

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE ASSEMBLY

FIFTY-SIXTH PARLIAMENT

FIRST SESSION

Tuesday, 8 April 2008

(Extract from book 4)

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*): Mr Delahunty, Mr Haermeyer, Mr McIntosh, Mrs Maddigan and Mr Morris. (*Council*): Mr Leane and Ms Mikakos.

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

Education and Training Committee — (*Assembly*): 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 Hall and Mr Somyurek.

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

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

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

Rural and Regional Committee — (*Assembly*): 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, Mr Lupton, Ms Marshall, Ms Munt, Mr Nardella, Mrs Powell, Mr Seitz, Mr K. Smith, Mr Stensholt and Mr Thompson

Leader of the Parliamentary Labor Party and Premier:

The Hon. 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	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 ³	Albert Park	ALP
Hudson, Mr Robert John	Bentleigh	ALP	Tilley, Mr William John	Benambra	LP
Hulls, Mr Rob Justin	Niddrie	ALP	Trezeise, 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	Woodridge, 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 6 August 2007

⁴ Elected 15 September 2007

CONTENTS

TUESDAY, 8 APRIL 2008

ABSENCE OF MINISTER.....	899	<i>Health: eastern suburbs.....</i>	916
BUSINESS OF THE HOUSE		<i>Kyneton Teddy Bears Picnic</i>	916
<i>Sound system</i>	899	<i>WorkCover: premiums.....</i>	917
<i>Notices of motion: removal.....</i>	908	<i>Ringwood Spiders Football Club</i>	917
<i>Program</i>	910	<i>Consumer affairs: federal legislation.....</i>	917
QUESTIONS WITHOUT NOTICE		<i>Jean McKendry.....</i>	917
<i>Planning: land supply</i>	899	CO-OPERATIVES AND PRIVATE SECURITY ACTS	
<i>Water: national plan</i>	900, 902	AMENDMENT BILL	
<i>Rail: infrastructure.....</i>	901	<i>Second reading</i>	918
<i>Water: food bowl modernisation project.....</i>	901	<i>Third reading</i>	931
<i>Public transport: infrastructure.....</i>	902	ESSENTIAL SERVICES COMMISSION AMENDMENT	
<i>Public transport: ticketing system</i>	903	BILL	
<i>Transport: east–west link needs assessment</i>	903	<i>Second reading</i>	931
<i>Police: Frankston.....</i>	904	<i>Consideration in detail</i>	958
<i>Children: protection.....</i>	904	<i>Third reading</i>	962
DISTINGUISHED VISITORS.....	901	ADJOURNMENT	
CONDOLENCES		<i>Minister for Tourism and Major Events: media</i>	
<i>Hon. John Norman Button.....</i>	905	<i>release</i>	962
THE UNITING CHURCH IN AUSTRALIA		<i>Pascoe Vale Girls College: upgrade.....</i>	962
AMENDMENT BILL		<i>Rail: north-eastern Victoria</i>	963
<i>Introduction and first reading.....</i>	908	<i>Consumer affairs: International Award Payment</i>	
CHILDREN’S LEGISLATION AMENDMENT BILL		<i>Centre.....</i>	963
<i>Introduction and first reading.....</i>	908	<i>Electricity: blackouts</i>	964
PETITIONS		<i>Adult literacy: Young Readers program</i>	964
<i>Water: north–south pipeline</i>	908	<i>Disability services: supported accommodation</i>	965
<i>Water: catchment logging.....</i>	909	<i>Geelong: netball courts</i>	965
<i>Rail: Northcote level crossing.....</i>	909	<i>Mornington: harbour facilities.....</i>	966
SCRUTINY OF ACTS AND REGULATIONS		<i>Consumer affairs: letter scams.....</i>	967
COMMITTEE		<i>Responses</i>	967
<i>Review 2007</i>	909		
<i>Alert Digest No. 4.....</i>	909		
DOCUMENTS	909		
ROYAL ASSENT.....	910		
APPROPRIATION MESSAGES	910		
MEMBERS STATEMENTS			
<i>Hon. John Button</i>	911		
<i>Portland: boat ramp.....</i>	911		
<i>Port Phillip interfaith network.....</i>	912		
<i>Rail: north-eastern Victoria.....</i>	912		
<i>Transport: east–west link needs assessment</i>	912		
<i>Zimbabwe: elections</i>	913		
<i>Strathmore Greek Senior Citizens Club</i>	913		
<i>Electricity: blackouts.....</i>	913		
<i>Seymour electorate: neighbourhood renewal</i>			
<i>project.....</i>	914		
<i>Royal Children’s Hospital: Good Friday appeal.....</i>	914		
<i>Agriculture: genetically modified crops</i>	914		
<i>Bass Coast Regional Health: staffing.....</i>	915		
<i>TangledWebs: donor conception.....</i>	915		
<i>Nepean Highway–Bay Road, Cheltenham:</i>			
<i>traffic infringements.....</i>	915		
<i>Buses: Frankston electorate</i>	916		
<i>Children: Wise Choices — Safe Children</i>			
<i>initiative.....</i>	916		

