The major banks will not use it because it is not national; Victorian lawyers will not use it because of uncertainty over its risk management arrangements; and Victorians are paying for a system their industry does not want and will not use.

There has been only one transaction in more than six months, and no others are in the pipeline. Electronic Conveyancing Victoria is continuing to cost Victorians \$6 million each year, most of which is being paid to

contractors. Victoria continues to refuse all offers to have ECV incorporated into the national scheme. All major banks and law societies, including the Law Institute of Victoria, support the national system. With no prospect of ECV being used nationally, Victoria is frustrating the efforts of industry and all other governments to establish a national system that will benefit consumers of conveyancing services throughout Australia, including Victoria. Victoria has wasted \$40 million, is continuing to waste \$6 million each year, and is holding up the genuine efforts of all government and industry stakeholders to realise genuine economic benefits for Australia. I call upon the Auditor-General of Victoria to examine this absolute waste of taxpayers money affecting taxpayers not only of Sandringham but also across Victoria.

Then there is the myki project, which was supposed to be up and running last year. The overdue system may not see the light of day until 2012. The total cost of the system will now be \$1.3 billion rather than \$1 billion in round terms.

It is true that myki has had some software glitches, software difficulties, but sometimes ... computers just do not go our way —

the Minister for Public Transport told Parliament — and how right she is. According to the diligent work of the shadow Minister for Public Transport, the member for Polwarth, and his staff, it is a very 'expensive life raft for a sinking ship'.

The system is plagued with computer faults. Public Transport Users Association president Daniel Bowen said that public transport commuters just wanted a reliable ticket system, and that:

No-one asked for an all-singing, all-dancing smartcard system, and if they were to get back to basics and put staff back on the system it would solve our huge ticketing bill.

Premier Brumby has warned that if the myki system failed its next tests the system could be dumped. There is a systemic problem in the ability of government authorities to deal with high-tech computer systems and contracts, and myki is just another example.

Then we had HealthSMART go over budget, which is becoming a legacy of this government. Victoria has injected almost \$159 million into information technology initiatives in its 2008–09 budget, including \$104 million to support its troubled HealthSMART hospital software initiative. The project seeks to replace the administration and clinical information systems used to manage patients in government-run hospitals and community clinics. We spend billions of dollars a year on public hospitals, yet the infrastructure is so poor

that some computers at a Victorian hospital still operate on MS-DOS and cannot even support the use of a mouse. The Auditor-General found that the six-year, \$323 million plan was running two years late and that the most beneficial clinical applications had yet to be delivered.

We need a solid IT base in Victoria. Clerical workload, poor information systems, absence of clinical support and decision-making systems, poor access to computers and computers being slow and obsolete were common complaints and a major source of frustration of medical staff at all levels. According to one senior doctor:

I run the urology department at Western Health. I don't have an office and I share a PC with 150 other senior doctors.

It is time the government took information and communications technology (ICT) in our hospitals seriously. If doctors do not have the computers to work with, then multimillion-dollar ICT systems are a waste of time and money. As I have just alluded to, HealthSMART is two years behind schedule.

Then we have the problem with the ultranet, a system designed to allow parents to check their child's progress through an online computer system, which was a key promise at the 2006 state election. Two months after the system was to be awarded, the project put out a revised re-tender after the response to the original tender was not accepted by the education department. ultranet will link all government schools, allowing students to submit work and communicate with teachers to plan and create lessons. The shadow Minister for Education noted:

This is effectively going back to scratch and if they are going to have a thorough tendering process it is going to add a lot more time to the project ... and the longer the project goes, the more costs, whether for labour or materials, go up.

The education department and the minister said that the project would be delivered within the original budget and planned time frame of a finish in September 2010. However, the department would not say when the revised tender would be released, or when a contractor would be announced.

Then we move onto the housing department's multimillion-dollar IT disaster. According to Josephine Cafagna of *Stateline*:

... four years after the innovation minister, John Brumby, announced the project, the UK firm engaged to deliver —

the housing integrated information program —

has walked away with massive losses. The department of housing has lost millions of dollars, and there is still no ... computer system.

It was left to the then housing spokesman to note that the state government has:

been left with a system that doesn't work, it's been left with a system that, according to my information, has left maintenance orders for public housing tenants flying around in cyberspace, and contractors, with purported orders to fulfil that they know nothing about.

The departmental head was not able to supply a figure by the end of that particular date in 2006 on just how much the project had cost the department.

In 2002 a government press release said:

Over the next several years, it would have cost the Office of Housing the same amount of money to maintain ISIP as it will to implement the new system.

And so there is a cataloguing and a chronology of failed project after failed project, and this particular project came under the scrutiny of the Auditor-General, who noted:

The Housing Integrated Information Program (HiiP) project is a large, complex ICT project, full implementation of which is currently behind schedule.

That is the master of understatement. The report continues:

The delays in implementing the project have impeded the achievement of benefits, with the contractor's inability to develop and implement the system within the established time frame paramount. While response times for managing responsive maintenance requests have improved, most of the project's intended benefits are yet to be realised. This is attributable to project governance and project, contract and risk management shortcomings.

The Auditor-General noted that:

The OOH has proposed strategies to achieve the project's successful completion. Provided the OOH implements those strategies as planned, it should complete the HiiP project in late 2008.

The Attorney-General is a betting man. I reckon if he wanted to put a good bet on up in Darwin as to whether this will be completed in 2008, he would be on a sure winning bet if he bet that it will not be completed in that time.

Then we go on to another project, which is a doozy, and that concerns Project Rosetta. The Auditor-General, Des Pearson, noted that:

Such projects, involving myriad government agencies, were increasingly late and over budget.

There are a number of projects that the Auditor-General has not yet had the opportunity to examine, and I encourage him to look at the Victorian conveyancing project and to analyse the waste of over \$40 million of taxpayers money on a project that is standing and sitting as a white elephant.

Turning to Project Rosetta, I would like to refer to the remarks of the Auditor-General as he released his report on Project Rosetta. According to the *Australian*, he said that the whole-of-government enterprise directory project was a prime example of the deepening malaise. Further:

The time and cost overruns experienced in Rosetta are becoming commonplace when reviewing multi-agency ICT implementations.

Again I come back to an original point. The Americans can land a spaceship on Mars but the Victorian government, which was handed a state IT system that was leading the world, cannot provide an account of a police traffic camera for one day, it cannot provide a housing maintenance system, it cannot provide HealthSMART, it cannot provide the ultranet, and it cannot provide an effective conveyancing system. Here is this intergovernmental project, Project Rosetta, that is not on time, not on budget and is another example of the failure of the Brumby government in delivering IT projects.

In relation to the HealthSMART project, the *Australian* of 28 May 2008 reported that:

... Mr Pearson said the ... HealthSMART project is two years overdue.

Coming back to the Rosetta Project, the *Australian* reports that he noted it had:

incurred additional costs of more than \$10 million, and was delivered seven months past its deadline. The directory was nearly four years in the making, with work commencing in August 2002.

Again, there is this litany of government failure. The Department of Justice cannot give an outline of one traffic fine at one intersection on a single day in terms of the quantum of fines incurred at an intersection on a single day. The government cannot deliver a conveyancing project. It cannot deliver a public transport ticketing system. It cannot deliver a health hospital management service. It cannot deliver the ultranet. It cannot deliver a housing management system, and across government its Project Rosetta is a failure.

When people from around the world tap into the Victorian government website and type in 'www

Victoria', what will it stand for? It will stand for worldwide waste. The Victorian government has failed the electors of Sandringham, and it has failed the people of Victoria.

Ms MARSHALL (Forest Hill) — It is with great pleasure that I speak on the Appropriation (2008/2009) Bill 2008 on behalf of the electorate of Forest Hill, and it is with great pride that I speak of the budget as a part of the Brumby Labor government team. I am very proud of how we are planning for the state's future.

Victoria is travelling very well. We have extremely low unemployment. We have solid economic growth. We are experiencing very strong population growth, and we are seeing more babies being born today than at any time in the previous 30 years. But while Victoria is booming and people are choosing to move here in droves, we are entering challenging times. Inflation is rising. With population growth comes the need for bigger and better infrastructure. The pressure on our precious water resources will rise. With more babies being born there comes a need for bigger maternity wards in our hospitals, and this budget delivers.

As the Treasurer rightly said, this is a baby boom budget. This is a budget that truly looks forward and prepares Victoria for the challenges that lie ahead. We all know the record of the opposition when it comes to health. They slashed jobs. They left Victorian doctors, nurses and health-care professionals in the lurch, and the Victorian people were left to suffer with very poor health-care services. The Kennett government even wanted to downgrade Box Hill Hospital in 1999, before it was kicked out of office by a community that was fed up with the cuts to health.

This budget sees \$8.5 million directed towards the upgrade of Box Hill Hospital, which services the people in the electorate of Forest Hill. We want to build hospitals, making them larger and more capable of serving the increasing population, and that is why since 1999 we have seen 8000 more nurses in the system. That is why we are spending almost \$0.5 billion in this budget alone on hospitals and health care. With birth rates in public hospitals up 12 per cent over the past three years, we are investing \$31 million to expand maternity services in four hospitals across the state, which will allow for an extra 2800 births per year.

There is also a \$185 million boost to Victoria's ambulance services — the biggest single investment in ambulance services this state has seen, with upgrades in Nunawading and Box Hill meaning more mobile intensive care ambulance responder units and a better response to emergency for the people in my electorate.

The Brumby Labor government is sensible and responsible. That is why we are investing in major infrastructure such as the desalination plant, modernising the food bowl irrigation system, and that is why we have set aside \$592 million in this budget for rebuilding and modernising schools.

It is also why we are cutting land tax at the top marginal rate, from 5 per cent to 2.5 per cent. It is why we are cutting payroll tax from 5.75 per cent to 4.95 per cent. We are easing the pressure on business by lowering taxes and offering relief on WorkCover by, all up, a total of \$1.4 billion. That will make life easier for Victoria's business community. We are cutting taxes for working families and for businesses whilst maintaining a surplus for the state that acts as a buffer for future challenges.

Members opposite complain and whinge and talk down the budget but they do not offer any real solutions to the state's challenges; all they offer is bluff and bluster. The Liberal-National party coalition, like its leader, stands for nothing. Its lacklustre response to this budget is testament to that. This is a true Labor budget. It provides strong investment in infrastructure and eases the pressure on working families and businesses, continuing the tradition of making Victoria a fairer place for all whilst being fiscally responsible. I commend the bill to the house.

Mr PALLAS (Minister for Roads and Ports) — I rise to speak in support of the Appropriation (2008/2009) Bill. The 2008–09 budget includes almost \$770 million for new roads and the upgrade of existing roads, to improve road safety and reduce congestion. The budget includes a further \$363 million investment in the major upgrade of the Monash–CityLink–West Gate corridor, from the West Gate Bridge to Dandenong, work which is currently under way.

This investment is particularly important to the growth areas in the western suburbs of Melbourne, the outer west, and the outer north-west of Melbourne, where growth continues to be particularly high. In my electorate of Tarneit and its accompanying local government area, the city of Wyndham, we are seeing growth in the vicinity of 6.2 per cent per annum. Put another way, that is something like 8160 extra people moving into that community every year; it is quite an amazing number. The upgrade of the infrastructure servicing the west and providing both access to the city and connectivity around the suburban areas in these growth areas is critical. That is why the investment that the government is making, particularly in these growth areas, is so important.

This investment for the Monash–West Gate corridor upgrade comes on top of the \$1 billion that has already been committed to this project — the biggest state-funded road project in Victoria's history. Complementing this project is the \$240 million West Gate Bridge strengthening project, which will maintain the structural integrity of the bridge into the future and increase its carrying capacity during peak times. This is a jointly funded state and federal government project.

I want the house to be clear about this: the West Gate Bridge is capable of servicing the existing demand of road traffic without any question. Going into the future, however, given the increasing demand on that bridge — 160 000 vehicles are currently moving over it daily — it is quite apparent there is a continuing need to service this area with improved infrastructure. The West Gate Bridge and its structural enforcement is a critically important part of an overall strategy aimed at ensuring that the western suburbs and the growth areas in the west and the north are adequately supported.

I therefore applaud the support, put in place throughout this budget, for the maintenance of and value-adding to our existing infrastructure. In respect of the West Gate Bridge strengthening, the preliminary design investigations are under way. In this budget allocation alone \$24.9 million will go towards that work to ensure that we get the best possible outcome from it — that is, making sure that the structure and design issues are adequately accommodated.

The budget continues VicRoads' commitment to upgrading key routes in Victoria's outer suburbs to improve access and traffic flows across outer metropolitan areas. We are seeing a substantial increase in commuter activity in certain parts of the arterial road network. Part of the government's strategy for the maintenance of the adequacy and effectiveness of our road transport processes is to ensure that we not only facilitate the reliability and flow of public on-road transport but also ensure that access in terms of congestion is adequately catered for so that people can not only make connections into their communities but can also be connected to their places of economic activity.

The budget demonstrates a clear commitment to the connectivity within our community around upgrading key routes on the arterial network. The improvement of our arterial road network is a critical, underpinning part of this budget, as also is our recognition that there is an important acknowledgement to make — that is, on-road public transport is a key component of this process. Eighty-eight per cent of all journeys taken by public transport actually happen on roads, so when people talk

about public transport and obsess about rail without recognising that you need to have a multifaceted approach to the management of public transport, they can never negate the obligations that attach in respect of on-road public transport.

Increasing reliability and flow, and moving towards a greater recognition that as a community we need to provide viable and vital options for people to look at alternative mode share, are key components of the government's public commitment to on-road public transport.

The budget also continues VicRoads' commitment to upgrading key routes in Melbourne's outer suburbs to improve access and traffic flows across outer metropolitan areas. It allocates \$85.3 million on two key projects aimed at boosting the quality of transport centres, opening up opportunities to invest in new businesses and helping revitalise key suburbs.

Projects that are funded under this budget, for example, include a \$36.8 million upgrade to the intersection of Pound Road, South Gippsland Highway and the South Gippsland Freeway in Dandenong; and a \$48.5 million duplication of Kororoit Creek Road from Grieve Parade to Millers Road at Hobsons Bay, including a grade separation of the railway crossing and an on-road bicycle lane.

The government is also continuing its commitment to improving the quality and the safety of the state's rural arterial roads. This year's budget provides an additional \$224 million to continue work on a number of key routes including the Princes Highway, the Western Highway and the Yarra Glen truck bypass. This includes \$110 million towards the duplication of the Princes Highway west from Waurn Ponds to Winchelsea to cater for increased car and truck travel and to improve travel times and reliability. I am sure the member for Polwarth will share my excitement around how important this project is for the people of the South-West Coast.

A further \$40 million will be invested in the Western Highway from Melton to Bacchus Marsh to cater for population growth, to improve safety and to cut travel times. Last month we announced \$9 million for the Yarra Glen truck bypass. This is a \$15 million project, and I am pleased to see a \$5.5 million contribution from the federal government together with a \$500 000 contribution from the Yarra Ranges Shire Council.

Building safer roads remains a key priority of VicRoads and the government as part of its commitment to reducing the road toll and the number and severity of

crash-related injuries. Since 1999 there have been 1927 road safety projects implemented by this government. As part of this government's continuing commitment to improve spending on road safety, we have seen \$630 million poured into road safety and black spot initiatives. What this means is that as a government we now have a road fatality rate of 6.4 per 100 000 road users. To give an idea of how appreciable that change is, the last time a road toll was at that level was in 1925 when the greatest risk to on-road activity was probably horse-drawn carts. We have come a long way, and that is a demonstration of exactly how far we have come.

In the last 10 years the volume of traffic on our roads has also grown quite appreciably. Acting Speaker, I am sure you would be aware that we have seen an increase in the number of vehicles on our roads. Over the last 10 years we have seen the number of registered vehicles on our roads increase from 3.6 million to 4.6 million. That is quite an impressive increase, but it also demonstrates that the growth in terms of the activity and the weight of interactions on our roads require consistent and continuing activity by the government.

The government has also put in place \$650 million, which we have committed through the Safer Roads infrastructure program over the next 10 years as part of our road safety strategy Arrive Alive. In 2008–09 around \$75 million will be spent on Safer Roads infrastructure projects right across the state. The majority of those projects will be spent in regional Victoria. We have been working closely with councils to identify the highest priority areas that they set for safety upgrades. We will continue to work with them to deliver these crucial projects.

The Premier also recently announced as part of this budgetary package a series of initiatives, the \$112 million Keeping Melbourne Moving plan, aimed at relieving congestion for inner Melbourne. The budget in 2008–09 incorporates funding towards a package for a range of on-road measures aimed at keeping traffic flowing. An additional \$37.8 million will go towards tram and bus priority measures aimed at improving both travel time and the reliability of the service. This year's budget includes \$28.2 million for cycling and walking paths and improved facilities.

We have put in something like 845 kilometres of bicycle paths since coming to government. That is enough to ride from here to Adelaide — or, if you want to, from Adelaide to Melbourne, as some may wish to do!

Mr O'Brien interjected.

Mr PALLAS — Exactly. But of course the main commitments go far beyond just improving facilities for walking and for cycling. There is \$46.6 million to get a number of other congestion measures through the package under way. A rapid response patrol to rapidly intervene in the event of the breakdown of vehicles on our blocked arterial road network will have a profound effect. When breakdowns occur, they have a cumulative effect upon the even flow of traffic. Improving that effort will have a substantial benefit. Standardising clearway times on key public transport routes and improved communications with road users will also have a profound effect upon the efficient movement of our on-road public transport system.

The budget also includes a \$7.5 million investment towards the development of more efficient and secure services for Victorians and to invest and extend a new system into the entire range of licensing across the Victorian government. That tender process is expected to be completed by 2009 with a new system operational by about 2012.

I want to refer briefly to the benefits this year's budget has for my electorate of Tarneit. Werribee Mercy Hospital will receive an investment of \$14 million for a maternal health expansion, providing an extra capacity of up to 800 births a year at the hospital with 8 extra obstetric beds and 4 extra-care special nursery cots. A new 24-hour mobile intensive care ambulance unit will be provided in Werribee as part of a \$185.7 million boost to ambulance services. There will be three additional morning peak hour services on the Werribee rail line and around 270 new car park spaces at Hoppers Crossing station.

Additional public housing will be provided in Werribee as part of a \$37.9 million initiative to increase access to affordable housing options. Local educational services will be improved with funding for new schools in Wyndham Vale. Some \$7 million will be provided for building works at Wyndham Vale's Manor Lakes school and \$9.5 million for the new select-entry school.

Part of the \$10 million upgrade of local Victorian Football League (VFL) grounds will benefit the Werribee Tigers, who I had the great fortune to go and watch on the weekend, but I had the great misfortune to actually see them lose to Coburg. However, they will be at least to some extent comforted by the knowledge that they will receive \$500 000 towards the redevelopment of their ground.

This budget is aimed at balance and growing the state for the future — a future that is filled with promise and opportunity, particularly for the growing suburbs of the outer west of Melbourne. I commend the appropriation bill and wish it a speedy passage.

Mr BURGESS (Hastings) — I rise with my reply to the Victorian budget for 2008–09. 'Budget' is an interesting word; but it is a totally inappropriate name for what has been produced by this government, though. This has been a pitiful attempt at a budget for this state. The fact is that this government has had access to more than double the amount of revenue that any other government in the history of this state has had: it has had a full public service, it has had a full Treasury, it has had all of the resources in its hands as well as literally thousands of consultants and spin doctors to produce something that was of benefit to the state — and it has failed. It has been a pitiful attempt.

But to know where we are, we really should look at where we have come from. Looking across at the benches opposite, I see that this government has a similar look to the one that was around under the Cain and Kirner years. It is an interesting comparison between the current government and where the Cain and Kirner government was in 1988. We are certainly going through the same sort of economic decline and increase in debt that that government created. We all know that that government famously left a \$32 billion debt to the incoming Kennett government.

Over the history of Victoria, the state revenue — that is, the total amount of money that comes in to run this state — up until 1999 had grown to \$19 billion. Out of that \$19 billion, as we know, was the famous \$1.8 billion surplus that the Kennett government had. The state therefore was being run at that stage on \$17.2 billion. On top of that, that government had been given the task of paying off the \$32 billion debt that the Labor government had brought to Victoria. It managed to do that and left the state basically free of debt when it left government in 1999.

Just eight years later it is a very different story. Labor has doubled the tax take to \$37 billion, from the \$19 billion in 1999, and an \$800 million surplus or thereabouts; that figure seems to ebb and flow with the tide. On top of this, unbelievably — and this is something that we should concentrate on — is the fact that by 2012 Victoria is going to have another debt in the style of the Cain and Kirner governments. But this time it will be \$23 billion and growing. I cannot see any strategy from this government to pay down or reduce that debt in any way. That should be setting off the alarm bells in every household throughout the state,

particularly the ones where constituents can remember what it was like at the change of government in 1992.

If we take this back to simple concepts, we get a better view of what is going on here. Let us imagine that instead of being a state budget, this is a household budget. Let us imagine that the household was on an average income and then was told, 'You have saved \$5000 out of your \$50 000 income. That is a reasonable sort of saving, and you have got virtually no debt'. Then double that income to \$100 000, double the income to run the household on, and at the end of the period you find that instead of having \$5000 savings, your savings have dropped to virtually nothing and you have also run up an enormous amount of debt.

I think the average person would look at that and say, 'To come out with a \$2000 savings after doubling my income is not really a savings at all. Can I actually call that money a surplus? Could I say that I have run a good budget? Can I say that I am acting in a fiscally responsible way? I do not think so'. The point here is that if you are going to double the income, then to come out at the other end having produced nothing except debt is unacceptable for this state.

We should also concentrate on the fact that with that money being spent over these years the government has been in power, we should look around and see what that money has actually given us. Has it given us any of the things the state needs to make it great again? I have to say that the answer is absolutely not. This government has managed to strip double the revenue out of Victorians, but it has not managed to spend that money effectively by investing in infrastructure or services for Victoria.

One look around will show you some pieces of infrastructure that are significant. One that is about to open is EastLink, but we all know that that is not something the government has funded. That is something Victorians are going to fund on top of the already doubled revenue. That is going to be a toll.

Then there is the long-anticipated new Royal Children's Hospital. We know again that is going to be a private partnership. This is not something that the government is funding out of its enormous amounts of revenue. The question has to be: where is this money going and what is it producing?

Certainly part of the explanation is in the fact, which I think most people recognise, that the Labor government is just not able to plan. Even the budget surpluses it has produced have never been accurate, never been what they were anticipated to be. Certainly the outcome of

those budgets has never been what it has expected. Of course we always hear, 'This time we cannot plan our public transport because we have a record level of passengers. We cannot plan our public hospitals because we have record levels of patients'.

It is the job of a government to plan those things. It has the tools of government to make sure that it has the research done and that it anticipates what this state is going to need. It is no use always trying to play catch-up. That is exactly where this state is at the moment.

The other thing that is really sad from the perspective of what has gone on in recent years is that Victorians are starting to not blink an eye at the enormous blow-outs and failures of this government. If we look back at the very fast train that was not, it went from \$80 million to over \$1 billion and it struggles to save commuters 3 minutes. Now we have the myki card, which started off at \$300 million and some estimates now have at \$1.5 billion. That is a catastrophe in anybody's terms and yet it just seems to be accepted. This government does not seem to be apologetic about it at all. However, the point here is that this government has never actually owned up to the problems of the Labor Party of 1992. I have not heard one person from the other side of the chamber ever say that they believe they got it wrong, and when you do not recognise the faults of the past, you are doomed to repeat them. That is exactly what is happening here.

If we look at elements such as energy, there is no effective plan in this state. We are heading into an energy crisis. There is no doubt about it, and the government is being told this daily. South Australia is already in a crisis and New South Wales is struggling and sliding towards it, but they are still in a better position than Victoria. We are marginally in front of South Australia, but so we should be; we have much more going for us in this state. It has already been acknowledged that prices are going to double and more, and yet there is no plan to take us into the future.

A belated and fatally flawed plan for water has left our community lurching from crisis to crisis. We already know that prices will more than double. Our storages are under 30 per cent and we are still hearing, 'We've got plans, we've got plans'. I say to the government, 'Show us the water', because it has had eight years to do so.

Victoria has fallen from the leader of the pack in education — it was acknowledged as such — to being one of the worst performers; and education is supposed to be the no. 1 priority of this government. I think the

whole community understands what has gone on with law and order. While violent crime escalates dramatically, the government fiddles at the edges and denies that there is a problem.

There is also no doubt that many of the things that the government brings to the table for discussion and debate and ultimately legislation are important. We have had the Relationships Bill, and abortion will be coming on shortly. But this state needs and deserves a more concerted approach by this government to the basics of government, to getting things right, before it starts to branch out into other areas. This government has done anything but get it right. In fact it has got it wrong. It needs to do much more before it starts to branch out into areas such as that. I will just mention a few things that were absent from Treasurer John Lender's first budget. Certainly it was devoid of strategies to invest effectively in productivity and infrastructure. It was absent of workable solutions to improve essential services such as health, education, public transport, roads and law and order.

In transport there is not even any evidence that this government realises the true depth of the crisis in Victoria. Again, I refer to the myki card. That money could have been well spent in areas of the transport system that are begging for money, but instead it is being spent on a ticketing system. It would be great if it was up and working — most people doubt that that will ever happen — but it is not something that is absolutely crucial to the system running well. That money could have been better spent on making the roads and intersections and other similar things in the Hastings electorate safer. Those things are being ignored at this stage. In the future myki will be remembered as a poorly designed and inadequately followed through concept for Victoria. It will certainly inconvenience Victorians into the future. There were readily available options that could have been bought off the shelf, but instead we have gone down the harebrained scheme route that will have a huge price tag and an even bigger list of glitches and failures.

I turn now to a few of the areas in my electorate that have been ignored by this budget. Some of them may be small but they are very important. For instance, there are the traffic lights to allow the Bittern and Tooradin Country Fire Authority (CFA) brigades to safely enter their respective highways. Captains Peter Burr and David Bulman from the Bittern and Tooradin brigades respectively are aware the government has agreed in writing that these things are needed but that it expects these two volunteer brigades to find the money themselves. This problem is holding up these emergency vehicles from entering the roadway and

delaying them reaching emergency situations. These CFA brigades have been pushing for the lights, but the government just ignores their pleas.

The government apparently needed to sell off 100 acres of the Devilbend Reservoir so it could afford to pay for the management of the rest of the reservoir. To my knowledge there is no precedent for that. I have not known of Victoria having to sell off parts of assets to pay for the rest of the asset before, but this government has managed to pull that one out of its back pocket. Obviously that land can never be recovered.

Western Port Secondary College is not getting its desperately needed funds despite the government's sneaky attempt to mislead the community and this house by reannouncing funds from the previous budget just two days before this budget. That may have worked with some people but it certainly has not worked with the majority and it certainly did not work with Western Port Secondary College. Schools and sporting clubs throughout my electorate either find it very difficult to play on very rough surfaces and dry, parched grounds or cannot play when they need to. This is at a time when we are trying to help kids fight the obesity epidemic. This matter should be looked at straightaway.

The government should be measured on its performance in crisis. The Kennett government was measured by how it performed with the crisis of massive debt in 1992, and it did very well. This government has faced a water crisis and has failed dismally. Natural gas extensions are desperately needed for the townships of Cannons Creek, Warneet, Blind Bight, areas of Cranbourne South, Langwarrin, Pearce Dale, Devon Meadows and Clyde. What response have they received? Nothing. These are ways we can have a practical impact on the energy crisis that is looming. We can take the weight off the energy production cycle and put it somewhere where we know we have the resources and access to them, but the government is saying it is too hard. That is not a good enough answer.

The Somerville campus of Mount Erin Secondary College is another issue. The Labor government fought this school; it did not want it to be built, but eventually the community's fight proved that it should be done and a school was built. However, the government has continued to back away from it at every step. It has now split the school into Frankston and Somerville campuses. It is also saying that instead of it being years 7 to 10, it is going back to it being years 7 to 9. That is an absolute failure of this government in my community. It is not something we will accept. We will be pushing very hard on this matter.

Apparently there is not enough money for the Hastings jetty. The government cannot afford to fix the jetty in the manner it should be fixed. It is going to ignore the iconic nature and historic value of this mighty structure and just demolish the beautiful woodwork that needs to be repaired. The government is going to demolish the wooden part of the jetty and replace it with a flat floating pontoon. Again, that is not acceptable.

Mr DONNELLAN (Narre Warren North) — It is an honour to speak on the appropriation bill. I want to go through a couple of highlights I picked up in the budget which relate to my local area, especially the Casey Hospital. I note that the Minister for Children and Early Childhood Development announced that there would be \$54.9 million for expanded maternal and child health services, which will help mothers, babies, pregnant mothers and families across the state. I very much welcome this, being from an area which has many young children. As the minister stated in a press release:

A further \$12.2 million will provide enhanced maternal and child health services for babies and vulnerable families, particularly first-time mothers who need extra services and support in these early stages ...

What was announced for the city of Casey in relation to the Casey Hospital was a \$4.2 million expansion of the special care nursery. This will increase the number of cots there from 6 to 20.

At the moment there is an issue in the city of Casey surrounding the maternal and child health service. For some reason the City of Casey will not allow maternal and child health nurses to directly liaise with the hospital to identify at-risk mothers. I am hoping that by the time these new services are put into the city of Casey that the Department of Human Services will be able to convince the City of Casey to engage the nurses directly with the hospital, like every other maternal and child health service in Melbourne. I thank the minister for that; I think it was incredibly welcome.

Another area of funding which is very much applicable to my electorate is a \$24.7 million package to assist with countering family violence. At the police station in Narre Warren we have a dedicated officer — a senior sergeant — who is allocated to deal solely and wholly with the issue of family violence. If I remember correctly, the member for Scoresby thought that family violence was not a serious issue and that the police should not have to deal with it. However, you only have to look at the statistics to see that the main reason for the increase in the figures for crimes against the person is that incidents involving family violence are now included in the statistics. Some 90 per cent of incidents

were never recorded. Family violence is a serious crime, and I do note that the minister has allocated \$24.7 million to try to stop the cycle of abuse by stopping family violence by dealing with the underlying issues. This funding will bolster the existing service we already have in the police station at Narre Warren, where, as I said, a dedicated senior sergeant deals with the terribly serious issue of domestic violence.

In the bottom end of my electorate, and around Endeavour Hills, there are many new migrants from the Horn of Africa area. The budget includes a \$19.7 million package to support refugees settling in Victoria. We know what happened recently when the federal minister for immigration decided to make comments about certain sections of the community but which were not backed up by his own department in the brief. The types of comments that were made did not help those communities settle in and gain employment in the community. The comments were unwelcome, unnecessary and, to be honest, quite ridiculous when compared to what was included in the department's report. There is funding of \$17.7 million for a refugee support strategy targeting health, justice and education in the refugee communities, and I think that will be very much welcomed in the city of Casey.

As was discussed this morning during the debate on the matter of public importance, there is funding of \$600 million over six years for the food bowl modernisation project as part of \$2 billion of overall investment in northern Victoria. We can argue over the level of savings, but there will be savings, improvements in the delivery of water and less wastage. That is a very positive contribution, and one which is well and truly welcome.

On the issue of public transport, my local area is fortunate enough to have an extension of the NightRider service, for which I have been lobbying for about three years. It is being extended from Dandenong to reach out to Cranbourne and Fountain Gate shopping centre and the like. It is a service that the young people in my area desperately need. The cost of a taxi ride from Melbourne to Dandenong is between \$60 and \$70, which young people cannot readily afford. If they want to see bands at night or do other things, the NightRider bus service will improve their ability to go out and get home in a reasonable way without enormous cost.

Also in the public transport part of the budget is \$153 million allocated for a third track, additional platform and train stabling at Westall railway station. This will allow three more peak morning services on the Dandenong line and provide capacity for express

trains from Pakenham and Cranbourne to the city to bypass middle and inner suburban stations. This is absolutely needed in the area. It is a very busy line. At the end of the day these are the types of improvements that we need desperately and are looking for, and I thank the minister for that contribution. I look forward to those works being completed quickly so that we can relieve some of the pressure on that line.

There is also further funding for roads. There is funding of \$36.8 million to upgrade the intersection of Pound Road, South Gippsland Highway and South Gippsland Freeway in Dandenong to improve safety and cater for population and freight growth. My calculation is that about \$300 million to \$350 million has been allocated to the city of Casey since 1999 for road improvements. One can compare that to the last term of the coalition. In the last three years it was in office the total allocation of funding for roads in the city of Casey was \$3 million, so that is better. It is 30 times higher. The state government is doing a marvellous job of dealing with those outer suburban pressures and getting funding into the roads that need upgrades. That is a stark comparison between this government and the previous government. I encourage the City of Casey to recognise this instead of continually whingeing about being underfunded compared to any other councils in Victoria. It is not; it has probably 10 times the level of funding of any other council in Victoria when it comes to road funding.

I also note that there is \$1.43 billion of relief for homebuyers and businesses. There are land tax cuts, which were positively received, but there are also cuts in costs for first home buyers. If you look at the average cost of a property in my area — say, \$300 000 — the previous stamp duty payable was \$13 660, and the new duty payable is \$11 370, so there is a 70 per cent saving.

On the issue of land tax rates, the top rate of land tax will be decreased by 10 per cent, from 2.5 per cent to 2.25 per cent. As a result of these changes Victorian business landholdings valued between \$400 000 and \$5.7 million will pay less land tax than they would in New South Wales and Queensland, which is certainly a positive outcome and makes us more competitive in attracting business to this state. Comparing land tax applicable to a \$500 000 property around Australia, in Victoria it would currently cost \$800, while in New South Wales it would be \$2468. Under the new scheme it will only cost Victorians \$775, so it is a major improvement, and there was also a reduction in the WorkCover rate.

I note a recent article by Josh Gordon which appeared in the *Age*, and which states that that newspaper had

done a study on both gambling and property taxes. The article claims that Victorians pay more gambling tax than people in other states, but when it comes to taxing properties the figures show otherwise. The article states:

While the state's gamblers are heavily punished, when it comes to taxing property, Victorians escaped relatively lightly. The figures showed each of Victoria's 5.17 million people paid an average \$225 in property taxes in the 2006–07 financial year, well below the property tax burdens of \$308 in NSW, \$290 in SA and \$258 on average nationally.

That is a very positive piece of research which highlights that the state government is reducing taxes better than any other state in Australia and is more competitive than any other state in Australia when it comes to setting up a business.

In the area of education, there is funding of \$19 million put aside to begin the first stages of Victoria's two new select-entry schools — in Berwick and Wyndham Vale. Obviously we will share in half of that funding, and that funding is very well regarded. It will encourage in the local area a level of excellence that previous had not been there. I also note that there have been changes to the remuneration which would be applied to high-achieving principals, so that we can now introduce executive contracts. I think that is a very positive contribution and will see excellence in teacher outcomes.

I will briefly go through some of the comments on the budget made by members of the opposition. One of the first comments was made by the member for Scoresby in his response to the budget. He talks about how:

The Howard government's extraordinary record of economic competence has produced a tax and revenue windfall for the state and territory governments, and the coffers of the Victorian Treasury have been literally awash with money.

An honourable member — Awash.

Mr DONNELLAN — 'Awash' is what he says. I found an article in the *Weekend Australian Financial Review* of 5 and 6 May 2007 which talks about the level of state funding. It says:

As Macquarie Bank economist Rory Robertson points out, the strongly rising tax base —

this is federally —

in recent years still means 'Costello almost certainly now holds the record as Australia's biggest-taxing Treasurer ... Canberra's revenue/GDP —

gross domestic product —

ratio appears to be at or around multi-decade highs on any credible measure.'

The article goes on to say:

According to Macquarie's Robertson, if we strip out the GST revenue the commonwealth is providing the states to compensate for their loss of other funding as part of tax reform earlier this decade, 'Canberra's effective funding of the states is only 5.1 per cent of GDP, a three-decade low'.

In other words, we have been duded by Peter Perfect. It does not matter what the Costello-ites in this chamber think about the gentleman; here is someone independent who actually says he has starved the states of funds. It does not matter what the member for Scoresby says; the facts do not back it up. We have got an independent economist from Macquarie Bank who says that the states have been robbed by Peter Costello. Let us hope this improves, but you just never know. I certainly hope it improves under the next Treasurer.

The response to the budget also talks about money being wasted. Let us have a look. There is an article here which goes on to talk about —

An honourable member interjected.

Mr DONNELLAN — Sometimes you have got to find the right spot. This is an article by Paul Cleary published in the *Weekend Australian Financial Review* of 3 and 4 May 2008.

The fiscal profligacy of John Howard, Peter Costello, Alexander Downer, Brendan Nelson, Tony Abbott and other senior ministers in recent years has now been documented in a recent paper by Treasury economists Kirsty Laurie and Jason McDonald, from the department's budget policy division. Of the rise in tax revenues since 2004–05 of \$334 billion, new spending decisions and income tax cuts reduced the surplus by \$314 billion.

'Effectively, the additional revenue from the commodity boom has been spent, or provided as tax cuts' ...

There you have it: 94 per cent of revenue from the resources boom was spent and wasted, and we are still trying to work out what actually happened to that money. It is a great fraud that these guys know what they are doing with money. They have no reason for existence, they do not know what they are doing and at the end of the day they spend money like drunken sailors. That is what this article suggests. This comes independently from the Treasury and says that opposition members are a pack of mongrels when it comes to money. They do not know what they are doing. They have spent like a pack of drunken sailors. They should not defend the indefensible. They should apologise on behalf of all Victorians for how much money was — —

The ACTING SPEAKER (Ms Munt) — Order!
The member's time has expired.

Mr CRUTCHFIELD (South Barwon) — I rise to speak on the Appropriation (2008/2009) Bill and I note that the Minister for Mental Health, who is at the table, was at the Friday lunch that the Premier made his way down the road to at Kirrewur Court Reception Centre in Geelong. The reason I mention this is that the Premier, as the previous Treasurer, did that on an annual basis. He has done the Ballarat, Bendigo and Geelong tour on the Friday after every budget, so it was much to our surprise — and they are not the only regional centres he visits — that on that particular day — —

Mr Walsh interjected.

Mr CRUTCHFIELD — I would certainly be able to provide the member for Swan Hill with his rather extensive agenda and visits to regional Victoria. One of the defining things at those budget breakfasts is the fact that the Premier is particularly well received, irrespective of people's politics. It was not a Labor Party branch meeting; there are members of councils, business organisations and individuals at those breakfasts. They are certainly a wide and very representative group of people who attend, and the one thing they all have in common is that they endorse the current Premier and previous Treasurer's enthusiasm for regional Victoria. They know that the current Premier listens when you articulate a vision about certain projects or about a region. The Greater Geelong City Council, G21 and the Committee for Geelong have done that on many occasions, and they have been well received and well listened to.

I do not have time here today to go through the myriad projects that have been funded. The amount of money that Geelong can get out of the current Premier's pocket has been talked about with some angst, and we will continue to articulate our view. After that budget lunch the Premier went to Waurn Ponds in my electorate and announced \$62.5 million for section 4B of the Geelong ring-road, which matches the federal government's commitment to that project.

I want to refer the house to a little bit of history. I well remember the former federal member for Corangamite's paucity of effort in respect of the Corangamite electorate. I know the member for Polwarth was particularly embarrassed at having to follow the former member for Corangamite and some of his rather bizarre views about where the Geelong ring-road would go. It was the Bracks and Brumby governments that committed to the Geelong ring-road. The former member for Corangamite would put it

closer to Winchelsea, not Geelong; that was how bizarre his views were. It would be a lot closer to his house in Camperdown. His view was not supported in any way, shape or form. Sections 1 and 2 were less controversial; they were on the current alignment that had been in the *Melway* for some 30-odd years. Section 3 went through a two-year planning phase, and option 1 was eventually chosen. There had been a number of groups that had aligned themselves prior to the state election to try and move our final recommendation in terms of option 1, which is the current alignment on the *Melway* that you can have a look at. It has been there for 30 years.

That was the alignment that was chosen after two years of extensive investigations and months of submissions from a broad range of community groups — it was a very open and transparent process. It was bizarre that the then federal member for Corangamite, Stewart McArthur, and the Liberal Party decided that that decision-making process was not fair or transparent; they banded together with a number of property developers and one particular business group. I will not name the group, but I was particularly disappointed with its rather political antics at the 2006 election.

An honourable member — Name them!

Mr CRUTCHFIELD — They know who they are.

An honourable member — They don't exist.

Mr CRUTCHFIELD — They do exist.

There was a view that we should change it, either to option 2 or to option 4, which would be the Stewart McArthur bypass — this was the preference of the former federal member for Corangamite — that went past Ceres and into Winchelsea.

As a result of the campaign the Liberal Party subsequently suggested that it was a con — that the government would not fund sections 3A or 3B or any duplication of the Princes Highway to the east at all. After the 2006 election the Liberal Party continued to loudly articulate that view. We committed to section 4A — the flyover from Rossack Drive up Anglesea Road — and that was very well received. I thank the Premier for his commitment to funding that section of the Geelong ring-road.

Then there was the federal election. The current federal member, Darren Cheeseman, committed matching federal funding for the Anglesea overpass — and I commend his efforts — which brought traffic away from the potentially conflicted intersection at Rossack Drive, over the Princes Highway and up Anglesea

Road. Not only did Darren get a commitment for the matching funding for section 4A but also a \$110 million commitment for the Princes Highway duplication from Waurm Ponds near Pettavel Winery through to Winchelsea. This was very well received, particularly by people in areas such as Winchelsea and Colac, who had felt deserted by the Liberal Party both at a state and a federal level.

Liberal Party members had opposed the ring-road from the start. They obfuscated; they tried to disrupt the whole process; they wanted it re-investigated or delayed — they were rank political opportunists. I think the results both in South Barwon and in Corangamite are an instructive lesson to the Liberal Party about playing politics with roads in western Victoria.

Subsequently, as I mentioned, the current Premier matched the federal funding for stage 4B, which completed the ring-road. It took of the equation the very few people who, bizarrely, still thought they could change the route of the bypass and who were making a distracting noise. In the budget just released we committed to matching the federal government's \$110 million for the duplication of the Princes Highway from Waurm Ponds to Winchelsea. This was extremely well received. The local Geelong paper had been running a campaign on that duplication. It was something on which the previous federal member stood firmly opposed. That has been his *modus operandi*, and it is a clear warning to the member for Polwarth. If he disregards his constituency again, he will be reminded of this by them in the 2010 election.

The state budget was also well received in respect of the financial viability of people in that region — and I focus on first home buyers. The additional grant for newly constructed homes gives eligible first home buyers up to \$15 000. Whilst not everyone is a first home buyer, this will particularly advantage some areas. I spoke to a number of Surf Coast Shire councillors, and they believe that people who perhaps cannot afford to purchase property in the inner city of Geelong, or indeed in Geelong at all, can look at purchasing their first home in the area that abuts Geelong — there is a large regional area within commuting distance — or other large regional centres like Geelong. I have recently had conversations about that initiative with councillors from the Colac Otway and Golden Plains shires. They believe it will add to their ability to attract skilled workers into their areas, particularly with cheaper land prices.

Another major announcement was the confirmation of \$20 million for the Melbourne–Geelong pipeline, something that has been long in gestation. There has

been a considerable period of investigation regarding this, looking at other potential solutions, including dams. I note that earlier today the house had a rather illuminating discussion about the Melbourne–Geelong pipeline and dams. The member for Swan Hill has indicated that he will take up my invitation to visit Geelong and announce the opposition's intention to build a dam in the Otways! I look forward to him embracing the new Liberal councillor for the City of Greater Geelong, who is of the same view.

It would go down particularly well if he also reasserted his view that we should not be going ahead with the Melbourne–Geelong pipeline, because it is taking water from the Goulburn irrigators. I would love it if the member for Swan Hill took up that invitation and repeated what he has said in the house — that is, that he wants to put a dam in the Otways and get rid of the Geelong–Melbourne interconnector. I throw out that challenge to the member for Swan Hill. He said he would take up that commitment, and he is nodding his head vigorously. I invite him to come down to Geelong. May the record show that he is nodding his head, and I hope Hansard can see him nodding his head, because I want to indicate that he is saying yes about getting rid of the Geelong interconnector and putting a dam in the Otways, something I am sure councils from Warrnambool to Geelong will be particularly interested in. It is with some degree of glee that I acknowledge an affirmation from the member for Swan Hill about attending in Geelong, and I will organise a particular time for him to visit.

Other programs which have been well received include the community safety emergency support program, funded through the Minister for Police and Emergency Services. I have just been to the State Emergency Service in Torquay to hand over a truck to the Torquay SES. Three weeks ago I was at Connewarre, and I note the brother of the member for South-West Coast is in the Connewarre fire brigade, and I am a volunteer member there. It is a catchment not far from both the member for South-West Coast and my place. I was handing over the Connewarre tanker. Prior to that I handed over a tanker to the Barrabool fire brigade. The benefits of this fund are particularly well received by emergency services. It is a fund that I note has been confirmed in the current budget, and I urge my emergency services organisations to continue to access it.

In closing I want to acknowledge the Great Ocean Road Coastal Committee which has won a Premier's sustainability award for this year in the community category. The award recognises GORCC's leadership role in working to protect and enhance the

conservation, recreation and tourism values of a 37 kilometre stretch of coast between Torquay and Lorne. Many members of this house will know Peter Anderson, who is a very good chair of GORCC, who said it is very heartening to have the achievements recognised by the prestigious award. He said he would particularly like to thank and acknowledge the dedicated staff who have worked every day to ensure the coast is loved, protected and enjoyed by all. I would like to endorse those comments. It is doing an absolutely fantastic job along the coast.

This budget endorses the funds for the redevelopment of the angling and marine rescue club at Fishermans Beach, and I know the club is looking forward to the redevelopment with great anticipation. It matches funding for the boat ramp at the fishing club. In 12 months time there will be new club rooms and a new community facility, a marine rescue facility and also a wonderful new boat ramp.

Mr Foley interjected.

Mr CRUTCHFIELD — I have my fishing licence, as the member next to me asks, and I fish there. It is one of the most popular and well traversed stretches of water in regional Victoria.

Debate adjourned on motion of Ms NEVILLE (Minister for Mental Health).

Debate adjourned until later this day.

GAMBLING REGULATION AMENDMENT (LICENSING) BILL

Second reading

Debate resumed from 17 April; motion of Mr ROBINSON (Minister for Gaming).

Government amendments circulated by Mr ROBINSON (Minister for Gaming) pursuant to standing orders.

Mr O'BRIEN (Malvern) — It is a pleasure to speak on the Gambling Regulation Amendment (Licensing) Bill 2008. I note that my colleague, the member for South-West Coast as shadow Minister for Racing, will deal with a number of aspects of this bill as they affect the racing industry, and I look forward to his contribution, a contribution sadly curtailed; it should have been extended if this government were actually interested in debate.

The purpose of the bill is fourfold and is set out in clause 1. It seeks to amend the Gambling Regulation Act to: create a wagering and betting licence authorising the conduct of wagering on horse, harness and greyhound racing, and the conduct of approved betting competitions; to create a keno licence authorising the conduct of keno games; to permit the extension of a gaming operator's licence; and to provide for the appointment of additional deputy chairpersons and commissioners to the Victorian Commission for Gambling Regulation (VCGR).

Part 1 deals with the purpose and commencement provisions. The bill will come into operation following royal assent except for part 3 of the bill which deals with amendments to the responsible gambling codes of conduct provisions in the act. This part will take effect only when earlier legislation, passed by this Parliament that empowers the VCGR to approve such codes, commences.

Clause 5 in part 2 permits the minister to grant, on application, a holder of a gaming operator's licence an extension of that licence of up to five months. At the departmental briefing I was informed that this decision is designed to permit the synchronisation of the expiry of gaming operators' licences. In the absence of this provision the licence held by Tattersall's would expire in, I think, April 2012, while the licence held by Tabcorp would expire in August 2012. It would seem sensible to have the gaming licences expire at the same time, especially given the government's proposed licensing model.

I was assured at the briefing that the financial arrangements between the government and Tattersall's are such that any five-month extension granted to Tattersall's would involve a commensurate increase in licensing payments to taxpayers, so there would be no windfall gain to Tattersall's by reason of any extension. On the basis of these assurances, I raise no objection to this provision.

That part also contains a number of definitions to be inserted into the principal act, including the term 'secretary' meaning the Secretary of the Department of Justice. The inclusion of this term is interesting because in the licensing procedure the government has adopted in this bill it has decided to sideline to some extent the VCGR, a statutory authority, in favour of the Secretary of the Department of Justice.

In the bill before the house it is the minister's departmental secretary who, under proposed section 4.3A.4, will report to the minister on registrants for a wagering licence; and under proposed

section 4.3A.6, each licence application. The latter report is to be used in determining whether an applicant is successful. Criteria include issues going to character and honesty, as well as technical capabilities and whether adequate systems are in place, are covered in proposed section 4.3A.7.

This all raises the question: what has happened to the VCGR? Why have roles previously performed by the VCGR and other licensing procedures, such as the lotteries licences, been usurped by the departmental secretary in these amendments? Has the minister lost confidence in the VCGR?

One could well look to the lottery licensing fiasco and wonder whether that is the case. During the lottery licence process the VCGR's investigations into lottery licence applicants were rejected by the interdepartmental steering committee, chaired not coincidentally by the Secretary of the Department of Justice, and these investigations were rejected as inadequate. The VCGR engaged two leading Queen's Counsel, a junior barrister and an instructing solicitor — all at taxpayers expense — and this just for the VCGR to try to defend the integrity of its own investigations. This all came out through the gaming inquiry conducted in the other place. The solicitor-general was then brought in to try to mediate between the warring parties at the VCGR and the interdepartmental steering committee.