Tuesday, 8 April 2008

The SPEAKER (Hon. Jenny Lindell) took the chair at 2.05 p.m. and read the prayer.

ABSENCE OF MINISTER

The SPEAKER — Order! I advise the house that the Leader of the House, the Minister for Community Development and Minister for Energy and Resources, will be away for this week. Questions directed to the Minister for Community Development will be answered by the Minister for Local Government and Minister for Housing; questions for the Minister for Energy and Resources will be answered by the Minister for Water and Minister for Finance, WorkCover and the Transport Accident Commission; and the responsibility of Leader of the House will fall to the Minister for Police and Emergency Services.

BUSINESS OF THE HOUSE

Sound system

The SPEAKER — I also advise the house that an upgraded sound system has been installed in the chamber in the last two weeks. I advise members that on occasions they might notice that not only their microphone but also an adjacent microphone has been turned on. That facility has been installed with this system to help with the recording for Hansard. I should also let members know that these particular microphones do not simply pull out of their holders; they need to be unscrewed before being pulled out. I do not think members would ever have to do such a thing!

QUESTIONS WITHOUT NOTICE

Planning: land supply

Mr BAILLIEU (Leader of the Opposition) — My question is to the Premier. I refer to reports of yet another leaked document containing high-level departmental advice that reveals that the government's much-touted urban growth zone is a sham which is not needed, would worsen red tape and create new bottlenecks in planning as well as in infrastructure service delivery, and I ask: given the Premier proceeded with the urban growth zone announcement despite this departmental advice, why did the Premier mislead Victorians on its impact?

Mr BRUMBY (Premier) — I make the obvious point at the outset that at the moment Melbourne and

Victoria are grappling with population growth the likes of which we have not seen for decades. The city of Melbourne is growing by almost 1500 people per week and our state regional centres are growing more rapidly than they have for decades. In those circumstances we need to ensure there is an adequate supply of land coming onto the market and, more importantly, that the land coming onto the market is affordable, particularly for first home buyers.

The initiatives I announced earlier this year, in February, have been very well received by the community and by those in the development industry, who believe they will significantly improve the level of supply of land coming onto the market and significantly reduce the cost of that land to first home buyers. This is very different to the set of issues we had in the 1990s, when 40 000 people — —

Honourable members interjecting.

Mr BRUMBY — All gone! Every year 40 000 people were leaving the state; they could not get away fast enough from the government of the day. They were leaving Victoria then, but they are returning to Victoria now.

In relation to the matter the Leader of the Opposition raised, let me just refer to what those who know about the impact of housing supply issues and those who care about housing affordability issues said in relation to the plan. The Real Estate Institute of Victoria said 'Land supply when added to tax breaks will make property more affordable':

REIV CEO Enzo Raimondo has welcomed the announcements by the state government to release more land for housing and the federal government to provide tax breaks to create 100 000 affordable rental homes.

Mr Raimondo said that the action by the Premier and the Prime Minister would assist housing affordability in the medium term.

The Master Builders Association said 'Land release a good first step, but more required':

Victoria's peak construction industry body, the Master Builders Association, has welcomed the state government's decision to free up more land within Melbourne's growth boundary ...

And the examples go on. The *Australian* of 5 March 2008 states:

Tony de Domenico — the head of the Victorian division of the Urban Development Institute of Australia ... said Victoria had set an example for other governments —

to follow.