The report of the independent review panel, the Merkel report, stated at paragraph 77 that there was a:

... serious risk that the commission's report was invalid ... as well as the risk that Intralot ... had not been accorded procedural fairness ...

agreeing with the solicitor-general's concerns. The consequence of this was that the probity investigations performed by the VCGR had to be redone. New VCGR commissioners and staff had to be appointed. None of these additional costs were paid for by the lottery licence applicants. The poor old taxpayer had to pay them yet again. This was an embarrassment to all concerned. From this bill it appears obvious that the minister has lost confidence in the VCGR and that the Secretary of the Department of Justice has won that bureaucratic boxing match. I cannot help but think of that famous photograph of Muhammad Ali standing over the prone body of Sonny Liston and imagining the VCGR flat out on the canvas with the Secretary of the Department of Justice standing over the body, grinning through her mouthguard in triumph!

I turn to the licence process. Clause 9 inserts a new part 3A into the principal act. This part, inter alia,

authorises the minister to issue a wagering and betting licence. However, proposed section 4.3A.2 makes it clear that there can be no more than one wagering and betting licence in operation at the same time. In doing so the government is stating its intention to have an exclusive wagering and betting licence. The member for South-West Coast will have more to say on this issue in his contribution, but it raises the question as to how exclusive this proposed licence can be in reality. How exclusive will the licence be, given the advent of Betfair and its recent success in the High Court in striking down legislation seeking to restrict its activities? How exclusive will the licence be, given the number of interstate bookmakers taking bets from Victorian punters on Victorian events over the telephone and the internet?

On that point I note the number of Victorian bookmakers seeking to set up operations in other jurisdictions, particularly the Northern Territory, is on the rise. Even Tabcorp seems to have taken the view, 'If you can't beat them, join them', with its recent announcement that it, too, has lodged an application with the Northern Territory government for a racing and sports wagering licence.

Today the chief executive officer of Tabcorp wrote to me and my colleague, the shadow Minister for Racing, the member for South-West Coast, concerning the bill and he stated:

The most significant matter currently facing Tabcorp's wagering business relates to a breakdown in exclusivity resulting from increased competition from corporate bookmakers and betting exchanges.

This is a very real issue that faces the bill, and the government has shown that it seems to be completely incapable of dealing with this problem.

The Minister for Racing has also had on his desk a report dealing with reforms sought by bookmakers in Victoria. We are losing our best and brightest bookmakers out of this state; they are setting up operations in other jurisdictions. We are losing out on the tax revenue and we are losing out on the expertise, while the Minister for Racing is sitting on his hands, letting this report with the reforms that the bookmakers are seeking gather dust on his desk. The government has a real responsibility to try to fix this situation. The most recent example of this is from Kathryn Read, part of the Read bookmaking dynasty — a very prominent bookmaker in this town, and a good professional young woman, who I would have thought this government would be trying to encourage to stay in Victoria. She announced recently:

Due to the lack of promised bookmaking reforms being implemented by the Victorian regulators, it is no longer viable for Victorian bookmakers to operate a competitive service without the ability to trade 24/7 on a level playing field. As such, Kathryn has unfortunately had to take the decision to suspend trading on Readbet, her online sport and racing business.

More bookies are leaving Victoria and setting up operations in the Northern Territory, involving a loss of tax revenue to the Victorian government, a loss of revenue to the Victorian racing industry and a loss of expertise from Victorian racing, while this government is sitting on its hands.

Proposed section 4.3A.11 provides that the duration of this licence will be 12 years, with the minister having the capacity to grant on application an extension for up to 2 years. While some transitional flexibility is not unwelcome, 2 years on a 12-year licence warrants further scrutiny. To date neither the minister nor his departmental officers at the briefing have set out why a maximum two-year period is proposed for an extension. Not only could this devalue the licence if it is in prospect really a 14-year licence, but the premium payment provision in proposed section 4.3A.13 may not permit the government to require a premium payment on any extension.

Hence the government has come in with these amendments. My questions at the briefing identified this problem. We are going back down the same old road that we reached with the lottery licensing procedure, where Tattersall's received a free 12-month extension of its lottery licence in Victoria. This government's incompetence and inability to get the lottery licensing procedure done on time meant Tattersall's got an extra 12 months of its lottery licence and got it free, and the Victorian taxpayer copped it in the neck. Now the government is having to rush in to the house at this late stage with these amendments to try to fix up this flaw which would have seen yet another example of the government's incompetence, costing taxpayers millions and millions of dollars.

Mr Foley — Lucky we've got you looking after us!

Mr O'BRIEN — Someone's got to, mate, someone's got to!

The procedure set out in this bill for the wagering and betting licence is in many ways the same procedure that has been set out for the keno licence — that is, initially there will be calls for registration of interest in the awarding of the licence, the conditions of which are to be published in the *Government Gazette*; then reports will be made to the minister by the Secretary of the Department of Justice — not by the VCGR, mind you,

which is being shafted, but by the secretary of the department.

Then a short list of those invited to apply will be created; applications will be invited from those short-listed; reports will be made to the minister — again by the Secretary of the Department of Justice, not the VCGR — and a decision will, hopefully, finally be made. The procedure set out in this bill follows in an almost mirror fashion the lottery licensing procedure. I have to say that this is a grave error on the government's part, because why would you follow a tainted, discredited and corrupted process that has been shown to have failed miserably once already?

The minister's second-reading speech referred to the Gambling and Lotteries Licence Review Panel report, the chairman of which I am sure will not object to my referring to it in shorthand as the Merkel report. Acknowledging and notwithstanding the limitations of the Merkel panel and its capacities — such as, it had no capacity to examine ministers and no capacity to examine ministerial staff — the Merkel report demonstrated one example of the corruption of the lotteries licensing process. It demonstrated that this pipeline sent sensitive, confidential licensing information from the office of the Minister for Gaming to the Labor mate and lobbyist David White and from there to his clients at Tattersall's. The Merkel report states at paragraph 170:

... it is now clear that, at an early stage of the licensing process, Hawker Britton was given preferred access to a licensing process document by someone in the minister's office.

Do members opposite want to stand or sit here and say, 'This is the way these things should operate'? Would they not agree that documents coming from the minister's office to the lobbyists and straight through to the clients should be regarded as corruption? Having exposed this, what does the Merkel report say about it? At paragraph 164 it says:

... that preferred access could occur at any stage of the licensing process.

The Merkel panel has identified not only this disgraceful leaking of sensitive, confidential licensing information coming from the minister's office once — he says that that is the only thing they have actually identified — but that this could have happened at any stage. This was a tainted process. The Merkel report goes on at paragraph 175 to say:

... the panel ... finds the very notion of lobbying in respect of a proposed or actual lottery or gaming licence application antithetical to the probity of the licensing process. Evidence was given to the select committee that lobbying was about

'opening doors' to government. Preferential treatment or preferential access means unequal treatment and unequal access, which inevitably undermine the requirements of impartiality and a level playing field. Those requirements are essential if licence applications are to be determined fairly and on their merits without any improper conduct or interference on the part of any of the participants in the process.

The Merkel report then gets to the point in paragraph 176:

The panel is of the view that the future probity requirements for a lottery or gaming licensing process should expressly prohibit lobbying activities in respect of that process once it commences.

Just to reiterate the point, in case those in the cheap seats opposite did not get it the first time, paragraph 182 says:

It follows from the foregoing discussion that lobbying activities are antithetical to the integrity —

I emphasise 'integrity' —

of the licensing process ...

Nothing could be clearer. The Merkel report is saying that if you are to have any chance of a clean, fair and impartial licensing process, one that meets the standards of probity that Victorians are entitled to expect, you have to get lobbyists out of the process.

What does this bill, which sets up the processes for the wagering and betting licence and the keno licence, say about the involvement of lobbyists? Nothing; it is absolutely silent. This government commissioned the Merkel report and has now disgracefully refused to adopt and accept its recommendations. This bill should not progress unless there is that acceptance and until there is adoption of the Merkel panel's recommendations.

I therefore move:

That all the words after 'That' be omitted with the view of inserting in their place the words 'this bill be withdrawn and redrafted to ensure that the probity requirements of the licensing process are protected by prohibiting lobbying activities as recommended by the Gambling and Lotteries Licence Review Panel'.

I have moved that amendment because it is absolutely essential to the integrity of this process that the Merkel panel's recommendations be adopted. We cannot have any confidence as a Parliament, and the people of Victoria cannot have any confidence in this process, until the lobbyists are out of the process. This bill does nothing to adopt Merkel's recommendations; this bill does nothing to get lobbyists out and clean up the

cesspool that has been the experience with this government's handling of gaming licensing to date.

You may ask: why is the government so keen to keep lobbyist snouts in the trough? Are there any more million-dollar Labor Party mates that need to be made?

Dr Napthine interjected.

Mr O'BRIEN — I will come to that. Recently Tony Sheehan was reported on the front page of the *Herald Sun* as having secured a million-dollar success fee because this government saw fit to provide his company, his client, with a lottery licence. David White, who is notorious for having secured an agreement to a success fee after the time the rules of the process said, 'You are not allowed to lobby'. Why would anybody who was honest accept a brief or an agreement that would pay them a success fee for not working?

What David White does or what he did was lobby. He was engaged by Tattersall's as a lobbyist, yet Tattersall's, under its discredited former managing director, Duncan Fischer, entered into a success fee agreement which would see David White being paid \$350 000 if Tattersall's received an exclusive licence — after the period when no lobbying was permitted under the rules.

Why would the government be so keen to protect its Labor Party mates in the lobbying industry? We have seen Tony Sheehan make a motza, we have seen David White make a motza — perhaps Joan Kirner can come in and they can have a Guilty Party reunion. The recently resigned member for Kororoit might be looking for something to help fund his retirement.

It is not appropriate for this government to run a government of the mates, by the mates and for the mates. We need to make sure that when we are talking about public assets such as gaming and wagering licences, the process is clean and above board. That is why we have to get lobbyists out of it. This government has not shown that it has the moral stamina to be able to do that. It has not been able to say no to its mates. In fact, it has opened the doors to its mates and given them confidential gaming documents; we know that much. But it has not been able to say no to its mates. This bill should not progress without the adoption of Merkel's recommendations.

Another matter, which I am sure the member for South-West Coast will deal with, is that the awarding of the wagering licences is predicated on arrangements being 'no less favourable' to the racing industry in terms of financial affairs compared to the current

situation. In this bill it is left to the discretion of the minister and the minister's opinion as to whether particular arrangements are no less favourable.

The first question is which minister is concerned. Is it the Minister for Racing or the Minister for Gaming? It is the Minister for Gaming. I pay due respect to the Minister for Gaming. I suspect there would be many people who would feel more comfortable with the idea of the Minister for Gaming making a decision on a fair basis than the Deputy Premier and Minister for Racing making it.

Mr Robinson — That is very kind.

Mr O'BRIEN — It is not that kind actually, Minister, if you look at it and if you consider the company you keep. I did not mean to be kind. I apologise for that. There is a serious issue confronting the racing industry at the moment. It is getting \$75 million a year from Tabcorp, and that is going to end in 2012. It is getting over \$200 million a year through wagering licences, and that is going to end in 2012. The government has basically said, 'Trust me'. The government that said, 'No tolls on EastLink', says to the racing industry, 'Trust me'. The government that said, 'We will not steal water from northern Victoria', says, 'Trust me' to the racing industry. There is no way anyone in their right mind in the racing industry would trust this government, but that is what the government is asking them to do. It is relying on the racing industry simply being prepared to roll over. It may be that while there are quite a few Labor mates who have been appointed by this government to positions in the racing industry and who might be influencing that, when you speak to the people who are involved in the nuts and bolts of the industry, they do not trust this government.

The keno licence provided for in this bill is for 10 years. It allows for no extensions and expands the operation of keno licences to pubs as well as clubs. Previously, keno licences have operated only in registered licensed clubs. There does seem to be an argument that pubs should not be excluded from the operation of keno on that basis, but we would obviously be very concerned to make sure that appropriate responsible gambling provisions would apply to pubs as well as clubs. The same procedure is set out in this bill in relation to the process of the awarding of the keno licence as has been proposed for the awarding of the wagering and betting licence, and it has exactly the same problems I have identified with that licence. There is no provision for lobbyists to be excluded, and therefore the reasoned amendment would also apply to the keno licence.

Another purpose of this bill is to increase the resources of the Victorian Commission for Gambling Regulation. The VCGR is already a significant regulator given the number of staff it has operating. A recent report by the Public Accounts and Estimates Committee on the 2006–07 financial and performance outcomes lists Victoria's major regulators based on staff numbers in 2006–07. It surprised me that the VCGR came in at no. 7 in the state with 134 effective full-time staff members. This regulator already has a significant number of staff, but the government proposes to provide more deputy chairpersons and more commissioners. It is quite ironic that extra personnel are being proposed, given that the commission's authority is being undermined by this bill, with the government and the minister preferring that the Secretary of the Department of Justice perform many of the tasks that have previously been performed by the commission.

What is more important than the number of staff is their effectiveness and efficiency. I am certainly not saying there should not be an increase in the number of VCGR commissioners or deputy chairpersons, but I ask that the minister keep a very close watch to ensure that taxpayers are getting value for money. Regulation is not necessarily just about how many regulators you have; it is about the efficiency and effectiveness of those people who are regulating in the public interest, and I hope those matters would be kept under very close watch.

Another aspect of the bill is the amendment of provisions relating to minors gambling. Clause 15 of the bill provides that it is an offence for a licensee or wagering operator or a wagering and betting licensee to accept a bet from a minor. It says that such a person:

must not accept a bet from, or give or send a ticket or acknowledgement in respect of a bet to, any minor.

Penalty: 20 penalty units.

Compare and contrast that with clause 18 of the bill, which proposes a new section 6A.2.3(2), which states:

A person must not knowingly sell a ticket in a keno game to a minor.

This carries a penalty of 20 units as well. Why is there the difference in this requirement based on a person's mental state? Why is it an offence in relation to keno to knowingly sell a ticket to a minor but when it comes to wagering and betting it seems to be an offence of strict operation and no mental intent is required? There is no need for knowledge on the part of the person selling the ticket to the minor if the activity is wagering or betting.

The government has made a big song and dance about minors betting, and it is planning to crack down and get

tough. I refer to a media release from the office of the Premier dated 25 March 2008. It states:

The government will introduce the following measures during 2008.

The measures include:

more than doubling the penalties for allowing minors to gamble. From a current minimum penalty of \$1100, fines will increase to a possible maximum of over \$13 000.

The question is why, given this bill is being amended now, the government has not taken the opportunity of fixing these penalties at the same time. It seems to be a waste of the Parliament's time to be putting through a bill which on the government's own admission it is going to have to change this year. The government is putting in provisions it knows are wrong. It is amending provisions relating to minors betting but is leaving this complete disparity between keno, where you have to know you are selling a ticket to a minor to commit an offence, and betting, where you do not need to know you are selling a ticket to a minor to commit an offence. The question is: how long is it going to take for the government to get this right? When is the government going to bring legislation into this house to fix the issue of problem gambling? The government seems to think it can legislate by press release, but in the real world that is not the way it works. You need to have effective laws if they are to be enforced.

We cannot ask the police, we cannot ask licensing authorities and we cannot ask the Victorian Commission for Gambling Regulation to enforce laws if the laws are not properly in place. If the government is serious about cracking down on minors gambling — and I would say the government should be serious about that; it is an extremely serious issue — it needs to have the laws in place to do so. But what it is doing is taking this opportunity to introduce a bill to amend such laws without actually fixing them up and getting them in a state where they can be properly enforced.

I was informed at the departmental briefing that a whole-of-act review is taking place, but Victorians are still waiting for the government to treat the issue of minors gambling with the seriousness and the priority that it deserves. It seems to be another example of just more policy on the run or policy made under pressure — just like the 'precommitment' announcement on gaming machines, which was a phrase that was tossed out in a press release without any detail, without any flesh on the bones. The industry is still waiting, the community is still waiting, problem gambling counsellors and advocates are still waiting — we are all waiting to see exactly what happens with

this, and the government has yet to say anything of substance about what is actually going to happen.

This bill is very messy in that it puts together the idea of having an exclusive licence in circumstances where the government has done nothing to actually try and get exclusivity. The government is still driving Victorian bookmakers out of Victoria, and fundamentally it has done absolutely nothing to ensure the integrity of this process. If this government were serious about ensuring the integrity of this process, it would adopt Ron Merkel's recommendations. The reason it has not done so is that there are too many Labor mates with too many fingers in too many pies who are in line for too much money out of lobbying on these licences. It might be one thing for the government to try and protect its mates but we are more interested in protecting the public interest, and unless the government is prepared to accept this reasoned amendment to withdraw the bill and provide for the adoption of Ron Merkel's recommendations, then this will be a flawed and tainted process just like the last one.

Mr LUPTON (Prahran) — I am pleased to make a contribution to the debate and support the Gambling Regulation Amendment (Licensing) Bill, which amends the Gambling Regulation Act 2003 and puts in place legislative provisions which will support the competitive licensing processes for both keno, and betting and wagering, and the related governance arrangements around those matters. This bill comes before the Parliament as a further piece of legislation that follows a broad review of gambling regulation carried out in this state over the last four years or so since the Minister for Gaming, in July 2004, announced a timetable for the review of Victoria's electronic gaming machine, Club Keno and wagering and lotteries licences.

In its initial phase the gambling licences review considered options for lotteries licences, concluding with the government announcement in 2007 that two lotteries licences would be granted from 1 July 2008. The second stage of the review was announced in January 2006 and included the industry arrangements for electronic gaming machines, for keno and for wagering, plus funding for the racing industry beyond 2012.

The review was directed by a gambling licences review steering committee, chaired by the Secretary of the Department of Justice, and that committee had membership drawn from the Department of Justice, the Department of Treasury and Finance, the Department of Premier and Cabinet and an independent member. Through the course of that process the gambling

licences review has included a large amount of public information and has involved a significant amount of public submission and debate. There has been an information paper, four issues papers, public submissions and public consultations, and finally, consultations with submitters regarding wagering and betting, Club Keno and funding of the racing industry post-2012.

The government also established the independent review panel in 2007, chaired by the distinguished former Federal Court judge Ron Merkel, QC, to report on the processes followed during that review. The panel's reports were tabled in Parliament by the government on 10 April this year.

On the same day the government announced the new industry structural arrangements for wagering and betting, for keno and for gaming machines after the expiry of the current gaming operator and wagering licences, which will occur in 2012. Under those new arrangements, which have in part led to this legislation before the house today, rights to operate keno will be offered as a single 10-year licence, and a single 12-year licence will be offered for rights to operate wagering and betting concerns. In place of the current gaming operators, approved venue operators will be able to bid directly for 10-year gaming machine entitlements, which will authorise them to possess and operate gaming machines. Those gaming machine matters will be dealt with subsequently by separate legislation.

This bill before the house today implements the regulatory arrangements for the keno licence and for the wagering and betting licence subcategories of the gaming regime going forward. The way in which this process will be unfolding in the future is to provide for these new separate licensing regimes — for wagering and betting licences and also a separate keno licence — to operate immediately after the termination of the current betting and wagering licence and Club Keno authorisations expire.

The process will provide for a two-stage licensing process for both the keno and the wagering licences. This will involve a registration of interest stage, as the first part of the process, and an application for licence stage, as the second part of the process, which will be open to registrants who have passed successfully through that first registration of interest stage. In the process envisaged in the bill the future wagering and betting licence will not be coupled with legislation for the gaming machine licences, as I have indicated already, and neither will the future gaming machine licences be linked by legislation to the keno licence — they will all be covered separately in that process.

Under this gaming regulation process going forward there will only be a single licence for keno and a single licence for wagering and betting issued by the minister. There will be a process established whereby the Secretary of the Department of Justice will report to the minister with findings and recommendations regarding an assessment of registrations of interest and licensed applications for the keno licence and the wagering and betting licence. The secretary may, as appropriate, require the Victorian Commission for Gambling Regulation to use its statutory powers to assist the secretary in performing this role.

This process envisaged by the legislation establishes an appropriate and responsible way of determining what entities are appropriate to, in the first instance, express a registration of interest and become registrants for the wagering and betting licence and also for the keno licence going forward. It will then establish a second phase of that process where successful registrants will be able to make an application for a licence and go through the proper process for that licence to be awarded.

The opposition has made a number of comments about this process. It has moved a reasoned amendment in relation to this legislation that this bill be withdrawn and redrafted. I have to say that this really has all the hallmarks of another stunt by the opposition. It shows the opposition has no understanding at all of the way in which this bill and the registration of interest and licensing processes are to go on as this legislation is implemented.

What is envisaged by this legislation is that the appropriate probity requirements under it will be in place for the registration of interest stage of the legislation. That will be available and well known as a result of it being on the public record. The opposition is using the opportunity of this legislation to make further unfounded allegations and remarks about the way in which the gaming process for wagering and betting and for keno is moving forward in this state.

This is an appropriate and proper way for this legislation to be set up. The opposition likes to call various people all sorts of things and make all sorts of unfounded allegations about people under the privilege of this chamber. I note that the Merkel report made a number of references in relation to breaches of confidentiality as a matter of fact. Mr Merkel, QC, noted that an important breach of confidentiality arose out of questions that were asked in this house by the Leader of the Opposition on 3 and 4 October 2006. It is stated in the Merkel report that the Leader of the Opposition on 3 and 4 October 2006 asked questions in

this house which referred to the written legal advice from the solicitor-general leading to the postponement of the lotteries licence process. That is an example of the way in which this irresponsible opposition continues to make unfounded allegations. It goes about its witch-hunts, it goes about all of its unfounded political allegations, making politics out of what should be and is an appropriate process for making sure that we have a robust, sound gaming regime in this state that operates in the interests of Victorians. The Merkel report has shown opposition members to be hypocrites. They stand condemned for that. This bill should be supported by all responsible members of this house.

Dr NAPHTHINE (South-West Coast) — As shadow Minister for Racing I will concentrate on the provisions of the bill relating to the creation of a new wagering and betting licence for Victoria's three racing codes and approved betting competitions. In that context I quote a paper by Daniel Renshaw from Merrill Lynch under the heading 'Australian wagering at the crossroads':

The powerful emergence of corporate bookmakers in the NT with lower costs and higher returns to punters has highlighted the need for a resolution regarding funding for the racing industry which has relied on state-based monopoly totalisers. If this does not occur, all stakeholders — governments (lower taxes), TAH/TTS —

Tabcorp and Tattersall's —

(loss of market share), the racing industry (lower funding) and punters (reduced quality and size of race fields) will lose out.

Further, it states:

In FY07 thoroughbred gambling turnover grew at around 10 per cent — the highest in our data set dating back to FY93 ... However, what is less clear is if the new players in NT have effectively grown the pie through a more attractive product/price offering, or if they have cannibalised the totaliser. Either way it does not argue well for paying a premium for the Victorian wagering licence.

Further, he writes:

On a state basis the Northern Territory has been the biggest mover, growing from 6 per cent of thoroughbred wagering turnover in FY02 to 17 per cent in FY07.

I will say more about that later on. Victorian racing in 2007 was funded in the following way: \$220 million from wagering; \$75 million from gaming through Tabcorp's gaming machines; \$5 million from local bookmakers; \$3 million from Northern Territory corporate bookmakers; and zero from betting exchanges. But the Victorian government announced in April this year that no money would come from gaming machines after 2012. That is currently worth \$75 million a year to the racing industry and is expected to be worth \$100 million in 2012, with 5 per cent

growth. This is a significant impact on the Victorian racing industry. The Minister for Racing said to the house on 10 April this year:

The decision to fund the racing industry to the greatest possible extent from wagering will provide new opportunities for an even greater racing and wagering product.

He talked about the production of a single stand-alone wagering licence. He said:

... the government is committed to developing funding arrangements which are 'no less favourable' to the racing industry in this state.

But the question is: how is this to be done? The legislation before us today is about that new wagering licence, yet we still have not heard a word from the racing minister or the government about how this 'no less favourable' outcome will be achieved. We have a 'Trust us' approach. Even in the second-reading speech for this bill the Minister for Gaming said:

... the government's clear commitment that the arrangements will be no less favourable than those currently in place.

I am sorry, but those promises are insufficient for an industry worth \$2.3 billion to Victoria and employing 75 000 Victorians. They need greater assurance than this.

The current situation is that the so-called exclusive licence is under threat. As Elmer Funke Kupper from Tabcorp said in a letter received this morning:

The most significant matter currently facing Tabcorp's wagering business relates to a breakdown in exclusivity resulting from increased competition from corporate bookmakers and betting exchanges.

What Tabcorp says in relation to the current situation is it supposedly has an exclusive licence for which it pays significant up-front fees. It is the largest contributor to Victorian racing, and it is taxed at the highest rate compared with other wagering operators in the state, but it has no protection for that exclusive licence under this government, under this racing minister and under this gaming minister. It has had no protection from the growth of betting exchanges, no protection from illegal tote odds betting and no protection from illegal advertising by corporate bookmakers.

It continues to face competitive restrictions, including restricted fixed-odds betting, restricted sports betting, an inability to bet on certain special events and an inability to offer credit betting. There have also been legislative changes to enhance Tabcorp's competitors rather than Tabcorp. This is hardly a conducive environment in which to offer a so-called new exclusive licence. It raises questions about the ability of

Victoria to provide and protect a so-called exclusive licence.

Let me go to the decision of the High Court of Australia on 27 March of this year, which determined that the Western Australian legislation to ban the use of betting exchanges and to restrict the publishing of race field data, unless authorised, was invalid.

Mr Hulls — Read the decision, you Noddy. It supported our legislation.

Dr NAPHTHINE — I have got the decision here. The *Herald Sun* of 28 March says:

Punters could be the big winners after a historic High Court ruling in Perth yesterday in favour of betting exchange Betfair potentially opened the door for deregulation of the wagering industry.

Lasseters Sportsbook's Gerard Daffy was reported as having said:

... the ruling brought into question whether state laws were enforceable. 'I think it will be open slather now. The landscape of the betting industry changes ...

The High Court ruling says:

Section 27D(1) of WA act provides that a person who, in Western Australia or elsewhere, publishes or otherwise makes available a Western Australian race field in the course of business commits an offence unless the person is authorised to do so by an approval, and complies with the conditions of that approval ...

What did the High Court say? It said that that was invalid, that section 27D(1) of the Betting Control Act of Western Australia is invalid. Guess what? The Victorian government was represented in that court case. The solicitor-general of the state of Victoria and other legal counsel were trying to defend Victoria's position and the High Court said it was absolutely invalid.

We have a situation where Northern Territory bookmakers have gone from a turnover of \$200 million in 2001 to \$4 billion now. The losses to the Victorian industry include a \$40 million loss to the Victorian racing industry, \$17 million to the Victorian government and \$10 million to oncourse bookmakers, because this government has failed to address the drain of money to Northern Territory corporate bookmakers.

John Anderson from Harness Racing Victoria said:

From HRV's perspective, our paramount concern is the adverse effect of wagering leakage from Victoria, which in turn potentially jeopardises the future funding of Victorian harness racing and the racing industry generally.

Now we have a situation where it is open slather for Betfair because of the High Court decision. Betfair has done a deal with TOTE Tasmania. I quote from the *Herald Sun* of 20 April where it says:

Chief executive —

of the Victoria Racing Club —

Dale Monteith is angry TOTE Tasmania has joined forces with Betfair to take bets — especially on its famous Flemington carnival ...

...

As it stands, the local government, and the racing organisations here, are getting nothing for Tasmania to use our racing for their profits.

We have a situation here where Betfair has open slather through the High Court, we have Tabcorp applying for a Northern Territory bookmakers licence, and we have a situation where the Northern Territory corporate bookmakers are growing exponentially at the expense of the tote and bookmakers in Victoria. We now have a situation where this government, through this legislation, is saying it wants to offer an exclusive licence but it will not provide any protection for that exclusive licence, and it will not provide any assurance to the racing industry about where the money is coming from. Perhaps the Minister for Racing should get up and tell us where the money is coming from for the racing industry.

Budget paper 4 says that in 2008–09 racing will provide nearly \$130 million to the state's taxation revenue. Perhaps that money is going to the racing industry, but let the minister tell the racing industry and the people of Victoria, before we pass this legislation, where the money is coming from. In his second-reading speech the Minister for Gaming said, 'Trust us, because there is further legislation to come on the financial arrangements for this bill'. This bill is totally inadequate in that the government fails to provide the necessary information to the racing stakeholders and to a \$2.5 billion industry that depends for its future on revenue streams from wagering and betting. We have no commitment from the minister about where that money is coming from and how much there will be. The jobs of 75 000 people are at risk. The industry in Victoria is facing its greatest crisis for 150 years, yet this minister is not being open, honest and accountable to the industry, and it is about time he was.

Mr HULLS (Minister for Racing) — It is a great racing industry, and this bill will ensure that the racing industry, which is internationally celebrated, continues to be the pre-eminent racing industry in this country. We as a government have made two key commitments

as part of the wagering licence review process. The first is to a growing and viable racing industry, which is very important. Secondly, the government has committed that funding for the racing industry will be on a no less favourable basis.

It is very difficult to see how such commitments would not be welcomed by all participants, including those opposite. Unfortunately the member for South-West Coast simply does not understand how the industry works. He does not understand what the government has done. He has been running around the state like Chicken Little saying that the sky is going to fall in. These comments have no credibility. The member has no credibility as far as the industry is concerned. He is considered a joke. He is a very lazy member who has not done the work necessary to understand the commitments that have been made.

An example of the overblown rhetoric of the honourable member appeared in the *Australian* of 10 June, and he has got it wrong in every respect. The myth being promulgated by the member for South-West Coast is that racing is being kept in the dark about its future. This appeared in an article in the *Australian* where the member is reported to have said:

Secret, behind closed doors, clandestine discussions with a select few is simply not good enough.

Perhaps the member is unable to understand what consultation means. After all, he was part of the Kennett government, which certainly did not understand what it means. We on this side of the house understand what consultation means, and we are engaged in it constructively. As I said, the article reports the member as having said:

Secret, behind closed doors, clandestine discussions with a select few is simply not good enough.

The reality is the government has established a consultative arrangement directly with the racing industry, consistent with the probity requirements associated with a licensing process of this kind.

No doubt the member for Malvern, who is in the house, would be jumping up and down like a man possessed if we breached those probity obligations. Nonetheless, the member for South-West Coast seems to suggest that we should simply throw the probity requirements out the window and the minister should be influencing the outcome of those negotiations. This is a typical example of the opposition wanting to run with the foxes and hunt with the hounds. This is one of many myths that have been promulgated by the member for South-West Coast in recent months.

On 15 February 2008 he suggested that I sack the chairman of Racing Victoria Limited, insinuating that I have the power to sack any member of the board of RVL. The reality is that RVL is an independent corporation with an independent board and is responsible to its members, being the three city racing clubs and Country Racing Victoria. It is the board and members of RVL who determine who the chairman of RVL is. You would think that the shadow Minister for Racing would understand this.

However, there are some members of the Parliament who do understand this, and one of them is Damian Drum, a member for Northern Victoria Region in another place, who, when speaking on the legislation to set up RVL, said:

The Nationals have looked at the way that the Minister for Racing is restructuring the industry and are quite supportive of the way that this process has been handled. We have spoken to Racing Victoria Ltd and think that this independent board, which is in the process of being established and which will be established prior to Christmas this year, will be in a better position than under the current structure.

Not only that, but when the legislation came into this place it was supported by all members of this house and by the member for South-West Coast, so you would have thought he understood how the legislation worked. Yet he thinks that I have power, as racing minister, to be interfering and sacking members of the board. That is just not the case.

He has also promulgated another myth — that is, that I, as racing minister, have effectively taken 22 race meetings from country communities in non-government-held electorates and relocated them into Labor seats. Again, he does not understand how the structure of the industry works. The location of race day meetings is entirely a matter for the independent board of RVL to decide.

The fact is that the member for South-West Coast supported RVL, but he is now saying that I, as minister, should interfere with the independent way in which RVL is run and that, as racing minister, I should be allocating particular race dates to particular tracks and areas. Is he saying that, if he were ever in the position of being racing minister, he would decide which race meeting would be held where? Is he really saying that? It is nonsense, and he knows it. His lack of credibility, and the opposition's lack of credibility, in racing means that their comments should be treated with the contempt they deserve. He has no idea how RVL operates, despite the fact that he supported the legislation.

This bill, which makes the wagering licence subject to a competitive process, will provide a significant benefit to the Victorian community. There will be a single, stand-alone licence for wagering that is decoupled from gaming machines. Not only will this ensure the stability of the racing industry, it will also provide an opportunity for innovation and growth in this world-class industry. The decision to fund the racing industry from wagering operations to the greatest extent possible provides an even-greater incentive for both the wagering service provider and the industry to work together towards the overall enhancement of Victorian racing. The single wagering licence will also be of benefit to punters, because it will maintain the stability of a single, large-scale betting pool.

A recognition that the Victorian racing industry is a major stakeholder in the new licence arrangements is very important. The government is consulting with the Victorian racing industry to understand its perspective on the government's amendment to the bill. The consultation process will inform the no-less-favourable funding arrangements — those discussions are ongoing as we speak — as well as the partnership arrangements to be established between the racing industry and the licensee.

While its role in providing advice to the government does not permit the Victorian racing industry to bid for the wagering licence, the racing industry will have the opportunity to work very closely with the wagering licensee to grow both the racing and wagering products.

This is the nub of the argument: given our commitments to ensuring that the funding arrangements will be no less favourable to the racing industry, the government will consider lowering current wagering tax rates to sustain revenue to the racing industry. But that is not new; we have announced that before. The fact is that the shadow minister has no idea how the industry runs and has no idea about the corporate structure running the industry. He is lead in the saddlebag of the industry. He is considered to be a joke in the industry, because he has not done the work necessary to understand how the industry works.

We are extremely confident that the wagering licensing arrangements introduced by this bill will not only support the racing industry but will ultimately lead to much better outcomes for racing in Victoria. I support the bill and the government supports the bill. We want to ensure that we continue to have a vibrant racing industry in this state. The industry employs well over 70 000 people, many of whom are in regional and rural Victoria. We believe that the discussions and negotiations that are going on now will prove fruitful,

but I repeat: we have given an undertaking that the funding for the industry will be on terms no less favourable.

This legislation is supported by the industry. Why would it not be? It is a commitment we have made to a viable racing industry. The member for South-West Coast is keen for me to pre-empt those discussions. I am not prepared to do that, because doing so would breach relevant probity requirements. We believe that these discussions will prove to be fruitful. They were important discussions, and they will maintain a great racing industry.

Mr RYAN (Leader of The Nationals) — In the presence of the Attorney-General I want to tell the member for Prahran a few of the facts of life about the so-called inappropriate comments about this industry. As one of those who was here at the time when the now Attorney-General was the shadow Minister for Gaming, I had the less than honourable, let alone pleasurable, experience of sitting here day after day and night after night as all sorts of defamatory comments were made by the now Attorney-General about people like Lloyd Williams and Ron Walker.

Every other day you would be in this Parliament hearing him absolutely bagging these people unmercifully. I might say that all of this happened back in the days when there were no limitations on speaking times. In the so-called good old days, as they are referred to, we would be sitting here at 3 o'clock in the morning, and the Attorney-General, as he is now known, would be tearing into it left, right and centre. He made all sorts of defamatory comments.

We could have papered the walls of this place with writs for defamation if complaints like the member for Prahran's cry on behalf of those who feel injured about all of this had been recognised in the days of yore when our present Attorney-General was in full flight. So I say to the member for Prahran: do not be soft about it. I say to him: grow up! He is in with the big boys now. He should not worry about these sorts of commentaries. The fact of the matter is that what comes around, goes around, and the reality is that the Attorney-General of the state of Victoria, day after day, night after night came in here and absolutely thumped these people.

Members may remember all the talk about a royal commission. We were going to have a royal commission to get to the bottom of all of this, and it was going to be the solution to all this. We were going to get down to the hard facts of it all. We had the Attorney-General in here every other day talking about this royal commission, but what happened when they

made it over the line in 1999? I will tell you, Acting Speaker, the first thing that happened. The Attorney-General, as we now know him, was sacked as the spokesman for gaming. They took him out of it straightaway and put him into what he is now doing, because they knew that the industry would not stand the fact of his presence associated with the individuals who were running it.

Apart from that, the same Mr Ron Walker, who had been maligned and defamed by these people day in and day out, was good enough to lend his services on an ongoing basis to the state of Victoria for the benefit of all Victorians. When the member for Prahran comes in here and whinges about a commentary which has been made about some of the personalities involved in all of this he ought to go and have a look at some of the historical contributions made by people like the Attorney-General.

In relation to this important piece of legislation I say by way of overall commentary that it has the four basic purposes which have been outlined so well by the member for Malvern in the course of his contribution. I do not want to go through the specifics of the legislation line by line, chapter and verse; there is not enough time to do that. I would rather make some general comments in regard to the legislation and its effects. The first thing I would say is that this government has not only thrown out the baby with the bathwater, it has thrown out the bathroom as well. It has completely dismantled the way in which this industry was structured under the former government and made all sorts of changes which have brought absolute chaos to the way in which this industry in all its forms is currently operating, but more particularly will operate in the future. That is a worst-case scenario for business.

Of all of the circumstances which cause grief to business, the greatest is uncertainty. What the government has done through its announcements recently, and what is replicated in the course of this legislation giving effect to some of those announcements, is to vacate the established ground which has been there for all of these years and which has seen the growth of the industry in all of its forms and allow a void to develop in so many respects as to how the industry is going to operate in the future. That is the worst possible scenario for business investment.

Issues to do with the status of Tattersall's, Tabcorp and the racing industry in Victoria have been thrown into turmoil. It is not only a question of the tens of thousands of people who are employed by these respective organisations and the racing industry, the gaming industry and the gambling industry generally

and the position that applies in relation to them; it is also a question of the mum and dad investors who have money invested in these respective organisations, particularly Tattersall's and Tabcorp.

The next thing to be said is that these two great companies have made a tremendous contribution to the way in which the industry has developed in all its forms over the time they have been associated with it. Yes, the government is entitled to make changes. Of course it is entitled to make changes, but what I say to the government is that to move away from the certainty that the industry has had over the time it has had it and to now have the industry in its various forms located in this void, as we now see it, is a terrible state of affairs.

There are plenty of examples that one can refer to. Look at the situation which prevails now with regard to the lottery agents. Intralot is now going to be a player from 1 July insofar as certain aspects of the activities of the lottery agents are concerned. The lottery agents who want to sell the products that are licensed to Intralot are now in a position where they are effectively going to have to buy back some of their business. For years they have been conducting their businesses to include the sale of the sorts of products which in part are now going to be available from Intralot. As the minister observes, they have been able to do that because the existing licences have permitted that to be the case. But what the government has allowed to happen is the imposition of a new licence regime and a significant cost burden having to be borne by these lottery agents in an environment where they have been doing what they are now being re-licensed to do over the course of the years they have been in business.

What is the minister's response? It is to say, 'That is just the way the business operates. That is just the way of the world. That is simply the way it goes. You are going to have to find another \$10 000 by 1 July to continue selling three of the products that you historically sold under the existing regime, but that is just the way it goes'. Is it any wonder that when the minister turned up to the annual general meeting of the lottery agents a few weeks ago they not only heckled him while he was speaking, but they booed him on the way out the door. As I understand it — and I stand to be corrected — the minister has since written to that organisation apologising for the fact that he took off a bit early without answering all of the questions.

Mr Robinson interjected.

Mr RYAN — I am mistaken; the Minister for Gaming, who is at the table, corrects me. In that event I will accept what he says.

An honourable member — He did not have the decency to apologise.

Mr RYAN — Let me be fair. That information came to me. The minister has given me an assurance that it is not right, and I accept what the minister tells me. Suffice to say, let us go back to where we all do agree — that is, the lottery agents, understandably, are absolutely outraged about this. This government, in complete ignorance of how business principles operate, is leaving them to their own devices. What about the pubs and clubs now having to operate under these supposed new arrangements in relation to gaming machines and the impact this is having on the way in which they conduct their respective businesses, particularly from the clubs' point of view?

We have all read today about the unfolding chaos in relation to the future management of the clubs network in Victoria. I know that the minister has been on his roadshow around the state of Victoria, telling them that all is going to be well. I say in this most public of forums that the minister is a good bloke; apart from anything else he barracks for the Demons, which is a great mark in his favour. But there are people in the clubs industry saying to me that they knew a hell of a lot more about what was going to happen to the industry before they went along to these meetings than after they had the benefit of listening to the minister.

Issues to do with future financing, how they are going to acquire the machines, what the licensing arrangements are going to be, what the taxation regime will be, what they are supposed to tell their financiers, what they are supposed to tell the bank, whether they do the extensions they were planning to do, how they are going to handle the queries that have been made by their members — it goes on and on — are the sorts of issues that the clubs are talking to me about. They are replicated to a degree by the uncertainty of a similar nature which applies in relation to the pubs and whether they are going to continue making the sorts of improvements to their establishments they had been planning to do.

The government in the end says, 'Trust me'. Do you mind, umpire! This government says, 'Trust me'. That might once have been the case, but why would anybody who was in this Parliament this very day listening to the debate in relation to water trust this government to deliver on anything? People across the state have been burnt at the stake by this government, and so people in this industry are worried about what its future is going to be. The member for South-West Coast has put it so well in terms of racing, and the member for Malvern on other aspects of the industry. God help us all!

Mr HUDSON (Bentleigh) — It is a great pleasure to speak on the Gambling Regulation Amendment (Licensing) Bill. The bill provides a single regulatory framework for the keno licence and the wagering and betting licence. In the time I have I will deal with a couple of issues raised by the opposition.

The opposition seems to be concerned that the government is introducing a single, unlinked wagering licence and thinks that somehow this will be the end of the industry in Victoria. The fact of the matter is that every other jurisdiction in Australia operates with a single wagering licence. That arrangement has proven to be a successful formula everywhere else in Australia and the world. If you look at all the best systems that operate, it is the one that works well.

As the Attorney-General has indicated, after 2012 the racing industry will be funded to the greatest possible extent by wagering rather than being funded by a combination of wagering and gaming revenue, as it is now. That will maximise the incentives for the licence-holder and the racing industry to work together for mutual benefit.

Mr O'Brien interjected.

Mr HUDSON — The shadow Minister for Gaming asks, 'How much?'. The government has made it absolutely clear that the arrangements will be no less favourable to the industry than they are now. That is a guarantee that this side of the house understands, but the other side of the house does not understand this kind of guarantee. For example, John Howard, the former Liberal Prime Minister, could not make that guarantee when it came to the WorkChoices legislation. He could not say that under his legislation no-one would be worse off under an Australian workplace agreement than they would be under an award.

Let us have a look at this legislation. The bill makes it absolutely clear in proposed new section 4.3A.7(2)(c) that in determining whether to grant a wagering and betting licence the minister must be satisfied that the applicant is willing to enter into binding funding arrangements with the Victorian racing industry that are no less favourable than the current arrangements. There it is in black and white in the legislation. It says the minister must be satisfied in his opinion that the arrangements are no less favourable to the industry than they are at the moment. If the racing industry disagrees with the way in which the minister has exercised the discretion given to him, presumably it can go to court — —

Honourable members interjecting.

The ACTING SPEAKER (Dr Harkness) — Order! The member for Bentleigh without assistance, please.

Mr HUDSON — Those in the industry can presumably go to court and challenge the minister's decision under administrative law that the minister had made. There is all this huff and puff about how it is not guaranteed; it is actually guaranteed in the bill. The bill makes it very clear.

An honourable member interjected.

Mr HUDSON — You have said, 'What about these clauses?'. The 'no less favourable' wording in the clause is identical to the wording in both the current act and the Gaming and Betting Act 1994. These provisions have been around for a long time; the proposed section is no different to what has applied in the past.

We can be quite confident that in relation to the Victorian wagering industry, which is the second-largest in Australia in terms of expenditure, after New South Wales, the licence on offer is a very attractive proposition for anyone applying for it. Because it is a competitive process, the government will obtain a very substantial return for the racing industry on this licence.

Let us move to the member for Malvern's amendment prohibiting lobbying. In his contribution to the debate the member for Malvern, as is his form, made great play of the importance of prohibiting lobbying activities once the tender process is under way — the kind of thing on which both sides of the house agree furiously. That is a proposition that no-one could disagree with. The member for Malvern could not help himself; he went even further and quoted the very sensible proposition in paragraph 175 of the report of the Gambling and Lotteries Licence Review Panel, known as the Merkel report:

The reason the panel has considered the lobbying issues at some length is that it finds the very notion of lobbying in respect of a proposed or actual lottery or gaming licence application antithetical to the probity of the licensing process.

Of course we all agree with that. The member of Malvern could not help himself; he moved a lazy amendment calling for the bill to be withdrawn:

... to ensure that the probity requirements of the licensing process are protected by prohibiting lobbying activities as recommended by the Gambling and Lotteries Licence Review Panel.

The problem for the member is that the Merkel report does not say that the prohibition should be in the act. In fact it recommends in paragraph 182:

... that appropriate requirements be put in place in future licensing processes to ensure participants establish appropriate protocols for compliance with prohibited contact clauses and that similar statutory declaration requirements are imposed as part of the published requirements for those processes.

That is what the government is actually doing: it is including the requirements in the licensing processes. If you have a look, you will see that the processes for the registration of interest and the invitation to apply — all those processes — will include clauses and protocols on prohibited contact as recommended by the Merkel report.

They will be in the registration of interest and in the invitation to apply. Does the member for Malvern want to get on with the tender process, or does he want to create a situation where every allegation that prohibited lobbying contact has taken place becomes the subject of litigation? Is that what the member for Malvern is suggesting rather than it going to the review panel that is overseeing the registration of interest and invitation to apply, the panel that will determine whether or not probity has been complied with? That panel and the steering committee will provide a report to the minister saying whether or not probity has been complied with. In making that decision, the minister will take into account what the panel says.

The panel will report to the minister and to the steering committee on whether or not the probity plan has been complied with. The panel and the steering committee will say whether or not there has been prohibited contact — —

Mr O'Brien interjected.

Mr HUDSON — You tell me how putting it in the act will help you know! It will not help you know; it will not make any difference. The member for Malvern is suggesting something that will have no practical impact.

When it comes to voting on the bill, the opposition will have to decide whether or not it supports this legislation which opens up competitive processes for wagering and betting licences, and for the keno licences, and which introduces transparent processes which will ensure probity and which will set in place all of the processes that are recommended by the Merkel report in order for this to proceed in a proper and transparent way — or whether it is going to vote it down because the member for Malvern has overreached himself with an

amendment that has nothing to do with the recommendations of the Merkel report.

Mrs VICTORIA (Bayswater) — What an interesting debate we are having here! Those opposite just do not seem to get it. We are talking about probity, we are talking about openness and transparency, and they just do not get it.

Let us talk a little bit about the Gambling Regulation Amendment (Licensing) Bill and what it offers us. It will amend the Gambling Regulation Act 2003 to create a licence authorising the conduct of wagering and betting, and then also give a separate licence for keno. It will also allow an extension of no more than five months of a gaming operator's licence at the discretion of the minister. Basically this is to bring all the licences into line so they are renewed at the same time. It also allows for additional deputy chairpersons and commissioners to the Victorian Commission for Gambling Regulation.

The bill will create what is termed an exclusive — and I will get back to that — wagering and betting licence commencing on 16 August 2012 for 12 years duration, and there is a possibility of an extension of two years. As I mentioned before, there is a separate keno licence also starting on the same date but having a duration of just 10 years. On our side of the house we have some problems with this. The process for tendering that is proposed here is very similar to, in fact it is absolutely the blueprint for, that used for the lottery licences, and we thought that was particularly flawed. It was not just us; as many people have said, it was included in the Merkel report. As I said, the tendering arrangements for the wagering and betting and keno licences are practically identical.

The recommendations of the Merkel review were that future probity requirements for a lottery or gaming licence process should expressly prohibit lobbying activities. I have just come back from a trip to the United States of America. I was amazed at the number of people who have paid lobbying jobs, and I am really frightened that we are going to end up in that sort of state here. You cannot walk outside the chamber in any of the state parliaments, or even in the federal Congress, without being mobbed by a group of lobbyists. Is that where we are heading now? If we want to keep this sort of thing open and transparent, we need to keep lobbyists well out of the loop. If Justice Merkel recommended that, why is it not being taken seriously by the other side? The shadow Minister for Gaming has moved a reasoned amendment to take lobbyists out of the equation, and I think anybody in their right mind would vote for that. I hope that some of the members

on the other side cross the floor on this one because it is logical.

What we are doing is putting forward a blueprint that should not be reapplied here; it is dodgy at very best. During the gaming inquiry we saw that the process allowed for manipulation and favouritism, and that is not what open and accountable government is all about. Of course the main inquiry was about how Intralot gained its licence, which will start on 1 July. Some of the new lottery products are about to hit the market — we already have a very saturated lottery market — including KenoLucky 70, which will be drawn twice a day, and LuckyLines, which will be drawn daily.

We already know what Tatt's is doing, and we are going to have this on top. For problem gamblers this is going to be like being a kid in a candy shop. It is not going to do anything to help with problem gambling. Let us look at a press release from Intralot that was sent yesterday, and I am sure all members received this press release on their emails.

On the subject of problem gamblers, the Intralot letter to me states:

Intralot has taken care of responsible gambling issues and all our promotional material encourages players to participate wisely.

That is like telling an alcoholic to drink wisely. If you have a problem with gambling, just being told to gamble wisely is not going to cut it. The issue of what went on during the tendering process was brought up by the Leader of The Nationals. Is it really in the best interests of newsagents and lotto agents to have two providers? They already have a very good system. As has been mentioned before, this second system is going to be very costly, and in fact before the first ticket is even sold it has cost many of them into the tens of thousands of dollars.