The Leader of the Opposition opposes every single initiative which is put up in relation to the future growth and prosperity of this state. The Leader of the Opposition does not have a plan on health, does not have a plan — —

Honourable members interjecting.

The SPEAKER — Order!

Mr BRUMBY — He does not have a single initiative. Those in the industry who are concerned about the availability of supply believe this to be a very positive initiative.

Water: national plan

Mr HARDMAN (Seymour) — My question is to the Premier. Can the Premier outline to the house how the recent Murray–Darling Basin agreement on water will make regional Victoria the best place to live, work and raise a family?

Mr BRUMBY (Premier) — I certainly remember being in this house last year when the Leader of The Nationals capitulated after he had the call from the then federal minister for agriculture and member for Gippsland and the real Leader of The Nationals in Victoria, Peter McGauran, to perform a somersault, a backflip, and support the national plan, which he had previously not supported. Had Victorians at the time agreed to the proposition put by the Leader of The Nationals and the Liberal Party, Victoria's interests would have been sold out for a song. We did what was right for our state and for the Murray–Darling Basin.

Following the recent COAG (Council of Australian Governments) meeting, under the agreement I signed with the Prime Minister Victoria now has a say in the development of the national water plan — a say which it did not have 12 months ago. Under the plan we agreed to, Victoria has a right to review the national water plan if the plan which is drawn up is not acceptable to our state. Under the agreement at COAG the state's water share — 50 per cent of water from the Murray — is maintained until 2019, providing security for irrigators and our state. On top of all those wins we achieved for our state, the commonwealth has committed to \$1 billion for stage 2 of the food bowl modernisation project.

That means that in total there will now be record investment of around \$2 billion poured into northern Victoria for what is easily the region's greatest infrastructure project. We will see thousands of direct construction jobs created, northern Victoria will share in around 400 gigalitres of new water created from

savings and of course there will be more water flowing down the Murray River, which will be of great benefit to towns along the Murray, of great benefit to tourism and of benefit to South Australia as well.

The only critics of this plan that I can find anywhere in Australia are the Victorian leader of the Liberal Party and the current state Leader of The Nationals. Here is what others say about this. An article by Peter Hunt in the *Weekly Times* of 2 April is headed 'Late signing a win for agriculture'. The *Age* newspaper, quoting Simon Ramsay of the Victorian Farmers Federation, states:

This plan is a win-win for farmers and the environment.

Dudley Bryant of Northern Victorian Irrigators said 'the deal Brumby did' is a far better deal than 'the Howard government proposed a year ago'.

The mayor of Shepparton, Eric Bott, said:

... a 'great shot in the arm' for the region ... '\$2 billion is what we have to spend in the area, we'll never see that again' ... 'The economic benefit of what that creates alone is mind boggling'.

An editorial in *Stock and Land* states 'The verdict — Water plan gets irrigator tick'.

On 28 March the *Age* editorial states:

... Victoria will end up significantly better off than it would have — —

Mr Baillieu interjected.

Mr BRUMBY — Listen to the quote — I think the *Age* is talking to you, Ted:

... Victoria will end up significantly better off than it would have been had it capitulated on the terms originally proposed by the Howard government.

Richard Anderson, the Victorian Farmers Federation Water Resources Committee chairman, is reported in a media release as saying:

When this first started last year with the previous federal government we certainly had concerns.

I would go as far to say that nearly all of those concerns have now been met in terms of yesterday's deal.

It gives us some surety here in Victoria in terms of our water security.

We had a pretty clear choice: we had the Liberal and National parties' way, which was to roll over, capitulate and do nothing for irrigators in our state; or we held out, negotiated and got an outstanding deal for Victoria, and that is what we achieved.

Questions interrupted.

DISTINGUISHED VISITORS

The SPEAKER — Order! Before calling the Leader of the Opposition, I welcome members of the Hellenic Parliament, who are members of the parliamentary Special Permanent Committee on Greeks Abroad — Mr Adam Regouzas, Mr Christos Aidonis, Mr Achilleas Kantartzis, Mr Antonios Karpouzas and Mr Ilias Fotiadis — and who are escorted by the Consul General of Greece, Christos Salamanis. We welcome them very much today, and I apologise for my dreadful Greek pronunciation.

Questions resumed.