A lot of these are small businesses. A lot of these are mother and father-style businesses, and Intralot is proposing to charge them lots of money. There is a \$10 000 licence fee, and a \$5000 bank guarantee that businesses are having to put up. It is not always easy for these family-owned businesses to come up with that sort of money. But if these newsagents and lotto agents do not use that second provider — if they do not get on board with Intralot — their business will go elsewhere. For the sake of competition, sometimes they even have to put their houses on the line, and that is wrong.

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

Mrs VICTORIA — Before the dinner break I was talking about the cost to small business of what has gone on in past tendering processes. Now I want to talk about the compassion that ministers are asked to have for people. This is something that we expect from parliamentarians, and certainly as representatives of our local electorate we are expected to have a lot of compassion, but one would expect that ministers are supposed to have more compassion especially in the field of their expertise.

The Minister for Small Business is reported to have ignored pleas for consultation about the changes. The Minister for Gaming attended a Lottery Agents Association of Victoria meeting — in fact, its annual general meeting — and approximately 400 members were there. These people work very long hours, quite often away from their family; it might be a husband-and-wife business, but they may not get to see their kids as often as they want to. They gave up their valuable time to go along to this meeting, hoping to have some resolution, hoping to have some consultation, but the minister gave a 5-minute speech, refused to take questions and said he was off to the footy. I do not think that showed any compassion; it did not show any feeling; it did not show any true human nature. It showed that it is not good for the government to consult, but it is good enough for the government to collect \$32 million in additional taxes at the expense of these hardworking families and small business owners.

I go back to wagering licences. It is claimed that the bill will create an exclusive wagering and betting licence, but that is not true. It is in fact a single licence rather than an exclusive licence. If it were exclusive, we would not be able to bet over the phone or on the internet.

We know that some people are moving interstate with their businesses. For example, a lot of businesses are moving up to the Northern Territory to have their bookies practise up there; even Tabcorp has applied for a licence in the Northern Territory; Betfair has set up in Hobart — and of course this is all revenue that the Victorian government will not be collecting, so it is probably dudding the Victorian people at the expense of gamblers down here. There is a very real pattern happening here of a selfish Brumby Labor government: it does not consult and it goes in like a bull in a china shop.

This affects thoroughbred, greyhound and harness racing. I happen to know quite a lot about the industry. My father's father was a breeder of pacers, and my mother's father was a breeder and trainer of thoroughbreds, and they were both very good; this is

certainly an industry I know a lot about, and it is amazing that some of those opposite do not have the same knowledge but still want to sprout off.

How are we going to compensate the 75 000-odd people engaged in this industry who work hard and earn an honest living? If there is indeed to be a 30 per cent income cut to the industry by no longer having the revenue from pokies and that sort of thing, where is the money going to come from? The minister says, 'Trust us'. I live in the seat of Bayswater. It happens to be on the EastLink corridor. We trusted the government about no tolls. EastLink is opening in a couple of weeks — and there will be tolls!

The government asked us to trust it on all sorts of different things. It asked the people of the country to trust it on a policy of not taking water from the country and feeding it into city toilets and showers. We cannot trust the government on that issue. How is it that we are supposed to trust this government, which does not consult, is not compassionate in any sort of way and is taking it out on small family businesses, when it says to us with false assertions that it will give back to the industry? I am very worried for the industry, and I think we should all be in favour of the reasoned amendment, as moved.

Mr HOWARD (Ballarat East) — I am pleased to add my comments on the Gambling Regulation Amendment (Licensing) Bill. As a government we are looking at the allocation of licences for keno and wagering and betting licences beyond 2012. The government is determined to open up the process for the first time to make it a completely open, transparent, competitive process in the way licences will be allocated.

This bill essentially sets out the processes that will take place over the coming years in the determination of the licences. As I said, it is intended to be a clearly competitive process in which the minister will be assisted by the Secretary of the Department of Justice, who will chair the Gambling Licences Review Steering Committee. This bill sets out the processes by which the committee will consider licence applications as they are put forward.

We are clearly concerned about the effects of gaming on the overall community, as are many other people across the Victorian community. We want to see the horseracing industry enhanced as a result of the allocation of licences, and we also want to protect people who might be vulnerable in terms of gambling issues. The processes for allocating licences will take heed of both those aspects.

Firstly, I note with regard to responsible gaming that not only will people who apply for these licences be seriously reviewed in light of the proposals for responsible gaming practices but also that this government has recently announced a suite of significant new problem gambling measures. They include the restriction of access to cash from automatic teller machines (ATMs) in the vicinity of gaming venues. In the process leading to 2012, ATMs will not be allowed in gaming venues. We understand some consideration may be given to allowing them in communities such as rural communities, where there may not be alternative opportunities for accessing gaming machines. Essentially we are separating the ATMs from the gaming venues. Even at the casino ATMs must be at least 50 metres from the entrance of the gaming floor. Victoria is one of the first states in Australia to ensure that ATMs are separated from gaming venues.

The government has also announced that in future it will double penalties for any gaming provider who allows a minor to gamble. They will go from a minimum of a \$1100 fine up to \$13 000. This shows how seriously the government treats the issue of licensees being responsible for ensuring that minors do not gamble on site. These issues will be followed up when the licences provided for in this legislation are allocated. The other more groundbreaking announcement that was made in relation to the new gaming licences was that any gaming machines introduced after 2010 must have a mechanism to allow a person to preset the time limit for how long they want to be on the machine and their loss limit before they commence playing. This will be a first for Australia. It shows that this government is serious about trying to address problem gambling.

As we know, many people across this state wish to gamble and can afford to gamble, and it is appropriate that the government allow that to take place. While we want to ensure that a responsible gambling code is put into place, whether in relation to keno licences or wagering and betting licences, we also want to ensure that when we open up applications for licences to a broader range of people, they understand that the process will be very transparent and will ensure that the best possible tenders are accepted.

The process the bill outlines is that the government will call for tenders, short-list the tenderers and then, through a very well-developed system of assessment, assess the various bids for both the keno and gaming licences. One of the key issues in regard to the horseracing industry, which is a very significant industry around this state, is that we want to ensure that

those who submit tenders will be able to show they can enhance the horseracing industry by their activities and will not detract from it.

This bill sets in place a significant change in the gaming industry that has operated in Victoria. It shows that the government is very forward thinking and is clear on establishing a new process for a really competitive gaming industry and not just allowing those who have been in the industry for a long time to take on licences again. We want to ensure this is an open process, and I am pleased to see that this bill sets up appropriate mechanisms. We know that further legislation will follow given the way this government acts on gaming and the very broad range of gaming opportunities that exist. The minister outlined some of those in the second-reading speech. I am very pleased to support the bill before the house. I trust that it will be carried, as it should be.

Dr SYKES (Benalla) — It gives me pleasure to rise and speak in the debate on the Gambling Regulation Amendment (Licensing) Bill 2008. I indicate that along with my Liberal-Nationals colleagues I will be supporting the reasoned amendment moved by the member for Malvern. The technical aspects of the bill have been well covered by the member for Malvern, so I do not wish to expand on them. I compliment the Leader of The Nationals and the member for South-West Coast on their contributions on how they see the bill and the general legislative changes to gambling impacting on country Victorians. I would like to focus on the issues of uncertainty created by the amendments to gambling legislation and regulations.

The horseracing industry is very important in north-east Victoria. At Benalla we have a racing club that has around a dozen meetings a year. It has just lost one meeting, but fortunately we were able to re-bid and get another meeting. Races are also held at Mansfield and elsewhere in north-east Victoria, including in the member for Benambra's area at Upper Towong, which has also been under pressure, and Wodonga. The key issue is that the government is saying it is going to take away \$75 million, but it is also saying, 'Trust me, you won't be worse off'. As other speakers on this side of the house have asked: can you trust the Brumby government?

Honourable members interjecting.

Dr SYKES — We may call for a division here, because we have had one yea from the other side and one nay from this side. In horseracing terms a nay counts for more than a yea. I know from the personal experience of people in country Victoria that you

cannot trust the Labor government. Let us not put too fine a point on it — we were shafted on Lake Mokoan and we are now being shafted on the north-south pipeline, so I do not trust the Labor government. One of the reasons I do not trust it relates to the government's challenge in providing exclusive rights to the people it proposes to provide them to, as was explained so clearly by the member for South-West Coast. The member for South-West Coast outlined the issues of the changing environment and interstate agencies operating in racing in Victoria, which at the end of the day would reduce the income going to the government of Victoria and therefore reduce its ability to pay out from that pool of money any offsets to make up the \$75 million. This could well lead to the government not honouring its commitment.

If anyone doubts that, I say to them that a number of years ago the ministers made written commitments in relation to Lake Mokoan but when push came to shove the statement by the government was, 'Well, we can change our minds' — and that has also happened with the north-south pipeline. So we doubt that, and the impact of that on my area would be significant. For example, the Benalla Racing Club runs 12 meetings a year, which is important not only in terms of income generation for the club but also in providing employment to local trainers and local businesses that support that industry. All in all it is very significant.

I went to St Pat's race day in Benalla a few months ago — I actually sponsored a race there — and it was a great day. Not only was it a great day for the Irish but it was a great day for all the people of Benalla who could come along and enjoy a day out and enjoy some relief from the prevailing dry conditions. Benalla race meetings are also a great opportunity for local clubs and groups, whether they be Apex, the Country Fire Authority or St Joseph's Primary School, to generate money. Race meetings in country Victoria are community events. They are events which enable participation and a gathering for the family to get together and enjoy each other's friendship and community spirit, but they also provide an opportunity to raise funds. So those groups feel under pressure.

Also, I have had correspondence from Gerald Egan from Mansfield. He wrote:

I am a fourth generation Mansfield resident. I've been a licensed horse trainer for the past 25 years.

He employs three full-time apprentices, four registered stable hands and a bookkeeper:

I also employ a local farrier, local veterinarians and a local saddler —

and he purchases his feed locally. He continued:

... I estimate I spend \$500 000 in and around Mansfield each year.

Gerald Egan is concerned about his future. I am saying that the impact of this and related legislation has created an air of uncertainty out there, and that is putting pressure on our racing clubs, including Mansfield and Benalla, and the people associated with those clubs.

Similarly, I refer to the local clubs which will be impacted by the proposed changed legislation on poker machine licences. In our area we have clubs like the Benalla Bowls Club, which is a very community-oriented club. It supports a foundation with which I am involved, the Benalla Young Sportspeople Trust, which helps young sportspeople achieve their dreams. We also have poker machines at the Benalla Golf Club, which I should declare a vested interest in — my wife has just won the sixth ladies championship there. We also have the Savoy Sporting Club at Myrtleford and the Mansfield Golf Club. All of the people involved in these organisations are uncertain about their future because legislation is proposed and a change is intended, but the reality is we do not know where we are going, and again we are being told by the government, 'Trust us!'.

Mr Robinson interjected.

Dr SYKES — As the Leader of The Nationals said, the minister responsible for gambling is a good bloke, but I am not sure that I trust him to lead me all the way.

Mr Robinson interjected.

Dr SYKES — I enjoyed his company in France and he was very reliable then, but can I trust him to lead me through the business jungle? At this stage, Minister, I am sorry; even if I could trust you, I am not sure about the rest of the party. So we have doubts. And I have members of the Benalla Bowls Club coming to me and saying, 'We cannot afford the \$5 million to buy the poker machines that are going to be in our operation'.

Mr Robinson — Who said they would be \$5 million? You didn't tell them that, did you?

Dr SYKES — And if that does not occur, then they come to me and say, 'We may not have to buy them, because we will be able to lease them from Tabcorp and Tattersall's'. And the question is — —

Mr Robinson — You should have come to the briefing.

Dr SYKES — I am sorry, Minister, these are the people who went to the briefing. As the Leader of The Nationals said, they came away less clear of what the future was than when they went into the briefing; that is the issue. We are saying there is an air of uncertainty out there, and these people are asking the questions of me. Just last week they came to me and asked the questions, Minister. So I will invite you up to Benalla — —

The ACTING SPEAKER (Mr Stensholt) — Order! I ask the member for Benalla and the minister to restrain themselves a bit and move back onto the bill, please.

Dr SYKES — This is about the general principle of this piece of legislation creating an air of uncertainty, and I was illustrating the air of uncertainty that has been created by related legislation, and how that impacts on country communities and small businesses.

The other issue that, again, was raised by the Leader of The Nationals was the impact the air of uncertainty created amongst the lottery agencies. To cut a long story short, it would appear that they need to earn an extra \$60 000 a year gross income to pay for the increased costs of the new arrangements imposed upon them by a government which is said to be driven by the principle of getting the best outcome for all Victorian taxpayers. That is a coded message for more income in the pockets of this government to spend willy-nilly on projects which it cannot manage.

I am concerned about this piece of legislation and the air of uncertainty that it and related legislation have created in country Victoria amongst our racing clubs, our community clubs such as the Benalla bowls and golf clubs, the Savoy club and the Mansfield Golf Club, but also in our lottery agencies. I say to the government, 'Stop beating around the bush, get your act sorted out before you go public so that when you present these good ideas to people you can answer their questions, and also make sure that the way it is done is above reproach. That is why I support, along with my National-Liberal colleagues, the reasoned amendment proposed by the member for Malvern. With those few remarks I look forward to the outcome of this debate.

Mr HERBERT (Eltham) — It is a pleasure to rise and speak on the Gambling Regulation Amendment (Licensing) Bill 2008, because I believe it is a sensible piece of legislation which meets many of the competing needs in what is a highly contentious area of public policy. I, firstly, congratulate the Minister for Gaming, who is at the table and who has been for the entire debate, and also the former gaming minister, on their

commitment to pushing through sensible and timely reform that will, I am sure, ultimately deliver excellent outcomes, both to the community — which is important and which has not been mentioned a huge amount by the other side — and to industry, in terms of regulatory certainty and much greater certainty on where the industry is going.

The key proposals of the bill are to create a single wagering and betting licence authorising the conduct of wagering on horseracing, harness racing, greyhound racing and conduct of approved betting competitions to operate after the expiry of the current wagering licence in mid-2012; to create a new keno licence to authorise the conduct of keno games, which will operate on the expiration of the current Club Keno authorisation in 2012; to permit the extension of gaming operator's licences for practical reasons; and to provide for the appointment of additional deputy chairpersons and commissioners to the Victorian Commission for Gambling Regulation.

The Eltham electorate that I represent has four modest outlets which are extremely well run; they are terrific entertainment and social gathering places. The Eltham and Lower Plenty hotels are particularly popular with younger residents and locals wishing to have a punt, whilst the Montmorency and Eltham RSLs are great gathering places for residents of all ages, particularly for our returned services people and their families. These operators met recently with the minister to gain a better understanding of the government's intent. I think that all present appreciated the frankness of the minister's explanations and left with a clear understanding — not confusion, as the member for Benalla seems to think — of how the industry will evolve in the future.

Once again, I would like to thank the minister for his tireless efforts. I know he is touring around, speaking to any possible operator who wishes — —

Mr Robinson — I've been everywhere.

Mr HERBERT — He has been everywhere. Any operator who wishes to speak with the government and has some questions to ask is getting straightforward answers to those questions.

This legislation enacts the government's new industry structural arrangements for wagering and betting, keno, which were announced on 10 April this year. Whilst this legislation has been brought to the Parliament quite quickly — it is certainly an action-packed minister we have here! — these new arrangements will come into effect after 2012, giving plenty of time for the industry

to adjust to the changed environment. Under these new arrangements, keno will be offered as a single 10-year licence, and a single 12-year licence will be offered for wagering.

Keno is often thought of as the ugly stepsister, the non-glamorous appendage of the gaming industry. It is true that it has never been really successful in this state in competing with other forms of gambling. Yet it can be quite a relatively inexpensive option for people who want to just go out, have some time out, relax and have a very small gamble.

Mr Robinson — A flutter.

Mr HERBERT — They can have a small flutter on the keno and enjoy themselves at a venue. I believe there is no doubt that this single specialist licence should enable much greater creativity in the keno game and deliver some real benefits to those people who like to play it and to the industry in general.

The process which led to the legislation — that is, the gambling licences review process — has been characterised by openness and transparency. Despite the rhetoric of those opposite, we have had an invitation for public submissions, we have had a release of information papers, and four issues papers were released. Peter Kirby conducted a review, and the public consultations on the review of the gaming machine licence arrangements released a report in October 2006.

We have had all sorts of probity checks and reviews, and the processes came up absolutely squeaky clean. In fact the report of the independent review panel has verified indubitably that the government processes that supported this decision for the regulatory structures and associated arrangements for the provision of gaming machines, wagering and betting in keno after 2012 met the high standards — in fact the highest standards — of probity, transparency and accountability as promised by this government. That is what has happened.

We have heard in this chamber tonight the member for South-West Coast question the probity — I think that is what he was doing; his was quite a rave, really. We heard the Leader of The Nationals ranting and raving about the Attorney-General's criticism of the previous government's gaming licence at Southbank. A number of other members have all questioned this arrangement.

Let us be clear: members should compare what has happened through this high accountability in the process, with the probity arrangements in place and with the independent review panel involved with the previous government's last big adventure into gaming

when it came to the Crown licences. What a difference you can see between the governments. It was not just the current Attorney-General who was critical of the process last time, it was every other independent commentator. Last time, as opposed to this time in terms of probity, we saw ITT Sheraton, a multinational company with a huge reputation, threaten to pull out of this state because of the way they were treated in the shoddy tendering practice.

Have a look at some of the newspaper comments at the time. I searched for these after the Leader of The Nationals had finished his contribution. It took 2 minutes to get a quick grab of some of the headlines at the time of the last gaming contract. For example, the *Sunday Age* had 'Casino arguments dangerous for government'. Then there was the issue of the grand prix conflict, where the head of the Grand Prix Corporation was the same person involved in the Crown Casino tender; of course there was a conflict of interest.

Other *Sunday Age* headlines read 'We're innocent — Casino' and 'Democrats set agenda for casino inquiry' as well as 'The need to know'. Another headline read 'Casino data sent to ministers'. We should all remember the breaches of the tendering arrangements the last time whereby a confidential minute was sent to the Treasurer and to the minister for gaming before the tender was closed about what was in the tenders.

Other headlines included 'Supply of casino bid material confirmed' and 'The road to Victoria's casino', and the list goes on. It was a shambles. It was an appalling contract. It is absolutely scandalous that members opposite should say, 'We were there at the time' and then defend that process.

Perhaps the most telling part of the absolute hypocrisy that we have heard about today concerned certain people sitting around the table, making a decision on the Crown Casino bid in October 1994. After the bid was completed it was revealed in the *Sunday Age* that the Casino control authority's financial adviser did not recommend Crown over the Sheraton-Leighton bid. No wonder that company left this state. What we see here today is a much different circumstance to what happened last time. It is a clean and very good process which will deliver great results for this state.

In my remaining minute or so I will comment on the implications of some of these changes in a lot of areas, and I will talk a little bit about the racing industry. I should just say that I do have a vested interest. I am a part lease-holder in a racehorse. I signed the lease today and I am very pleased about my new horse and the syndicate I am in. Its name is Nenagh, and it is being

broken in right now. I hope it will take great advantage of the racing industry, and I hope I get a lot of enjoyment from it. We have a great industry and this bill will help it. It is an industry that is acclaimed throughout the world, not just for the quality of its competition, not just for the quality of its industry structure, not just for the quality of its jockeys or its trainers, but for the quality of its regional tracks and the series of race meetings we provide.

In terms of this bill, the requirement that any tenderer has to grow the racing industry, has to support it and has to develop it, will be a great boon, particularly for country racing, which is the heart of many country towns. I think that is a sensible requirement. It is unusual in a contract like this. It is saying that if you want to participate in wagering and betting at race meetings, whether it be greyhound, harness or thoroughbred racing, you have to show how you are going to contribute to the growth of that industry, the enjoyment of that industry and the impact that industry has in supporting communities right across Victoria. I think this bill is clearly good news. We have heard a lot of whingeing and whining from those opposite. I fail to see where they have made any sensible contribution on this. I hope the bill is supported thoroughly by the house.

Mr CRISP (Mildura) — I rise to make what will be a brief contribution to the Gambling Regulation Amendment (Licensing) Bill 2008. The purpose of this bill is to amend the Gambling Regulation Act 2003. On licences the bill includes a process for allowing a wagering and betting licensee or a keno licensee to be transferred to a wholly owned subsidiary or to another company within the same group, and creates a wagering and betting licence authorising the conduct of wagering on horse racing, harness racing and greyhound racing and the conduct of approved betting competitions. The bill does a number of things, including altering the Victorian Commission for Gambling Regulation. The bill provides for the appointment of some additional deputy chairpersons and additional commissioners.

Having introduced competition to the Victorian lotteries market for the first time, the government, through this bill, will open up keno and wagering and betting licences to competition for the first time in the state's history. That has raised some concerns in country Victoria. Many in my electorate who are involved in this want to know what it will mean for them. In asking this they have raised some concerns. The small clubs and pubs are worried about the cost of the licences. If they do not have the capital, what will they have to do? Will they go into debt or leave less for

supporting community activities? I know there have been roadshows out there, but whenever there is change there is concern in the community.

These new arrangements will put at risk some of the country community activities. As far as the keno, scratchies and other games are concerned, many country operators are small and a 10 per cent commission and the costs and charges may see some of these businesses struggle to break even. If you turn over less than \$60 000, you will go broke. This government is taking those dollars out of country Victoria via Intralot. There is a risk that country small businesses will be working for nothing.

Country racing has a role in country Victoria. The bill leaves some stake money removed from that process. Figures suggest \$75 million will go. At this stage there is no assurance about how that will be compensated for or that there is a package on the table that can be fully evaluated. I know there are assurances there but there are some concerns. This could lead to more country fixture losses. The bill has significant risks to country racing. The member for South-West Coast passionately put that case. There is a risk to confidence about the probity issues. The Merkel review has made recommendations in that area.

In summary, the government has not managed the risks to country Victoria well, or the communication about how to manage those risks in country Victoria. Victoria may well gain, but there is a risk that small country communities may miss out. The Nationals, in coalition, are supporting the reasoned amendment. Let us restore confidence in the probity issues and then move on with this at a later date.

Mr FOLEY (Albert Park) — I rise to support the Gambling Regulation Amendment (Licensing) Bill 2008 and, should I get the chance, the house amendments circulated by the Minister for Gaming, and obviously to oppose the reasoned amendment moved by the shadow Minister for Gaming, the member for Malvern. I do so because this sensible bill begins the process of securing the gaming and wagering industries and the racing industry, and does so in a thoroughly modern, efficient, transparent and effective manner.

While the bill deals with more than just the wagering licence, I might focus my comments on that particular aspect of the bill and look to how the process set up by the government, in consultation with the industry, will be dealt with. In the second-reading speech for this bill the Minister for Gaming set out the process and the reasoning as to how and why the gaming and wagering

aspects of the current licensing provisions will be decoupled. As an active follower of the interests of the wagering industry and its largely dependent relation, the racing codes, I have followed the history and the practice of this sector for some time.

I can give some limited credit, even allowing for the significant probity problems that the member for Eltham pointed to, to how when the former Totalisator Agency Board — the tote — was privatised, the government attempted to come up with a package of measures that sought to secure the racing industry's legitimate interest in that process. I think there were some holes in that process, as the member for Eltham has pointed out, and the relationship between the wagering players and the three racing codes was far from perfect. Indeed the position of bookmakers was particularly perilous. It took the Labor government's racing ministers to deal with those particular problems. It looks like it may well be Labor government racing and gaming ministers who will again seek to secure the position of the sector.

What this bill does, and what the Labor government will do, is introduce a new competitive arrangement into the process of awarding that wagering licence. That will benefit the community and the Victorian taxpayers and the racing industry. It will do that in such a way as to ensure the position of the three codes and their many dependent communities. The opposition's quite frankly Mad Hatter approach to this bill again demonstrates how unfit to govern it really is and how it is not genuinely interested in the future of this sector —

Mr Wynne interjected.

Mr FOLEY — Mad Hatter! You just do not know whether they are coming or going. Members opposite are not interested in the future of the sector and in particular the many regional and rural communities that are looking for a sustainable model for how their industry should continue.

Let us briefly consider this bill, its processes and its implications. The bill will put in place post-2012 a wagering and betting system and licence that will decouple the current gaming machine licences, which have provided some significant revenue for the racing industry. The new racing licence will be awarded exclusively to that successful bidder in the form of an exclusive totalisator and fixed-price betting through retail outlets other than on racecourses and in the casino arrangement. That is largely the current position. The member for South-West Coast sought to introduce the red herring of the Western Australian act limiting Betfair's operation being struck down by the High

Court of Australia and suggested it somehow jeopardises the government's commitment and process. Nothing could be further from the truth. The Minister for Racing slapped that one down before tea when he indicated that our commitment to a viable and growing racing industry in Victoria would ensure a 'no less favourable' position. We heard from the minister that this would include a consideration of the taxation arrangements as they apply to the industry.