Rail: infrastructure

Mr BAILLIEU (Leader of the Opposition) — My question is to the Minister for Public Transport. I refer the minister to the leaked high-level departmental advice on the Premier's recent urban growth zone announcement, which states:

This is, in part, how issues such as non-delivered new railway stations or rail line extensions have come about. The proposed new process does not fix this situation, rather it has the potential to make it worse ...

I ask: does the minister agree with advice from her own department?

Ms KOSKY (Minister for Public Transport) — I thank the Leader of the Opposition for his question. As the leader would know, we get many, many pieces of information and advice before we take decisions as a government.

Honourable members interjecting.

Ms KOSKY — Many, many pieces of information and advice! All the work that has been done around the growth areas takes into account a lot of advice from a whole range of different departments and looks at a whole range of aspects.

By taking into account all of the advice, we will ensure that we have proper developments in place for the incredible population growth that we are having here in Melbourne — population growth that was never seen under the previous Liberal government and population growth that we will cater for in terms of services.

Water: food bowl modernisation project

Ms GREEN (Yan Yean) — 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 him to update the house on the progress of the food bowl modernisation project.

Mr HOLDING (Minister for Water) — I thank the member for Yan Yean for her question. This is an opportunity not only to remind the house of the great progress that has been made in putting in place a framework for delivering modernisation of irrigation infrastructure in the state's north but also to contrast where we stand in providing security of water supply for all Victorians regardless of where they live and the lack of a framework, policy or vision of those opposite, who offer nothing in terms of providing long-term water security for Victorians. We know that climate change and drought are facts of life. We know these are particularly challenging issues for Victorians who live in northern Victoria. That is why as a government we have acted decisively to put in place a framework which will provide long-term security for all Victorians regardless of where they live.

We cannot afford to just pray for rain. In fact we remember that the former federal leader of those opposite wanted us to merely pray for rain, but we know that you need to do something practical and tangible about it. That is why we have offered northern Victorians stage 1 of the food bowl modernisation — a \$1 billion investment in updating antiquated infrastructure in northern Victoria. This is an irrigation system that is outdated. It is a broken system. It is a system that you cannot rely on to provide highly efficient water delivery to irrigators who need it. We know it is a system that incurs very significant losses. At the moment it operates at 70 per cent efficiency. That is not good enough.

We know from our experience with other irrigation systems where significant modernisation programs have taken place, such as in the Macalister system and at Coleambally on the Murrumbidgee, that we have been able to deliver far better outcomes in terms of efficiency by investing in those systems. We know that in northern Victoria, in the food bowl, irrigated agriculture and horticulture are tremendously important to those communities. They are worth \$1.5 billion in exports and \$9 billion to our national economy and they provide employment for thousands of people. It is the reason that this government put on the table a plan to invest \$1 billion in stage 1 of the food bowl modernisation. This is a staggering investment.

When you look at what Goulburn-Murray Water would have invested in irrigation infrastructure upgrades in a typical year, you see it was worth about \$15 million. We have now put on the table \$1 billion for stage 1, and we have been able to use that to leverage up to \$1 billion in federal funding to support stage 2, to capture something like 425 billion litres in water losses that have been occurring in this system over many years. We have nailed our colours to the mast. We have made it very clear where we stand in providing long-term security for Victorian irrigators.

I was very pleased to be in Shepparton last Friday with the federal Minister for Climate Change and Water to announce the commencement of early works for stage 1. This is \$100 million for 1000 flume gates and 1000 new meters to be delivered over the next three or four months, and at the same time that rolls out with the Central Goulburn 1–4 channels, \$179 million of investment — that is \$280 million of investment in this year when in a typical year that area would have had \$15 million of investment. We have now put on the table \$2 billion of investment for stages 1 and 2. We are going to return the water that is saved to irrigators, we are going to return the water that is saved to stressed rivers and to the environment and we are going to return the water that is saved to urban communities as well. This is a win-win-win for irrigators, for the environment and for urban communities.

Those opposite are very clear about what they oppose. They oppose everything. They oppose any measure that would provide greater water security for Victorians, but they are unwilling to say what they actually stand for. We stand for investing in irrigation upgrades and returning the water that is saved to the environment, to irrigators and to urban communities. We have made it clear where we stand in relation to these issues. The Nationals are all over the place. They do not know what they think in terms of water purchasing, meter change climate change and drought — all the things that are affecting our regional communities. We have made it clear — —

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

Mr HOLDING — We have made it clear where we stand in terms of providing a vision for northern Victoria. We are returning that water to communities that can use it in an effective way rather than refusing to invest in upgrades which would provide greater security for all Victorians.