What strikes me as odd is the opposition's position and how far this once great Liberal Party has sunk in its logic and reasoning about this. How is it that on this and many other economic management and microeconomic reform issues that involve service delivery, shareholder and community futures we see the Liberals as but mere shadows of that former party of business, of efficiency and of dynamism?

How is it that the ALP is now the only party of modern, efficient management that looks to the future in this state? Let us look no further than at how the Liberals are treating the current licence-holder, Tabcorp. We heard from the member for Malvern, who also referred to a similar letter going to the member for South-West Coast, and I gather they had today received letters from Tabcorp advising them that somehow this bill was a threat and that somehow the horror of a competitive position, rather than some cushy deal that seemed to be the alternative that they were proposing, would be dealt.

But it is not exactly clear what the Liberal Party was calling for, because other than dragging the names of defenceless individuals through its normal tactics of smearing and badmouthing under the protection of parliamentary privilege, its tactics have been all over the place.

We need to remember that, as a publicly listed company, Tabcorp has nothing to fear. Like all other potential players in this bid, should it choose to make one, Tabcorp is well entitled to pay some attention to what the minister said in his second-reading speech:

... bidders for the licence will be required to demonstrate a commitment to a growing and viable Victorian racing industry.

This is against the broader context of looking to 'economic development generally in the state'.

I ask that Tabcorp and its well-known leading Victorian chief executive officer — with its significant interstate interests and its history of relocating a large number of Victorian jobs from Melbourne to New South Wales in an effort to cut wages and conditions — have a look at itself and ask itself how this behaviour has contributed

to the economy of Victoria and how it has contributed to the viability of the racing industry.

Together with all other bidders, Tabcorp need have no fear of competition in a publicly accountable and transparent decision-making process that would deliver to the racing industry economic development, security and jobs, particularly to the racing industry in regional and rural Victoria. It is sad that the opposition has moved its reasoned amendment, because it is far from reasonable in that all it seeks to do is delay and remove the very certainty that the opposition has been calling for in this place.

The importance of this bill to secure the future of the racing industry is not unimportant to me personally and to my family. I need to put on record that my grandfather was the president and secretary of the Boort Harness Racing Club for many years. Sadly that club has been amalgamated through decisions made by Racing Victoria Ltd, but there is still the annual D. W. Foley Pacing Handicap, which I had the privilege of attending with — —

An honourable member — You presented the trophy, didn't you?

Mr FOLEY — I did. I was part of the team of Foleys presenting the trophy. Indeed my grandfather's grandfather was the foundation secretary of the Boort Harness Racing Club in the 1890s, so the commitment of my family to securing that trophy — some \$5000, which now falls to my generation to find every year — —

Mr Robinson — It's a privilege!

Mr FOLEY — Indeed it is a privilege to do so, I can assure the minister, given that the same trainer has won it for the last four years in a row. Under the leadership of Harness Racing Victoria, the once uncertain future of the Boort Harness Racing Club, after its amalgamation with Bendigo as opposed to Swan Hill, saw a bumper crowd at this year's event. I look forward to a process whereby this package of reforms secures not only the D. W. Foley Pacing Handicap but all regional, rural and Melbourne metropolitan harness racing gallops and greyhounds.

Whilst we look forward to that arrangement, I will close by reiterating my comment that any bidder who comes to this process need not have any fear of not having an open, transparent and accountable process that will deliver both regional and rural Victoria and the racing industry security in the long term, and I look forward to this minister guiding that process.

Mr MORRIS (Mornington) — I am pleased to join the debate on the Gambling Regulation Licensing Bill, which sets up a wagering and betting licence process, creates a statewide keno licence, permits the extension of a gaming operator's licence — which I understand is Tattersall's in this case — and provides for additional deputy chairs and commissioners for the Victorian Commission for Gambling Regulation.

The bill puts meat on the bones of the government's announcement in a press release in April under the heading 'New structure for gaming in Victoria beyond 2012'. The major take-out — which is a dreadful term, but it does summarise it in terms of press coverage — was that there are changes to gaming machine arrangements which will allow hotels and clubs to bid directly. Of course there are also other significant changes, including the variance of caps, the keno arrangements to create a single and specific licence and changes to the arrangements for the wagering structure currently run by Tabcorp, the descendant of the old Totalisator Agency Board.

In the press release the Premier indicated that wagering would be opened up for competition, and I will make the observation the competition is always welcome, provided it is genuine competition, it is on a level ground and there is no inside running.

When this bill was first introduced I had mixed feelings about whether or not I wanted to speak on it, because issues about gaming and wagering — indeed gambling of almost any sort — do not loom particularly large in my life. An 18-game Quick Pick on a Saturday night is about as exciting as it gets for me, and that is a lottery rather than gambling. Quite frankly, I find electronic gaming machines very boring (EGMs), and given the insidious effects they have, that is probably lucky for me.

I attend race meetings regularly, but I find that experience enjoyable enough and do not need to heighten the sensation by having a financial stake in the outcome; I enjoy racing just as much without it. I count myself lucky; other people may have a less charitable description, but there it is!

I have chosen to speak on this bill because almost everything we are talking about tonight — that is, electronic gaming machines, keno, the impact on pub venues and horseracing; perhaps not harness racing — are very important to the seat of Mornington. Tourism and leisure are very important to the Mornington Peninsula generally, and gaming machines are very important generally, but right in the middle of the electorate is the Mornington Racing Club. It is very

important to my electorate that these industries are kept in good health financially — there are potential risks for the racing industry in this bill — and in terms of the integrity of the industry structure, it is very important that that probity be retained.

I understand there may be some technical issues with this bill, particularly in terms of the inconsistencies in the offence provisions, but no doubt they will be ironed out. I also understand that a review is under way, and it would appear that perhaps we may have been able to get all the problems solved without putting this legislation through and then putting a subsequent series of amendments through later. It does not seem to be a terribly sensible use of parliamentary time, but there it is — that is what we are doing, so we will just have to live with it.

In the remaining time I have I want to concentrate on two aspects. Firstly, I will make a few comments about the integrity of the process, because the process needs not only to be as pure as driven snow, but also seen to be that way. It is no good having flawless integrity and absolute probity in the process if there is a perception that it is not there. Even if you accept that the lotteries tender process was perfect in every way, the perception in the community is that there were some problems; that it was a flawed process. You have to make sure that there is not a problem either in fact or in perception. If you look at the recommendations of the Merkel review, and I am sure they have been referred to by other members, there is a comment that future probity requirements for a lottery or gaming licence process should expressly prohibit lobbying activities. It seems to me that those provisions are absent from this legislation. They could easily have been put into this bill, and the member for Malvern's reasoned amendment addresses that issue.

Turning to the racing industry and the changes that will be introduced in 2012 — the intention of separating gaming machines from racing revenue — the fact that they are mixed up is an accident of history in that the TAB became Tabcorp, which then got into the poker machine business, or the EGM business, but the fact is that they are at the moment very tightly bound. This proposition was not exactly received with universal enthusiasm by the racing industry or the commentary section of the racing industry. The *Australian* probably carried the most pedestrian heading — 'Racing must replace funds'. Then we had the *Herald Sun* with the headline 'No more jackpots for the racing industry', saying that every post would be a loser under a pokies restructure. The *Age* carried the headline 'Gaming shake-up strips racing of pokies profits'. Another headline in the *Age* was 'Take the government on

trust?'. There is a fair bit of scepticism out there, and that is not surprising because we are really only dealing with half of the issue.

The intent when the TAB was established was that racing would be in control of its own destiny, but the best we have now, I understand from comments made by the Minister for Racing that the new arrangements will be no less favourable than the current ones. What that means is open to interpretation, and when you have that sort of interpretation there is a degree of uncertainty. On present-day figures the racing industry is assured of \$75 million a year through this process. It has something like \$225 million of internally generated revenue, so we are talking about a \$300-million business. By 2012 that \$75 million will probably have jumped to \$100 million a year. Removal of that \$100 million each year is enough to devastate the industry. The proportion of revenue it is getting from that source is so significant that its loss would devastate the industry.

I am rather surprised that we are debating this bill tonight because it is, I think, eight weeks to the day since the consultation process commenced. The intention was to have the consultation process open for eight weeks.

Mr Robinson interjected.

Mr MORRIS — It was 11 April to 11 June. That is roughly eight weeks.

Mr Robinson interjected.

Mr MORRIS — I will ignore the interjections coming from the Minister for Gaming, who is at the table. Nevertheless, we have not seen the outcome of that process, and we are only debating half of the package, and that is the concern. We are talking about an industry of 70 000 people, a \$2 billion a year industry. To be considering half of this process when we do not know the answer or even the draft arrangements for the other questions is bad practice, and it may well result in very bad public policy. If the government fails the industry it will certainly be held accountable by the people of Victoria.

In conclusion, if the amendment proposed by the member for Malvern succeeds then obviously there will be an opportunity to address the probity issues, and the important issues related to the potentially very serious negative impact on the racing industry will also be able to be addressed and considered together. I commend the reasoned amendment to honourable members.

Ms MUNT (Mordialloc) — I am very pleased to rise this evening to speak in support of the Gambling Regulation Amendment (Licensing) Bill. This bill comes about after an extensive process of consultation and deliberation, and I would like to warmly congratulate the Minister for Gaming, who is in the chamber this evening, on all of the work he has done in putting this legislation in place. It is, as always, a great new piece of government legislation to take us beyond 2012.

I would particularly like to congratulate the minister and the government for taking the step of opening up the gaming industry in Victoria to open up the duopoly that has been in place up until this time. In my own electorate in particular there are many RSL clubs, community clubs and sporting clubs that have warmly welcomed this legislation because they will be able to move forward with the opening up of the duopoly. I am certainly no expert in gaming, not having done a great deal of it myself, but it is my understanding that revenue that has in the past gone to the duopoly will now be available for clubs, the RSL and community organisations. This will be of great benefit to the community, and one of the intentions of this legislation is to empower our local clubs and make them more responsible to our local communities, particularly in the area of gaming.

In my electorate there are a number of responsible gaming operators, and they are as anxious as the government to put in place many processes to aid responsible gaming, so this is a really good piece of legislation.

I was in the chair as Acting Speaker before dinner and had the opportunity to listen to the contribution of the member for Malvern.

Mr Robinson — Sorry about that!

Ms MUNT — I accept the apology, Minister, but it was not your contribution; it was the contribution of the member for Malvern.

Mr Robinson — I sat through it too.

Ms MUNT — That is true; the minister was at the table at the time.

Many things have been said by the member for Malvern on this topic, but the one I will comment on is not the contribution he made to the debate today. I remember I was sitting up in bed, watching *Lateline* — I think that is what it was — —

An honourable member — Was he on that too?

Ms MUNT — Yes, he was on it a month or so ago when this announcement was made. I was very surprised to hear the member for Malvern say that the government should pay the duopoly operators \$1 billion — I cannot remember his exact words, but this was the intent of the statement. I wondered at the sense in coming straight out and saying that those two operators, with all the profits they have made over the past years, should be paid \$1 billion straight off the top. I wondered where that \$1 billion would come from. To say I was a little surprised is probably an understatement. I have been waiting for the member for Malvern to make more statements in the media on this, but there do not seem to have been any. He might have recognised the error of his ways and decided to go quiet on that topic after that.

As I said earlier, this very courageous decision by the Minister for Gaming provides a way forward for the industry towards 2012. I look forward to the period of consultation that will now ensue, enabling the clubs, RSLs and sporting venues in my electorate to refer to and be responsive to the community. I believe it empowers the community. The bill is another good piece of legislation, and I think it will be followed by further legislation in coming sessions of Parliament to put these new gaming regulations in place. I commend the bill to the house.

Mrs FYFFE (Evelyn) — I am pleased to rise to speak on the Gambling Regulation Amendment (Licensing) Bill 2008 and support the reasoned amendment moved by the shadow Minister for Gaming. The purpose of the bill is to amend the Gambling Regulation Act 2003 to create a licence authorising the conduct of wagering and betting and a separate licence authorising the conduct of keno, to permit the extension by more than five months of a gaming operator's licence on the invitation of the minister, and to provide for the appointment of additional deputy chairpersons and commissioners to the Victorian Commission for Gambling Regulation.

The technical provisions of the bill have been covered by previous speakers, and in particular the racing section of the bill has been covered in some detail. In the short time I have to speak on the bill I will not spend time speaking on that. I do not have as much experience of the horseracing industry as many of the other speakers appear to have had. I also have not had extensive experience with many areas of gambling. Having been brought up in a fairly Presbyterian background, where drinking and gambling were virtually forbidden — I am afraid I did start to drink, but I have stayed away from gambling for quite a while — I am very conscious of the effect that gaming

has on many people in the community, usually those who can least afford it.

The Minister for Gaming has said that in future legislation the government will restrict access to cash in gaming venues by prohibiting all automatic teller machines (ATMs) in all gaming venues by the end of 2012. I am glad to see that the government has done a turnaround on this and finally responded to the calls to act on an issue on which many community members have expressed concern, but we should not start celebrating because that is four years away.

Mr Robinson — It starts at the end of next year.

Mrs FYFFE — I have 'four years away' written down. The gaming minister may be correct — but going on the record, I doubt it — but two years is too far away.

Gaming revenue from the Yarra Ranges has jumped from \$16.9 million to \$17.5 million in the last six months. This government has been profiteering from the losses of residents in my electorate, yet we get so little back for schools, sports facilities and roads. The delay in removing the ATMs — whether it is two years or four years — is going to cost Yarra Ranges residents, and all people in Victoria, in the interim. The future legislation will not do anything to address the fact that the purpose of the existing \$400 ATM limit is circumvented by the ability of gamblers to withdraw amounts from EFTPOS machines, with limits that are set by the banks. In fact the banks are being more responsible than the government in that area.

Everything we do in this house has an effect on individuals. In this case the changes made by the legislation the government has brought into Parliament have created a period of uncertainty for the people who operate Tattersall's agencies. It is causing many of them great concern. I have been approached by a representative of these operators, who told me that almost 600 independent small business operators — all working families, to use a popular Labor phrase — will initially lose up to 15 per cent of their income during the transition, and there is no compensation. These independent small business operators employ hundreds and thousands of staff across the state on a part-time or full-time basis. These working families are threatened with losing income with no offer of compensation. To access the new system the operators are going to need to invest approximately \$5000 per annum extra for five years to even have a chance, with no guarantee of recouping their lost incomes, and again, with no offer of compensation.

It is estimated that the changes to the poker machines licences being re-tendered could raise \$2 billion in total for the current operators to buy back their licences. How much of this is going to be spent on minimising harm in the community as a result of the impact of gaming? As we enter this stressful time of higher interest rates and higher petrol prices, those who are struggling are going to turn more and more to gaming, to buying the extra tickets and to playing gaming machines in the hope that they will get out of the situation they are in.

They are betting money they cannot afford; it is money that should be spent on food; yet the government does not seem to be saying, 'We are going to do more to help', or, 'We are going to do more to prevent problem gamblers'. It seems to be all a token, and it concerns me very greatly because all of us see it in our electorates. We are all being approached by people who have become homeless because they cannot make their mortgage repayments, and they cannot make their rental payments.

I am very conscious that other members are waiting to speak on this bill. As I said, I support the reasoned amendment moved by the shadow Minister for Gaming.

Mr PERERA (Cranbourne) — I rise to support the Gambling Regulation Amendment (Licensing) Bill 2008. This is a significant piece of legislation which will put in place a new industry structure post-2012 for wagering and betting, keno and gaming machines. I congratulate the minister for the fantastic work that has been done in bringing the bill forward.

The bill is designed to create a single wagering and betting licence authorising the conduct of wagering on horseracing, harness racing, greyhound racing, and the conduct of approved betting competitions to operate after the expiration of the current wagering licence in mid-2012. The bill also creates a new keno licence authorising the conduct of keno games which will operate at the expiration of the current Club Keno authorisation in 2012.

The bill also permits the extension of a gaming operator's licence. The wagering and betting licence post-2012 is to be a single and fixed odds licence. The licence will be for 12 years, and the government may extend it for a further two years. The keno licence will also be a single licence post-2012. The licence length will be for 10 years.

The post-2012 structure means that hotels and clubs have an opportunity to own gaming machines, and it

opens up the keno and wagering licences to competition for the first time. This measure will help struggling small-time hotels and club operators enormously. A single wagering and betting licence, a separate keno licence and a separate gaming licence make sense since current wagering and gambling markets are larger and different from what they were when licences were originally issued in 1994. At that time wagering and betting licences and gaming licences were linked because the licences were granted to the state-owned TAB. Since then Tabcorp has become a publicly listed company.

Keno now has the potential to become an alternative entertainment option for Victorians. The game currently enjoys a high level of popularity in other states and has the potential to become more popular in Victoria.

These new arrangements will provide an opportunity for a new licensee to grow the product as a potential add-on to other entertainment options in venues. By opening up the licence to a competitive tender process, a licensee will be able to develop a game that best suits player expectations and delivers more entertainment options for Victorians. All other jurisdictions in Australia operate with a single, unlinked wagering licence. The big fuss made by the opposition on these issues is due to complete ignorance.

The new arrangements bill provide certainty and stability for the racing industry in Victoria, which is a consistent feature wherever racing is held around the world. The new arrangements will give the racing industry control of its future. It will be working with a wagering partner who will give primacy to the racing industry. It is pleasing to note that the Brumby government is committed to ensuring that the racing industry continues to prosper.

The racing industry is huge in my electorate of Cranbourne. Every morning over 800 horses train in the largest training facility in the Southern Hemisphere. We have the only racecourse in Australia that provides — —

Mr Robinson interjected.

Mr PERERA — Definitely. It provides punters with a tri-code racing, where trotting, harness racing and greyhound racing meet on the same day at the same facility.

The Victorian wagering industry has the second largest by wagering expenditure in Australia, behind New South Wales. Therefore it is an attractive and viable wagering business for any potential provider of

wagering. The racing industry will be funded from wagering to the greatest possible extent.

The government is committed to finalising the financial arrangements in consultation with the industry, with a commitment to ensure that new funding arrangements are not less favourable to those that are already in place. The selection criterion for a wagering licence will require bidders to be able to demonstrate a commitment to prioritising the promotion of a viable and growing Victorian racing industry as a principal objective for the licence. The probity and integrity of the future licensee is considered paramount by the government, and any bidder who is not considered to meet the required probity standards will be excluded from the process.

The processes set in place by this bill will ensure that licences are granted to applicants who conduct their gambling businesses honestly and free from criminal influence and exploitation. The bill also provides that there is to be one wagering and betting licence in operation at any time. The licence authorises the wagering and betting licensee to conduct wagering and approved betting competition. The bill provides that both an application for a wagering and betting licence and an application for a keno licence must be accompanied by a responsible gambling code of conduct that the applicant intends to implement if the licence is granted. The government expects that the applicant's code of conduct will meet its minimum standards of responsible gambling.

The government is committed to introducing legislation to come into effect in 2012 to prohibit automatic teller machines in all gaming venues except in some regional centres where access to an ATM is crucial. ATMs will also be banned within 50 metres of an entrance to the casino. This makes Victoria one of the first states to ban ATMs from gaming venues. These are measures to protect problem gamblers, and this is the structure that will be in place post-2012. I commend the bill to the house.

Mr DELAHUNTY (Lowan) — On behalf of the Lowan electorate I rise to make a contribution on the Gaming Regulation Amendment (Licensing) Bill. As members may know, the main provisions of the bill are to create an exclusive wagering and betting licence, a keno licence and also to provide for the extension by no more than five months of the Tattersall's gaming licence, which will bring it into line with the expiry of Tabcorp's licence.

I declare that I have a son who works for Tattersall's, so I have an interest — —

Mr Jasper — A pecuniary interest?

Mr DELAHUNTY — Not a pecuniary interest, I do not have a direct interest. The main points I want to raise in my contribution today are in relation to wagering and betting and its impact on racing. I want to raise the concerns of country racing, particularly the gallops and the harness racing industries, and the long-term viability of community gaming facilities, and also gaming in general.

I support the reasoned amendment moved by the member for Malvern, which states that the bill should be withdrawn and redrafted to ensure that the probity requirements of the licensing process are protected by the prohibiting of lobbying activities as was recommended by the Gambling and Lotteries Licence Review Panel.

The government shows poor form when it comes to racing — an industry worth \$2.3 billion and employing 75 000 people. As we know, the government has overseen the diminution of country racing, particularly harness racing. A couple of years ago an enormous number of harness racing tracks across country Victoria were wiped out. People are still fighting to get their race meetings back at Hamilton, and we hope that this will happen in the near future; we keep our fingers crossed in that regard.

Earlier this year the government oversaw the dismantling of many racing clubs in country Victoria. The Brumby government's lack of support for country racing is abysmal. Country Victorians, particularly members of country racing clubs, are frustrated and rightly angry with this city-centric government's lack of support for their racing industry. In my electorate we lost four race meetings — Casterton, Edenhope, Hamilton and Wimmera — and TAB status was lost at Apsley, Coleraine and Edenhope. The Minister for Gaming is here. He has been to Coleraine; he has also been to Edenhope.

Mr Robinson — I was there at the cup.

Mr DELAHUNTY — I bet you would not be game to go back there now. You know they are not happy at all.

The ACTING SPEAKER (Mr Jasper) — Order! The member, through the Chair.

Mr DELAHUNTY — These voluntary committees do an enormous amount of work for our country racing industry. The government's overseeing of country racing has been abysmal. The impact of losing these race meetings and TAB status is great, as the Minister

for Gaming knows from when he went to Coleraine for the 150th running of the Coleraine steeple — that day was worth about \$100 000.

Mr Robinson — It was raining.

Mr DELAHUNTY — Thankfully it did rain, but the reality is now that as a result of losing TAB status the prize money that can be offered is about \$8000. How are we going to get trainers, owners and horses to travel distances to come to these race meetings with the price of fuel as it is today? As the minister knows, these country race meetings are an integral part of the social fabric of country communities, and it is a real tragedy to see them being lost in country Victoria.

The recommendations in the Merkel review spoke about the fact that future probity requirements for lottery or gaming licences should expressly prohibit lobbying activities. This goes back to my point before: it is the reason I am supporting the reasoned amendment.

Concerns have also been raised by community clubs in gaming venues in my area. As the Minister for Gaming is at the table, I want to say that 12 months ago to this month there were enormous concerns in the gaming venues in my electorate about the changes that were proposed by the government in relation to the community benefit statements. We could have seen a lot of the country clubs wiped out overnight.

Mr Robinson — We fixed that.

Mr DELAHUNTY — The government fixed it. With a lot of lobbying from The Nationals we got an extension of that and now, to the government's credit, there have been changes.

Mr Robinson — I visited the Horsham club. You weren't there.

Mr DELAHUNTY — I will get back to that in a minute. That is right. Many of these clubs were fearful of the changes proposed by the government, because they were seen to potentially threaten their financial viability. Clubs were greatly upset because there was no consultation on the implementation of the changes. Thankfully after the government realised the error of its ways and changed its decision. Again, it is a bit like all of these changes that we are talking about today: the clubs are worried about their future viability. With the changes to gaming venue licences in the future — they are not particularly covered in this legislation, but it does extend the licence of some of those that are operating — the viability of these country community clubs is of concern to those in my electorate. They

contribute greatly to their communities and do a wonderful job in the services they provide and the employment opportunities they create. I highlight some venues in my electorate: Alexandra House in Hamilton; the Horsham Sports and Community Club, and I will come back to that; the RSL club in Horsham; and the Tabaret in Horsham. There are also other gaming venues in the area that are concerned about the changes.

I know the minister has been to the Horsham Sports and Community Club. I congratulate him because I wanted him to go there when he visited the great Horsham RSL club. He knows the Horsham Sports and Community Club was established in 1992 as a venue for community organisations to meet and enjoy the potential profits from the activities of the hospitality venue, which include gaming. The club is one of the most modern facilities in country Victoria — and I think the minister would have to agree with that. It has an open, spacious layout providing maximum comfort not only to members but also to its many guests. The club has many proud achievements, including having won numerous community service awards from Clubs Victoria, the Tattersall's best gaming venue for under 50 machines in Victoria and other awards too numerous to mention here tonight. Last year the club allocated about \$80 000 in sponsorship to many organisations — sporting groups, preschools and other groups across the Wimmera area — and this highlights that the benefits are spread right across the region.

I hear some members speak about the fact that they want the revenue raised in their council areas to be spent in their area. A couple of shires in my electorate do not have any gaming machines — for example, West Wimmera shire and Hindmarsh shire; I am pretty sure Yarriambiack shire does not have gaming venues — but a lot of people from those areas come into the Horsham Sports and Community Club and might go to the RSL or to other venues. Those communities want a fair share of the Community Support Fund from the government. As I said, the Horsham Sports and Community Club donated \$80 000 in sponsorship last year. Since 1992 it has distributed over \$780 000 to local community groups through sponsorship. It is a very worthwhile group of which I speak highly. Its mission statement states that it is working for the community with pride.