Public transport: infrastructure

Mr RYAN (Leader of The Nationals) — My question is to the Minister for Public Transport. I refer to the reports of the leaked document containing high-level departmental advice on the urban growth zone, which states in part:

The proposed process would see the Minister for Planning making ERC submissions for new railway stations, new bus services and other new public transport infrastructure and services. This should remain the role of the Minister for Public Transport.

I ask: does the minister agree with that element of the advice?

Ms KOSKY (Minister for Public Transport) — I thank the Leader of The Nationals for his question. This government works as a team, and in relation to the growth area, unlike those opposite — —

Honourable members interjecting.

The SPEAKER — Order! The minister to continue.

Ms KOSKY — In relation to the different services that are provided as part of the Growth Areas Authority, there are a number of ministers involved in different expenditure review committee bids in relation to different areas, and that includes me in relation to public transport. It also includes the Minister for Planning in the other place. I can tell the house that I am always happy to have other ministers as well as me bidding for public transport projects because this side of the house is absolutely committed to delivering.

Water: national plan

Mr HOWARD (Ballarat East) — My question is to the Minister for Regional and Rural Development, and I ask: can the minister update the house on how the government's recent investments in water will benefit regional and rural Victoria and advise how this contrasts with other proposed approaches?

Ms ALLAN (Minister for Regional and Rural Development) — I thank the member for Ballarat East for his question. As we have heard already today in the house, the historic agreement on the Murray–Darling Basin that the Brumby government negotiated with our federal colleagues last month is a great win for regional Victoria. This agreement will see \$2 billion of investment in water infrastructure flow right across the Goulburn Murray irrigation district. That in turn will generate enormous economic activity right across the region.

An independent study has already found that the Brumby government's \$1 billion food bowl modernisation project is estimated to generate 680 jobs and \$381 million in gross state product during its peak construction phase. So now that we have another \$1 billion invested in the region by the commonwealth government, as the Minister for Water said, the potential economic benefit is huge and will really deliver great economic development opportunities right across the region. It is thanks to this government's commitment to pursuing a fair outcome for Victoria that we are in a position to reap long-term economic benefits for regional Victoria.

As we have just heard the Premier outline, this is being welcomed right across Victoria. There was one comment the Premier missed in his commentary around this issue, and it is from the *Weekly Times*. It says that with \$1 billion of federal money now on the table the coalition's own farmer constituents are much happier than with the Howard plan.

The member for Ballarat East asked if there were any other approaches. There is one — it is called the flip, the flop and the flap. Last June we were being encouraged by some to just sign up and get on with it. Luckily the Brumby government did not listen to that advice and to the Leader of The Nationals and held out. Earlier this year we received further advice from the member for Swan Hill arguing against the water plan. Again the Premier remained firm. We did not listen to that advice either, because when we reached agreement on the deal we saw the benefits for Victoria. We saw that there would be a billion dollars of additional investment across the Goulburn Murray irrigation district. Graciously the member for Swan Hill admitted that the agreement was sensible reform. That is a flip, a flop and a flap from The Nationals that is worthy of a berth in the gymnastics team at the Beijing Olympics.

In contrast to this faffing about by those opposite, today I am very pleased to announce an additional \$250 000 for two projects to maximise the economic development opportunities from this record \$2 billion investment. The first project is to set up the new Goulburn-Murray Water technologies cluster that will develop a new range of technology products and services for the irrigation sector across the region. The second project is to support the industry capability network to roll out a program across 25 regional and rural councils to help businesses in those areas to take advantage of the numerous opportunities that are going to come their way as a result of not just the \$2 billion that is going into the food bowl project but from the complete \$4.9 billion water plan that the Victorian government is delivering.

For the past 12 months we have seen The Nationals flip, flop and flap about the Murray–Darling Basin agreement while the Brumby government has worked hard, acted and delivered to ensure that regional and rural Victoria remains the best place to live, work and raise a family.