The last topic I want to cover is Intralot agencies. A lot of small agencies, some in shopping centres, that sell scratchies, keno tickets and these types of products are commonly called Tatts agencies. They are very small agencies in a lot of cases. As of 1 July they will sell Intralot tickets. As you will know, Acting Speaker, in your electorate, and it is the same in mine, many of

these agencies are small, family-run businesses. They now have to pay up to \$15 000 to do from 1 July exactly what they are doing today. Most of those agencies feel that they are paying for the licences being given to Intralot by this government. Next month they will be doing exactly the same as they are doing today, yet they have to pay up to \$15 000 for the privilege. The reality is that most of them feel that money is going straight through Intralot to this government. It will be interesting to see the revenue that will be created by the changes.

I will get back to the original purpose of this bill. As members know, it will change the gaming, and particularly wagering, licences in this state. I again highlight that horse racing, harness racing and even greyhound racing are very important sectors in my electorate, and they must be protected. The reality is that the Minister for Racing stated when this was brought into Parliament that the racing industry would be no worse off. But we still do not know how that will happen. Major concerns have been raised by us across the sector. For those reasons and many others, I support the reasoned amendment moved by the member for Malvern. I will wait to see the outcome of that division, whether it be tonight or tomorrow.

Mr STENSHOLT (Burwood) — I am delighted to support the Gambling Regulation Amendment (Licensing) Bill which sets out to provide for and create a new separate licensing regime for the issuing of a wagering and betting licence. It also includes provisions for the creation of a keno licence authorising the conduct of keno games. The member for Lowan seemed to understand the bill, unlike many other members, who did not understand its purposes. He mentioned that the bill will extend a gaming operator's licence. The bill will also provide for the appointment of additional deputy chairpersons and commissioners to the Victorian Commission for Gambling Regulation.

I am very pleased to speak on this bill. Like many other members, I have had some connections with the sport of kings and other sports, particularly with pacing. One of my cousins was the leading reinsman in Victoria, at least for one season if not more. I am talking about Dal Fitzpatrick, who used to train out at Kilmore. He was also quite famous for training trotters as opposed to pacers. It depends on which foot you put down first, I guess! He had good success with a number of trotters over the years. From memory, I think he originally drove for Billy McKay and then following on from that, he set himself up.

We have always had many colourful characters in racing, trotting and even the dish lickers — that is, the

dogs. I remember one jockey who once rode in the Melbourne Cup but later fell on hard times. He used to bet against someone else in the field, which of course you are not supposed to do. I remember once he was on a two-year-old when it bolted. It got to the corner and he was 13 lengths in front, so he pulled it into the fence and over he went. His brother rushed across to him and said, 'Are you right, Mate?', and he said, 'Well, did it win?'. I am afraid he had the wrong idea about racing. He was backing the wrong horse, but in order to back it, he had to get off his own horse. They were very colourful characters.

I was a bit surprised at the bit of colour in the house here a few weeks ago when the member for Malvern was getting stuck into Duncan Fischer, the former head of Tattersall's. It is not the sort of thing you would want to do outside the house. There is such a thing as parliamentary privilege, of course, but I was very surprised at the extent to which the member for Malvern went on about the former head of Tattersall's. I would be surprised if he said the same words outside this house.

This is a very important industry, and it is important that everyone behave with a certain amount of probity, good sense and balance in that regard. It is important that as parliamentarians who are responsible to the people of Victoria we consider these issues in that regard and consider these matters carefully without seeking to impugn the reputations of other people, for whatever cause they may think of, for short-term gain. I was really surprised at this happening a couple of weeks ago.

Yes, probity is very important; we understand all that. I am sure that for those on the government side of the house this will be about selecting the best applicant for a wagering licence so that, together with the racing industry, we can develop the best outcome for racing in Victoria. The government will take into account a wide range of factors in determining the preferred bidder for the licence, including probity. Of course there are considerable processes involved when it comes to probity in terms of licences and putting out contracts. Anyone who reads the Auditor-General's reports would be well aware of that. There will also be issues of technical and financial capability, and viability is very important in that regard.

As has already been mentioned by other speakers, under this bill it is important that the bidder and ultimate licensee give a commitment to not only the growing and viable racing industry here in Victoria but also the harness racing and greyhound racing industries. In conducting approved betting competitions they will

have to make sure that they contribute to those particular industries. The government has to ensure that the funding for the racing industry — whether it be for racing, harness racing or greyhounds — and the operational relationships it develops with the licensee are no less favourable than the current arrangements. That is very important.

The probity and integrity of the future licensee is considered paramount by the government, and any bidder not considered to meet such high and required probity standards will be excluded from the process. I make that very clear, and I am sure the minister will endorse the statements I am making about probity and about how important it is to ensure this. This bill creates the background and regulations for issuing the licence in this regard.

Another section of the bill provides for the creation of a keno licence. Many members have hotels and gaming venues in their electorates. I have one. The Matthew Flinders Hotel is one of the biggest in Victoria. I know it is well run, and it has been very supportive of community groups. For example, it is supportive of a local charity, the Edge Community Fund, which assists children in our area. It makes sure that it both supports that local charity and arranges a number of functions for it.

It is important that these gaming operators give back to the community, as they have a responsibility to do. I see it as a social dividend that they need to provide to the community because of the responsibility they accept in having gaming licences. The Matthew Flinders Hotel has keno, and I am sure that when the new licensing for keno comes through it will continue to be held in that venue. It is a game which has some popularity, and I am sure over time it will probably gain further popularity. This bill deals with the creation of the keno licence and authorises it for the future, and I am very supportive of what is here. There are some other elements in the bill, including the amendments put forward by the minister in terms of the extension of the gaming operator's licence as well as the extension of the wagering and betting licences under certain conditions.

I do not support the reasoned amendment. I know that it talks about probity, but I have already discussed issues of probity and how they are being dealt with in this bill and how the government intends to deal with them when it comes to both arranging for the selection of a licensee and later on in making sure that that licensee implements the contract they will be bound to when they are selected.

This is a reform and continued development of the gaming industry at all levels. The wagering industry in Victoria is being very well handled by this government. These are big changes, and big changes are necessary every so often when licence changes or renewals, new arrangements or whatever are put in place in order to select new licensees. Such changes do not come around very often. This bill is setting out what we will do in terms of wagering, betting and keno into the future. I commend the bill to the house.

Mr WAKELING (Ferntree Gully) — It gives me pleasure to rise to make a contribution to the debate on the Gambling Regulation Amendment (Licensing) Bill 2008. This bill seeks to do a number of things in terms of the Gambling Regulation Act 2003, including creating a licence authorising the conduct of wagering and betting and a separate licence authorising the conduct of keno. It will permit the extension by no more than five months of a gaming operator's licence on the invitation of the minister and will also provide for the appointment of additional deputy chairpersons and commissioners to the Victorian Commission for Gaming Regulation.

In essence what the bill seeks to do is create an exclusive wagering and betting licence for a 12-year period commencing from 16 August 2012, and a keno licence for a 10-year period commencing from the same date. The bill will also provide for a five-month extension to Tattersall's gaming machine licence to bring it in line with the licence that Tabcorp was granted, so that each will expire in August 2012.

As has been mentioned by members on this side of the house, we will be pleased to support the reasoned amendment moved by the member for Malvern, which seeks the bill's withdrawal and redrafting to ensure that the probity requirements of the licensing process are protected by prohibiting lobbying activities, as recommended by the Gambling and Lotteries Licence Review Panel. I will be interested to hear the Minister for Gaming, who is at the table, comment on this very important issue later, because I am sure he, like all Victorians, wants to see a system that ensures that probity is of paramount importance.

I was very interested in the comments made by the member for Burwood in regard to the need for everybody to behave with good sense and probity, and I am paraphrasing your comments, Acting Speaker. But I think of fundamental importance were the problems identified by the Merkel review in terms of the activities of lobbyists. I do not believe anyone in this state sees any problem with ensuring that we have it

enshrined in legislation that those issues of probity are adequately dealt with.

I was also very interested to hear the comments from the member for Bentleigh, who was trying to defend the indefensible with his argument that you actually do not need to put these things in legislation, because you just go with the flow and assume that everything will be fine. With the greatest respect, our role as law-makers is exactly that. We do not go with the flow, and we do not assume that the world will operate in a way that we think is fair and harmonious. We are given the power by the Victorian community to come into this chamber to put in place legislation that provides for a system that ensures issues of probity are adequately dealt with. I would have thought the minister would have picked up on that issue, would have seen the benefits of the reasoned amendment of the member for Malvern and would have agreed to it. I will be looking forward with interest to hearing his comments.

This piece of legislation must be looked at in the context of the way in which the gambling industry has been handled by this government. Many people in my electorate, the electorate of Ferntree Gully and the community of Knox, and throughout the broader Victorian community, are greatly concerned about the way in which this government is addicted to gaming, but more importantly, has been unwilling to deal with the needs of Victorian punters and also the hardworking small businesses that operate gaming venues throughout the state.

With regard to issues relating to Tatts keno operators, the operators in my electorate will be greatly concerned to hear that the minister believes it is market forces that are driving them to have to pay upwards of \$15 000 to deal with this issue.

Mr Robinson interjected.

Mr WAKELING — I just say to the Minister for Gaming that I would be more than happy to facilitate a meeting with the operators in my electorate and, I am sure, operators in neighbouring electorates. I am sure the friendly minister at the table would be more than happy to come along to my electorate office and meet with the operators in my electorate. I would also like him to talk to gaming operators, who are greatly concerned about the way in which the new system is going to be operated. The problem they have is that when they ask the question, ‘How will the new system operate?’, they cannot get an answer. They are told it will be worked out on the day. Worked out on the day is not good enough. They want an answer and they want an answer now.

In the brief time that I have left, I just want to say that it behoves this government to take on board the concerns of the Victorian community, pick up the reasoned amendment that has been put forward by the member for Malvern and agree that this bill be withdrawn and redrafted to ensure that the issues of probity which came out of the Merkel review are picked up and put in place.

Mr JASPER (Murray Valley) — The importance of the gambling and wagering industry to the state of Victoria should not be underestimated. The contribution to the state of Victoria in taxes and charges is a key part of state government revenue and of course has been supporting hospitals and charities over a long period. Since I have been in the Parliament I have seen millions and millions of dollars provided through the gambling and wagering industry within the state. I am reminded that it is estimated approximately 75 000 people are involved in the racing industry in the state and that it is recognised as being worth approximately \$3.2 billion to the economy.

I am pleased that the Minister for Gaming is in the house for this extremely important debate. I was extremely disappointed that he was not able to join me at Rutherglen last Sunday for the Rutherglen Winery Walkabout, which again was a great success, and of course the Rutherglen Country Fair, where I conduct the celebrity grape tread each year and invite ministers and members of Parliament to join me. Unfortunately the minister was unavailable to join me on this occasion, so the substitute was the member for Prahran. It was a great day. The member for Prahran came third, and I have to say that I was again the winner and that I am back on a winning streak. I have lost over the last few years to the Minister for Public Transport and the Minister for Regional and Rural Development. It was disappointing to do so but, as I say, I am now back on a winning streak.

The important part I want to mention, being on a winning streak, is that the racing industry is important for regional Victoria. I noted your comments, Acting Speaker, when you spoke, and I saw you waving the bill a few minutes ago during my contribution when I did diverge and talked about the famous Rutherglen Winery Walkabout. However, you also talked about the racing industry and your family in your contribution, so while you may have been referring to the industry, you were not really referring to the legislation.

I was pleased the Minister for Gaming visited north-eastern Victoria and Wangaratta in my electorate of Murray Valley to speak to people involved in the gaming industry, particularly those with poker

machines. He was joined by a large number of people in north-eastern Victoria at the Wangaratta Club. I was at that meeting and I applaud the minister for attending on the basis that it is a huge industry and needs to be controlled. We need to get the best results as we go forward.

There is huge confusion in the gambling and wagering industry in Victoria at present. Certainty is required. That is what people are looking for. There is a great deal of uncertainty and turmoil, and the industry requires certainty. How the gaming industry will be conducted in the future and how it will be controlled is important. Over recent years the duopoly of Tattersall's and Tabcorp, of which many people have been critical, has been effective. It has kept the industry clean and without criminal elements and, importantly, it has provided a huge amount of revenue to the state government.

I again indicate my sympathy for the minister with the issues he is dealing with and in trying to ensure that the industry goes forward. I am reminded of some of the comments that the minister made in his second-reading speech. It is worthwhile to refer to some of the minister's comments:

... legislative provisions to support the competitive licensing processes for the keno licence, the wagering and betting licence and the related governance arrangements for the licence-awarding processes.

...

The processes set in place by this bill are designed to meet the objective of the act of ensuring that licences are granted to applicants who conduct their gambling businesses honestly and free from criminal influence and exploitation.

The minister then said:

These measures will ensure that the new licence-holders will be required to provide their gambling products in a manner that fosters responsible gambling.

While I recognise the comments of the minister in his second-reading speech, it indicates that the industry has not been working effectively in the state, and that perhaps criminal elements have been involved. I do not think that criticism is very fair on the industry. The criticism coming from the government is that you have a duopoly operating in the state generating huge revenues for the two companies but also generating huge revenues for the state of Victoria. That is often overlooked in the context of what is happening. I am extremely disappointed when I hear comments by some of the operators of the Tattersall's organisation in my electorate who bring to my attention their concerns about the changes that are being implemented and the

increased charges on those small businesses that are seeking to operate profitably and effectively.

I often think the government does not understand that the economy of Victoria is dependent on businesses being profitable. The government cannot employ everyone. It might try to increase employment and improve the economy. I hear the Premier saying on many occasions that the economy is sustained by businesses and industry working effectively and profitably, whether that is farming, big business or small business or industry within the state.

It is disappointing for me to see in this industry that small Tattersall's agencies are in the situation where they may see the breaking up of their small businesses. Intralot has been given a licence, and small businesses that have traditionally been connected to Tattersall's now find they will need to pay money to continue with part of their operations through Intralot. They will have to pay a \$10 000 fee and have a \$5000 bank guarantee available in case anything happens with their business. I put on the record that complaints about that have been brought to my attention.

Another issue I wish to refer to of which the minister is aware is the importance of Wangaratta Turf Club. The minister has visited the club on occasions. It has great facilities and it has been developed by people operating in a voluntary capacity. We are seeing changes in the operation of the industry in country Victoria. Proposed changes to be introduced that are still being worked on by Racing Victoria will reduce the effectiveness of the turf clubs operating in country Victoria.

In north-eastern Victoria we have the Wodonga and District Turf Club, the Wangaratta Turf Club and the Benalla Racing Club. Those clubs will in the future have to compete with one another under the changes proposed by Racing Victoria. I am concerned about that. It is often said to me that if a race meeting were run at Cranbourne instead of Wangaratta we would generate more revenue, make more profits and generate more money for the government. But the part that is being overlooked is the importance of country race meetings to country communities. The Wangaratta Turf Club is critical to the Wangaratta community, with the employment that is involved and the people involved in the racing industry.

The other issue I briefly mention in the few minutes I have left concerns the changes being made to the harness racing and greyhound clubs operating at Avian Park, Wangaratta. The changes implemented by Harness Racing Victoria in reducing harness racing meetings at Wangaratta, which are now operating at

Shepparton, is to the detriment of Avian Park. The greyhound racing club and Greyhound Racing Victoria wish to expand the facilities at Avian Park with a new greyhound racing track and a new harness racing track. But at this stage we have the management of Harness Racing Victoria saying, 'We're not prepared to even look at the joint development there'. This will be to the detriment of the people of north-eastern Victoria. I believe they need to have a harness racing establishment.

There have been investigations. Firstly the V3 strategy was brought into play. Then we had Stratcorp Consulting, which recommended there not be any developments at Wodonga, Wangaratta or anywhere else in north-eastern Victoria. My view is that there is a need to have a joint facility represented in Wangaratta as the hub of north-eastern Victoria. It will be required in the future because we have people involved in both harness racing and greyhound racing. It is an important industry that generates revenue for the state government so it should be able to operate in those two centres. I want the minister to take that on board. I think the minister is genuinely working hard within a difficult industry. What is happening through the changes being implemented is really difficult. I applaud the fact that he is seeking to do that.

What we need to do is make sure we get the changes in place and operating appropriately. I will be seeking to make sure that the wagering and gambling industries work effectively not only across Victoria but within my electorate of Murray Valley. It is critical to us in this state that it works effectively into the future.

Mr WELLER (Rodney) — It is with pleasure that I rise to make a contribution to the Gambling Regulation Amendment (Licensing) Bill 2008. The bill sets out to create a wagering and betting licence authorising the conduct of wagering on horseracing, harness racing and greyhound racing and the conduct of approved betting competitions; create a keno licence authorising the conduct of keno games; permit the extension of a gaming operator's licence; and provide for the appointment of additional deputy chairpersons and commissioners to the Victorian Commission for Gambling Regulation. There are a few other clauses there as well, but those are the major ones. It will be a short contribution that I have to make.

On the weekend I had the pleasure of attending the Echuca steam, horse and vintage rally. I have read the second-reading speech of the minister who is now at the table; it talks about how he wants to grow horseracing. There would be a great opportunity at the Echuca steam, horse and vintage rally to have wagering on

draught horse races. There was the opportunity there to grow a great community event. And it is important during drier times to have the community come together.

Mr Robinson — How would you call a race like that?

Mr WELLER — You would have plenty of time; there is no doubt that you would not have to be that quick. The Minister for Gaming could even call the race — he would not have to be that quick! It would be an important part of the celebrations, and it could actually be part of a fundraiser that would help make the Echuca steam, horse and vintage rally the success that it deserves to be. The draught horses have been an integral part of the Australian landscape since first settlement way back in 1788. It would be appropriate that the minister looked into it.

We need to move on and look at some of the other parts of the bill.

Mr Trezise — Bring back Noel Maughan!

Mr WELLER — Noel Maughan was on the gate at the Echuca steam, horse and vintage rally in the role he has played for the last 17 or 18 years. I was just a problem solver there on behalf of the Echuca Rotary Club.

Let us get back to the bill. What we need to do, if we are going to grow horseracing, harness racing and greyhound racing, is to stop closing harness racing facilities. The harness racing facility at Gunbower is the longest track in Victoria. It was closed by the current government. The board of the Gunbower Harness Racing Club formed a deputation to the racing minister and complained about it being closed. The member for South-West Coast facilitated the meeting; through his work, the Gunbower Harness Racing Club went along and met with the minister. The minister said, 'Yes, I have grave concerns about this decision'. He put it back to the harness racing board, which was hard-nosed and ignored the minister. Therefore, there is no harness racing at Gunbower, which is a crying shame.

I was there at the gallops on the first weekend of January this year, and I went to the corporate tent, which is also the corporate tent for harness racing. It is dual purpose; it is used for harness racing and the gallops as well. It is a class facility. The late former member for Rodney, Eddie Hann, the member prior to Noel Maughan being elected, was actually a sponsor of the building. His plaque is up there; he sponsored the clubrooms when they were built.

What we have to understand is that it is a 1400-metre racetrack, and it is the longest harness racing racetrack in Victoria. It has been closed not because of occupational health and safety, not because it was not viable because of the crowds it attracted, but because of a decision made by a city-centric board that is backed by a city-centric government which has decided that there will no longer be harness racing meetings at Gunbower racetrack.

Let us remember why Gunbower harness racing is a viable goer. It is because it is a community event: the community come and do the spray irrigation on the track; the community come and do the mowing of the track; and the community come and set up the surrounds. It is an ideal setting there on the Gunbower Creek. The community come and work on the gate. It is a fundraiser for the community of Gunbower. It is an important event which unfortunately has been cut from the social calendar of Gunbower. This decision should be addressed and reversed. Gunbower should have its annual harness racing meeting reinstated. And it will be! One of the promises of the coalition is that it will be reinstated.

I need to talk about the Tattslotto agents in small towns. What is being proposed here is a doubling-up in costs. Under this bill they will have to apply for a second licence from Intralot at a cost of \$8500. They will have to refit their shops. They will have to have twice the amount of power, twice the amount of infrastructure. It will be an inefficient way of delivering the gaming competition tickets and those sorts of things that they have been delivering. With those few words, I believe this bill acts against country providers.

Mr ROBINSON (Minister for Gaming) — It has been a very enlivening debate. I thank the members for Malvern, Prahran and South-West Coast, the Minister for Racing, the Leader of The Nationals, the members for Bentleigh, Bayswater, Ballarat East, Benalla, Eltham, Mildura, Albert Park, Mornington, Mordialloc, Evelyn, Cranbourne, Murray Valley, Lowan, Burwood, Ferntree Gully, Murray Valley — I have mentioned Murray Valley twice — and Rodney.

Mr Jasper — It was worth mentioning twice!

Mr ROBINSON — It was a pretty sensible contribution compared to some that were made. This summing up will have to continue into tomorrow but I thank members for their contributions.

The threshold test here, the very first test, is whether members believe that competition is a good thing or whether in fact, because they are afraid of any change,

they are committed to the status quo. That is the fundamental threshold test. The easiest thing for any government to do would be simply to stick with the current licence-holders in the gambling industry, whether that be gaming, wagering, keno or lotteries. That would be the easiest but it would not be the best for the state. That is the way gaming activities have been conducted for 50 years in this state. They have simply been extensions of the licences with no appreciation of what those licences are actually worth.

The ACTING SPEAKER (Mr Nardella) — Order! The time has come for me to interrupt the proceedings of the house. The minister will have the call when this bill is next before the house.

Business interrupted pursuant to standing orders.

ADJOURNMENT

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

That the house do now adjourn.

Pembroke Secondary College: funding

Mr HODGETT (Kilsyth) — I wish to raise a matter of importance with the Minister for Education. The action I seek from the minister is for her to attend a meeting at Pembroke Secondary College to meet with representatives of the college community and inform them of the status of funding for the college's master plan.

The Pembroke Secondary College community is outraged at the Brumby government's failure to provide any funding for the Pembroke Secondary College master plan, which would have seen the implementation of stage 1 of completely new facilities for senior and junior students at the Reay Road site. In 2006 Pembroke Secondary College was allocated \$1 million for the planning stage. What normally follows next? State government funding is required to implement the master plan.

It was not announced in last year's budget, nor was any funding announced in this year's budget. To date I have not heard any further funding announcements for the Pembroke Secondary College master plan. It begs the question of whether the government has wasted \$1 million on raising community expectations and giving false hope to the Pembroke Secondary College school community. Or does the government intend to deliver on its commitment to the Pembroke Secondary

College school community and fund the implementation of the master plan?

The Minister for Education is invited to come out and visit Pembroke Secondary College to see firsthand the merits of this wonderful project. The college community is committed to this project, and the minister should work together with it to invest in the Pembroke Secondary College project for the sake of the children in our community. I think we all agree that we want the best possible outcomes for our children, and this kind of investment is absolutely critical to our kids and to the future of our state. Pembroke Secondary College is an excellent school with strong leadership, committed teachers and a dedicated school council and is well supported by a parents and friends association. The college and students have been recognised and rewarded for excellence in many areas including music, outdoor education, technology and science.

The Brumby government has once again failed Pembroke Secondary College and the local community. The recent budget saw only one school in the Yarra Valley and outer east funded. This fact has resulted in unrest, fury and anger erupting in the local community and beyond. This is a disgrace. It is something that needs to be addressed by the minister and the Brumby government. Pembroke Secondary College students, teachers and school community deserve better. It is grossly unfair that the Pembroke Secondary College master plan was not funded in this year's budget. I ask the minister to please attend a meeting at Pembroke Secondary College to meet with representatives of the college community to discuss the status of the college's master plan and the future needs of the school.

Uniting Aged Care: Coburg facility

Ms CAMPBELL (Pascoe Vale) — I raise a matter for the attention of the Minister for Senior Victorians. The action I seek is that the minister promptly finalise the forwarding of all documentation to Uniting Aged Care and ensure that her department provides prompt and thorough follow-up so that the new 90-bed aged-care home in my electorate can proceed.

In October 2006 an agreement was signed between the minister and the not-for-profit aged-care provider Uniting Aged Care to see a new 90-bed aged-care home built on surplus government land in Coburg, where there is a scarcity of places for older Victorians needing residential aged care. The program launched by the government was called Land Bank. I am particularly proud that this initiative was a result of one of the recommendations of a Public Accounts and Estimates Committee report which highlighted the fact that many

aged-care people requiring permanent residential care are being accommodated in our hospitals while awaiting placement in a more appropriate service facility

These new homes for people who are currently waiting in high-care beds in public hospitals are really important. The agreement with Uniting Aged Care forms part of a fund worth \$4.8 million that was established in the budget a couple of years ago to allow surplus land in the inner suburbs to be sold or leased at concessional rates to the not-for-profit sector, to provide much-needed residential aged-care places. I highlight that it is in inner Melbourne where land prices are extremely high. If we want to keep people in their communities, it is incumbent on us to do this. I am very proud of the fact that this government has brought in Land Bank to enable the not-for-profit sector to have access to affordable land in inner Melbourne.

Uniting Aged Care has a strong history of caring for Victoria's older population. It operates both residential aged-care places and independent living units. Across Victoria Uniting Aged Care provides more than 1100 places in 17 centres. There is high demand for such a facility in the city of Moreland, considering that Moreland has the fifth largest number of residents aged 70 and over of all Victorian municipalities. More broadly, we know one in four Victorians will be aged 60 and over by 2021, and within that, those over 80 will grow at a proportionally higher rate. Over the past five years many residential aged-care places around the inner and middle parts of Melbourne have closed as older-style places have struggled to meet the commonwealth's 2008 certification requirements. The centre is sorely needed in Moreland. I congratulate the department and Uniting Aged Care.

Mount Buffalo National Park: facilities

Mr JASPER (Murray Valley) — I raise a matter for the attention of the Minister for Environment and Climate Change in another place, and ask the minister at the table to bring it to his attention. I seek urgent action to reinstate the Chalet at Mount Buffalo and facilities for the skiing and recreation industries.

Many people may not be aware that Mount Buffalo is one of our oldest national parks, with 1152 hectares around the Gorge area being declared in 1898. The Mount Buffalo National Park now encompasses some 31 000 hectares of giant trees, sheer gorges, waterfalls and stunning alpine views. Mount Buffalo has been a mecca for tourism and tourists for over 150 years. The first tourist party was led there in 1856. Its facilities,

encapsulating much of our significant tourist industry, have been developed since the 19th century.

The Chalet at Mount Buffalo was closed 12 months ago. Many would be aware that it is one of the oldest guesthouses. In the bushfires of 2006–07 we saw the unfortunate loss of the Cresta Lodge facility. I am really concerned that we need to get action from the minister to reinstate those facilities, not only the Chalet but also the skiing facilities and all of the other facilities that are used for the range of activities that take place at Mount Buffalo. Recreation activities including walking, canoeing, swimming, fishing, picnicking, sightseeing, bike riding in the warmer months, abseiling and hang-gliding are popular with the adventurous.

Of course it has been a great area for snow skiing, but not as good as some of the areas of the very high country. However, it is certainly very good for beginners and sometimes for intermediate skiers. The difficult situation that we face is that the government is not making a decision. Government members have seen the situation develop over the past 12 months, with the burning down of Cresta Lodge, the closure of the chalet and the Burbank Group wanting to reinstate the facilities. The government is saying, ‘Yes, we are going to do something about that’, and the most recent correspondence from the minister indicates that he recognises that something needs to be done about it. Negotiations are taking place, but no decisions are being made.

We now find ourselves at the start of the skiing season over the long weekend, but no decisions are being made about what is happening with that facility and the facilities at Mount Buffalo. We want urgent action from the government to negotiate with Burbank to re-establish the iconic Mount Buffalo Chalet, to reinstate the facilities and to make sure that people who want to come into north-eastern Victoria can benefit from what is an iconic area. It must be preserved into the future and utilised by people who have used it for 150 years. It is a great facility and is of historic importance for all of us in Victoria.

Mining: community education

Mr HARDMAN (Seymour) — I raise a matter for the attention of the Minister for Energy and Resources. I call upon the minister to take action to help the mining industry better understand its responsibilities to the local communities impacted on by its operations. We all know how important the resources sector is to the Victorian economy and to the state to encourage the growth of the mining industry, but this growth must be

responsible and must ensure that the impact of mining activities on local communities is limited.

Proposals for mining or exploration projects can sometimes cause some angst amongst members of local communities who fear they will be left out of the process and not given an opportunity to have their voices heard, and it is important that the industry understands its obligations on this front. It is also important that local communities understand their rights and feel confident that their concerns, should they have any, will be heard. This has been an issue in my electorate, both in the Yarra Valley, where a firm has an exploration licence, and in the Clonbinane area, where exploration is currently taking place. In the case of exploration in the Yarra Valley, I have received representations from the local shire, the Shire of Yarra Ranges, as well as from winery and tourism businesses that are concerned to ensure the values of this iconic state tourism destination remain intact and that the valuable land and production in the area will be protected from mining activity in the future.

Much of the anxiety could have been reduced, and can be reduced, by providing good information about the particular project, what it entails and what the process is before any mining can take place. In Clonbinane the local community had a recent information evening at Wandong, which came about after significant concern was raised. This meeting was well attended, and the local community was better informed as a result of the meeting. I was pleased that staff from the Department of Primary Industries as well as representatives from the exploration company came along to assist with providing information. They went through the processes involved and assured people that they have rights.

Although concerns still exist in that community, the exploration company is now better informed about the community’s expectation for future consultation with neighbours and the general community. Also, the community has expectations about the timing of this work. People in the area do not want the mining operations to work all night and to hear vehicles charging up and down the streets. They want to be informed by their neighbour about what is going on. This highlights some very good reasons for providing clear guidelines for community engagement that I believe would benefit local communities as well as the exploration companies. That is why I am calling on the minister to take action to engage with Victoria’s resources industry and make it clear to participants in that industry responsibilities they have to the communities impacted by their work.

Wellington Road–Westminster Drive, Rowville: pedestrian safety

Mr WAKELING (Ferntree Gully) — I raise a matter of grave concern for the attention of the Minister for Roads and Ports. I call upon the minister to take action by directing VicRoads to install full electronic signals at the school crossing on Wellington Road in Rowville near Westminster Drive. In 2006 I strongly advocated the installation of signals at this location and I have not been the only person advocating for this upgrade. The Knox City Council has identified this upgrade in its list of priorities for VicRoads 2008–09 road program. Furthermore, Mr Phil Hesse, the principal of St Simon's Primary School, which is located near this crossing, has also discussed with me the importance of installing full traffic and pedestrian signals. However, the minister should not think that only students of St Simon's would benefit from doing this.

Students at both Rowville Primary School and Rowville Secondary College also cross at this location. Furthermore, the wider community would also benefit, because currently it is only a supervised crossing during times when students are travelling to and from school; however, full traffic and pedestrian signals would allow Rowville residents to cross here outside of these times. In addition to being a tangible safety improvement, the installation of signals at this crossing would provide benefits to residents living in the Heany Park estate in the south of my electorate.

Heany Park has been plagued by traffic congestion far beyond reasonable expectations, much of which has been caused by residents of Casey and Cardinia shires rat-running through local streets in Heany Park to avoid the increasingly clogged and congested Stud and Heatherton roads. Wellington Road is also congested, with traffic banking up from intersections at both Stud Road and Taylors Lane. This creates havoc for local motorists attempting to access Wellington Road from Westminster Drive. Presently motorists on Westminster Drive are given some reprieve when pedestrian crossing guards stop traffic on Wellington Road, allowing traffic ahead to partially clear and a few cars to exit Westminster Drive. The installation of full signals at this crossing would allow traffic to stop more frequently at times when the crossing is not staffed with crossing guards, allowing motorists better access to Wellington Road.

The government has failed to act on the Rowville rail feasibility study, which the Knox City Council found in its pre-feasibility report would remove 800 cars from the Monash Freeway and local roads equal to an entire

lane of traffic. Instead this additional lane is clogged on Wellington Road. Since first promising a feasibility study into Rowville rail, the government has had almost 10 years to act. If the government cannot deliver a rail line to my constituents, it could at least minimise the impact of road congestion by installing full signals at this school crossing.

I urge the minister to listen to the needs of Rowville residents and to improve accessibility of local roads to protect the lives of students and other pedestrians by taking action and installing traffic signals at this school crossing.

Airlines: frequent flyer programs

Dr HARKNESS (Frankston) — I raise a matter for the attention of the Minister for Consumer Affairs. I am very pleased that he has been here for a few hours waiting for me to come and raise my matter on the adjournment debate, and I am very grateful to him for that.

The action I seek is that the minister investigate through Consumer Affairs Victoria the terms and conditions of various airline frequent flyer programs. I have been approached by a constituent who has expressed a degree of concern to me about what she describes as the constant jiggling and changing of rules and conditions in the contracts of the Qantas frequent flyer program. In fact my constituent explained to me that she is a regular traveller and joined the Qantas program quite some time ago, but constant alteration to the terms and conditions of the program is causing her concern and confusion, and she questions the fairness and equity of this occurring. In fact so concerned is my constituent about the changing terms and conditions of the contract between that airline and herself as the consumer that she has retained copies of different versions of the terms and conditions which are quite different in many parts.

The complexity of terms and conditions is indeed leading people to confusion. Members of such schemes, some of whom are very frequent Qantas passengers and who are entitled at face value to substantial benefits under the scheme, need to be protected. Many people these days lead very busy lives and therefore do not have time to read all of the fine print and red tape associated with these types of contracts. Those consumers who take the time to read the terms and conditions of a scheme they elect to become a member of should not then be confronted with different terms and conditions some time later and not have these variances brought to their attention. Indeed these contracts can often be like a trilogy in five parts!

The Fair Trading Act 2003 has been amended to include provisions making unfair terms in contracts void. The concern about unfair contract terms is firstly associated with take-it-or-leave-it standard form contracts. Unfair contract terms and contracts can be found in quite a number of different industries, such as those involved in window and floor coverings, online auctions, pay television, mobile phones, fitness centres, internet service provision, events, rental cars and of course airline loyalty programs.

I am aware that in August 2006, in the first case testing Victoria's unfair contract laws, the Victorian Civil and Administrative Tribunal determined that the contracts of a mobile phone company were unfair because the company was able to unilaterally vary its contracts, deny liability when it could not provide a service and various other things. As this appears to be continuing to occur in the airline industry with loyalty schemes, I reiterate my keen desire for the minister to investigate such schemes on behalf of my constituents and many other consumers throughout Victoria.

Mount Erin Secondary College: future

Mr BURGESS (Hastings) — I wish to raise a matter for the Minister for Education concerning the government's intended actions regarding the Somerville campus of the Mount Erin Secondary College. I ask that the minister urgently meet with the parents of the children who attend this school and listen carefully to their concerns. The Department of Education and Early Childhood Development recently advised parents that a report had been commissioned that recommended the two campuses, Somerville and Frankston, become separate and independent schools, and that consideration be given to a reduction in the year levels offered at Somerville to years 7 to 9.

Concerned parents have contacted me in relation to the lack of consultation surrounding this report, its findings and the immediate and future implications that such changes would have for their school. Details of the review have not been forthcoming, and I have therefore submitted an FOI request in relation to the report and its findings.

The Somerville campus of the college opened in 2006, and residents were jubilant that they now had somewhere local to have their children educated. The government had been opposed to building a secondary college in Somerville, and it was only after a very effective campaign by the local community that it was forced into doing so. Like a petulant child that did not get its way, the government has taken every opportunity to hobble the school since. Even the initial

announcements that the school would be built were carefully crafted to disguise the government's intention to never allow it to become a years 7 to 12 campus.

The charade was so elaborate that when adjoining land became available for purchase, every excuse imaginable was used in order not to acquire it, including 'being unaware of the sale', 'already enough land' and 'no money available'. With the release of this report, parents have been advised for the first time that the government has no intention of allowing Somerville to become a years 7 to 12 school due to space restrictions and student numbers. This is an unbelievable statement, given it was the government that refused to acquire the land.

There has been a large population increase across the peninsula, and 2006 census data indicates that Somerville has received a significant percentage of that growth. Some time ago I met with planners from the education department, the people we rely on to provide the facilities for the education of our children. They proclaimed that Somerville did not even need the school it had because the numbers of children in the area were going to drop. However, when I asked what impact they had assumed there would be on those numbers in view of the government's development of the port, they asked, 'What port?'

The port of Hastings will be a \$6 billion development. It is the largest project Victoria has ever seen, and according to the government itself, it will have a significant effect on the population of surrounding towns; yet these government planners did not even know that the plans existed.

Once again parents of students at the Somerville campus of Mount Erin Secondary College are faced with an uncertain future for their children. This is a disgraceful situation for the parents and students, and I urge the Minister for Education to meet with those parents and listen to their concerns.

Preschools: Bundoora electorate

Mr BROOKS (Bundoora) — I wish to raise a matter for the attention of the Minister for Children and Early Childhood Development. The specific action that I seek is for the minister to fund capital improvement works at two preschools in my electorate: the Macleod preschool in Birdwood Avenue, Macleod, and the Grace Park preschool in Nepean Street, Greensborough. Further to the significant investments this government has made in early childhood development, I note that there is a capital program to assist local preschools in upgrading their facilities.

The two preschools I have mentioned are essentially owned by the local council. The government has put in place a great program. The Department of Education and Early Childhood capital works program grants this year, in partnership with local government, will help to improve those preschool facilities.

Macleod preschool is currently seeking \$100 000 to extend its building, and I am told that its preschool program this year is running to capacity with just under 100 children in the three-year-old and four-year-old kindergarten programs. Enrolments for 2009 have already been filled, and there is a waiting list, so that is a preschool that is experiencing a high demand for places. It is a very progressive and forward-thinking preschool that has developed a five-year strategic vision which would see additional space added and the provision of an occasional care program. I am advised that the money that is being sought would be used to help to improve the entrance to the existing facility as well as increase office space, secure the meeting room area and provide additional space.

Grace Park preschool is one that I had some involvement with during my time at the local council in that area. It is a great preschool, again run by a local parents committee who are all volunteers. It is seeking \$93 805 to upgrade much of the outdoor area, including the play equipment, installing a shed, putting blinds on the verandas and doing some landscaping work. These are great local projects for local community organisations, and assistance with funding would be an example of this government working in partnership with not only those preschool communities but also the local council to support the children and families of children who attend those centres to enjoy the fantastic educational and social opportunities that are provided by preschools.

Morwell electorate: speech pathology and therapy services

Mr NORTHE (Morwell) — I wish to raise a matter for the attention of the Minister for Children and Early Childhood Development. The action I seek is for the minister to ensure that children residing in the Morwell electorate have appropriate access to speech pathology and speech therapy services. I am sure that all members of the house understand the importance of our children being able to access early intervention and special needs services such as speech therapy, and the benefit that such services provide to individuals and families.

My office is regularly approached by parents of children who are extremely concerned at the lack of accessibility to such services within the health and

education systems. Many of these children have autism, Asperger's syndrome or language disorders, and speech therapy is deemed to be an imperative ingredient in enhancing their development. Once their children commence primary school, parents feel that access to such services is non-existent, due to a lack of funding for these schools.

Many students, particularly those with less severe disabilities, appear to not qualify for appropriate funding assistance that would make a significant difference to their lives. While this problem is relevant to government schools, the situation appears to be exacerbated in independent and Catholic schools. I have heard many stories where the suggestion has been made to a parent that they consider enrolling their child in a government school as these schools generally have enhanced access to government funding for disability services.

This is a terrible situation to contemplate for those with strong links to independent and Catholic schools. Whilst individual schools do their utmost to provide appropriate speech therapy services, there has been a vacancy for a speech pathologist in the Morwell cluster of schools for more than two years. Many school councils raise their own funds to effectively employ a speech pathologist on a part-time basis; whilst this is welcome, it does not alleviate the unmet need. In many circumstances parents simply cannot afford the services of a private speech pathologist, and the children therefore fall between the cracks of service delivery.

To exacerbate the issue, Latrobe Regional Hospital (LRH) will cease providing paediatric speech pathology services from 1 July. This is no fault of the hospital, as I believe it is not funded to provide this service, but it is another example of the shortfall in the number of speech pathologists in the Morwell electorate. Many of the children who were accessing services at LRH now potentially sit on the extensive waiting lists for alternative providers. Traralgon mother Louise Varsaci outlined this specific issue in the *Latrobe Valley Express* of 9 June.

The Brumby government says it understands the importance of early childhood development, but it has failed to address the need for appropriate access to speech pathologists for the children most in need. The action I seek is for the minister to ensure that children residing in the Morwell electorate have appropriate access to speech pathologists and speech therapy services.

Meredith Kindergarten: funding

Mr HOWARD (Ballarat East) — I raise an issue for the Minister for Children and Early Childhood Development with regard to Meredith Kindergarten. I am aware that it has applied for capital funding to do some upgrade work, and I ask that the minister take action in support of this application.

Meredith Kindergarten operates out of an old bluestone building in Meredith. The building has needed much work over the years, both to maintain the structure and to ensure it can meet the requirements of its current use as a kindergarten. I am aware that some years ago our government provided funding to upgrade the facility to meet the requirements of the Department of Human Services, but I understand that now further work needs to be done on the building. The flooring has deteriorated badly, inside it is in need of a paint job to freshen it up, and the office and meeting room also need refurbishment. I ask the minister to look at this issue and give it due consideration. I hope the kindergarten can be successful in attracting the necessary funding.

Meredith is a great town in my electorate. It has a great community, which has worked in a range of ways over the years. The Meredith town team has provided many artworks around the precincts of the town to make it more interesting, livable and appealing. Groups have also ensured that the neighbourhood house has been well developed and supported. The hall committee has seen that the hall is upgraded, and I am pleased to have worked with it to gain government funding in support of that. There are many other groups — for example, the group that established Pioneer Park, which has made that a very good nature walk.

We all know that kindergartens rely on small committees of management to ensure that they function well and that any funding they can gain from government to support the necessary work they do is much appreciated. This is particularly the case with the Meredith Kindergarten. It is in an old building that is in need of refurbishment. I would therefore be very pleased if the minister were able to provide the funding to ensure that this kindergarten can continue and make Meredith a great community.

Responses

Mr BATCHELOR (Minister for Energy and Resources) — The member for Seymour raised with me the need for the government to help the mining industry better understand its responsibilities to local communities impacted by its operations. The resources

sector is worth more than \$5 billion to Victoria annually. It currently employs more than 10 000 people and also provides many benefits to regional Victoria and regional economies. We hope the mining and resources industry continues to grow and benefit Victoria's economy, but we also acknowledge that this has to be done in a responsible way.

I agree with the member for Seymour that communities must have clear expectations about the industry's responsibilities as that growth continues. This is a very important issue, and it is one that the Brumby government takes very seriously. This is why over the last couple of weeks we have held information sessions to brief industry on new requirements for mining and mineral exploration in Victoria, including the new community engagement guidelines. These information sessions have been held across the state in places where mining activity is generally undertaken, including places like Ballarat, Bendigo, Benalla and Traralgon; they have also been held in Melbourne. Two key documents were launched at the information sessions; a new code of practice for minerals exploration and community engagement guidelines.

The code of practice for minerals exploration provides practical guidelines on how exploration works should be carried out in Victoria to meet regulatory requirements and environmental standards. The community engagement guidelines provide clear direction on when and how the industry should consult with communities before, during and after mining works. Clearly it is important to strike a balance between reducing red tape for the mining industry so that it can continue to grow and also minimising the impact of mining activities on local communities. I suggest to all those people who are interested in these new guidelines that they can be found at the government's Department of Primary Industries website.

In relation to the exploration activities at Clonbinane and the Yarra Valley which the member for Seymour referred to, a resources company in this case, Beadell Resources Ltd, has been granted an exploration licence. It is important that all concerned parties understand that an exploration licence does not allow mining; the specific purpose of this licence is for looking and not for mining.

However, if a resource is discovered during the exploration process, the licensee must then apply for a mining licence whether if it wants to exploit that resource. Mining can only occur after an approval has been granted under the planning system, which at that stage provides a further opportunity for public input.

Both the Yarra Valley and Clonbinane communities are actively engaged in putting their views forward. In relation to the Yarra Valley, a number of landowners put in objections to the granting of an exploration licence following the statutory publication of the application notice in both the *Age* and the *Lilydale Yarra Valley Leader*.

Those who responded in the Yarra Valley were provided with a useful publication in addition to having their objection specifically taken on board. The publication is provided by the Department of Primary Industries and is called *Landowners' Questions Answered*. We suggest that any interested parties should get access to that publication, whether they are from the Yarra Valley or Clonbinane. As I understand it, a community meeting was held in Clonbinane at the instigation and insistence of the local community to gather further information. The Department of Primary Industries assisted in undertaking that community meeting.

The Yarra Valley or Clonbinane communities know that their views will be taken into account just as the needs and views of the applicants also need to be taken into account. But once again I stress that in these two circumstances, exploration licences have been granted but they do not allow mining. There will be further opportunities for community engagement and participation should mining resources be found and if there is a need to export them.

In addition, as I indicated at the commencement of my adjournment response, we have changed the laws and now require more detailed community consultation by resource companies in the areas that the companies are seeking to undertake exploration activity.

Mr ROBINSON (Minister for Consumer Affairs) — I am pleased that the member for Frankston has raised what is an important and significant issue to many thousands of Victorians. It relates to frequent flyer programs and their terms and conditions, the ease with which people can understand them and the fairness with which they operate. It is an important issue. The member has sought an investigation of these matters to make sure that consumers are getting a fair deal.

I think I speak for all members of this house when I say that frequent flyer programs have been a very welcome innovation in airline travel in the last 15 or 20 years. They have been very successful — —

Mr Hodgett interjected.

Mr ROBINSON — Notwithstanding the member for Kilsyth's obsession with redeeming the value of his

200 000 Ansett frequent flyer points, we wish him good luck. I suggest he get over it and look forward. I think he needs to move on in his life. Nevertheless most members in the house do not have that sort of problem; we think this is a welcome innovation. It shows, and we were just talking about this on a bill a few minutes ago, that where you introduce competition you get innovation, and that is a good thing. You could stick with existing operations, but had we stuck with the old industry of 50, 40 or 30 years ago we would never have got the frequent flyer programs that we have today nor the discount airline prices that we have today. We think that frequent flyer programs are a good thing.

However, like many things in the airline industry the programs are very complex. There is probably as much material on terms and conditions in small print as there is on how you can redeem points, if you have points that are worth redeeming. This is a complex matter, and it is a matter that, like quite a few things in the airline industry, has not been tested in the courts very often. Victoria has very well-developed consumer protection. The Bracks government oversaw the introduction of unfair contract terms provisions into the Fair Trading Act, and they are broadly recognised as being amongst the most effective provisions of any consumer protection legislation in the country. Over recent years they have been a very useful tool.

I can advise the member for Frankston that Consumer Affairs Victoria (CAV) put those powers to good use in relation to Qantas's frequent flyer program. Late last year it began discussions with Qantas about the concerns it had about its frequent flyer program and the fairness of its terms and conditions. A short time ago CAV reached an agreement with Qantas about changes that it would make to its frequent flyer program.

In particular through this negotiation with CAV, Qantas agreed to: improve notification procedures for consumers when there are changes to the program's terms and conditions, including benefits; improve notification to consumers in the event that the program is terminated or suspended, and I know that is of interest to the member for Kilsyth — it will give members at least six months notice; and make terms concerning liability clearer with explicit references to consumer protection legislation, something I think all Victorians would appreciate. The company agreed that some terms needed to be included to reflect the actual practices of Qantas rather than some hypothetical model that they might have been based on at the point of inception. The company agreed to clear expressions of its terms and conditions, and that is always a very welcome development.

The government is very pleased that Qantas worked constructively with Consumer Affairs Victoria to ensure that its program better reflects the provisions of Victorian legislation and in fact represents a better deal for consumers who put those frequent flyer points to good use. If you are in a position to accumulate a large number of frequent flyer points, they are redeemable for things of considerable value, so we think that is a very important development.

We commend Qantas for its willingness to be involved in those discussions, and I congratulate the people at Consumer Affairs Victoria who have been involved in that very detailed work on complex matters for some time. I can assure the member for Frankston that Consumer Affairs Victoria will continue those discussions with other airlines that feel their frequent flyer programs also need to be brought up to date and modernised.

Mr Kotsiras — How many have you got, Tony?

Mr ROBINSON — I don't have many.

Mr Kotsiras interjected.

Mr ROBINSON — No, I don't think so. I am not sure how many I have.

Mr Kotsiras interjected.

Mr ROBINSON — Whatever I have, I am very sure it is less than the member for Bulleen has.

Mr Kotsiras — Want to trade?

Mr ROBINSON — I am very sure I have fewer than the member for Bulleen.

I thank the member for Frankston for raising this issue and for his ongoing interest in consumer affairs matters.

The member for Kilsyth raised an issue for the attention of the Minister for Education in respect of Pembroke Secondary College and its master plan funding, and I will refer that matter on.

The member for Pascoe Vale raised an issue for the attention of the minister responsible for aged care in relation to the finalisation of documentation for the aged-care facility in her electorate proposed to be run by Uniting Aged Care.

The member for Murray Valley raised an issue for the Minister for Environment and Climate Change in the other house regarding the reinstatement of the famous Mount Buffalo Chalet, one of the highlights of his electorate for the tourist trade, and I will pass that on.

The member for Ferntree Gully raised an issue for the attention of the Minister for Roads and Ports regarding his desire for the installation of signals at the crossing near the intersection of Wellington Road and Westminster Drive, Rowville, and I will pass that matter on.

The member for Hastings raised an issue for the attention of the Minister for Education in respect of the Somerville campus of Mount Erin Secondary College, I will pass that on.

The members for Bundoora, Morwell and Ballarat East all raised matters for the attention of the Minister for Children and Early Childhood Development. Two matters were in respect of capital funding for preschools, and in the case raised by the member for Morwell, in respect of the provision of speech pathology and speech therapy services for children. Those matters will be passed on.

The ACTING SPEAKER (Mr Nardella) — Order! The house is now adjourned.

House adjourned 10.42 p.m.