Public transport: ticketing system

Mr MULDER (Polwarth) — My question is for the Minister for Public Transport. I refer the minister to the recent sacking of the Transport Ticketing Authority's chief executive officer, Mr Vivian Miners, and I ask: could the minister advise the house of the reason behind Friday's departure of the authority's senior project manager, Christopher Niall, who was the principal representative in dealing with the Kamco consortium?

Ms KOSKY (Minister for Public Transport) — The Transport Ticketing Authority is a state-owned enterprise — —

Honourable members interjecting.

Ms KOSKY — Under legislation, which was supported in this house, it is a state-owned enterprise that employs staff, and people have the right to resign. If that is the case, we cannot prevent that. As in any organisation, people have the right to resign.

Transport: east–west link needs assessment

Mr NOONAN (Williamstown) — My question is to the Minister for Roads and Ports. I refer to the government's commitment to make Victoria the best place to live, work and raise a family, and I ask: can the minister update the house on what action the government is taking in responding to Sir Rod Eddington's report?

Mr PALLAS (Minister for Roads and Ports) — I thank the member for Williamstown for his continuing support for effective infrastructure right across Victoria. I would also like to take this opportunity to express my gratitude and the government's gratitude to Sir Rod Eddington for the work he has performed in the development of the report. Sir Rod has indicated that the report is his own work and that he has been ably assisted by the team around him.

I want to recognise the enormous volume of work that has gone into initiating what should be an information-driven debate that should now follow. The report itself comprises 300 pages and contains 20 recommendations. It is backed by nine specialist consulting reports with a total of over 1200 pages. Extensive traffic modelling was undertaken, and

essentially what Sir Rod found from his analysis was that at the moment 13.5 million trips are made right across Melbourne each year and that by 2031 the figure will be 19 million.

He also took submissions from right across the community — 138 submissions were received — and met with 76 stakeholders and various community groups. As members of this house would be aware, the key findings contained in his recommendations were that there would be a 17-kilometre rail tunnel linking Melbourne's west and its south-eastern suburbs and that there would be an 18-kilometre road tunnel essentially as an alternative to the West Gate Bridge.

The report warrants and requires careful consideration by the government. The sheer enormity of the task ahead, the size of the issues involved and the quality of the work that has underpinned the report require the government to give it careful consideration. All options will be on the table, and the government will not be ruling in or out any particular aspects until there has been a full debate in the community.

The ability to make public submissions will be available, and we encourage the public to get involved in having a view about the future of its community. They will be open until 15 July 2008, and the government's response will be released by the end of this year. We must work towards providing all Melburnians and all Victorians with access to a modern, integrated transport system so that the network can help grow our economy, enhance our livability and also preserve the state's sustainability.

By building on our achievements and investing in the future we can provide the best possible transport plan for the future of this state. The government has a strong record of investing in Victoria's infrastructure. Since 1999 we have invested \$5.8 billion in our road system. We have rolled out new trams and trains, more buses and better infrastructure for public transport right across the state. We have completed the Hallam, Pakenham and Craigieburn bypasses. We have upgraded Geelong Road and the Calder Highway and of course the \$2.5 billion EastLink project.

Mr Thompson — On a point of order, Speaker, questions that merely seek information from a report are not permitted under the rules of the house. The question put to the minister sought the government's response, and on my listening he has not indicated the government's response to the report but has just reported on the report. He is contravening the rulings of previous Chairs.

The SPEAKER — Order! I do not uphold the point of order.

Mr PALLAS — As I have indicated, the \$2.5 billion EastLink project is on track to open months ahead of schedule, and that will be good news for all Victorians. We are looking at spending \$1.9 billion on seven major road projects right across the state, which of course — —

The SPEAKER — Order! I believe, on listening carefully to the minister, that he has begun to debate the question. I bring him back to the question.

Mr PALLAS — Sir Rod Eddington in his report identifies the challenges that confront the state of Victoria, but he describes them as the symptoms of success. They are symptoms that this government is well equipped to deal with. They are symptoms that those opposite would not be particularly well acquainted with.

Police: Frankston

Mr McINTOSH (Kew) — My question is to the Minister for Police and Emergency Services. I refer to a recent audit of police rosters by the Police Association, which shows that on 12 March this year Frankston police station was operating with 22 per cent of its officers unavailable due to secondments and vacancies, and I ask: given that there has been a 34 per cent increase in violent crime in Frankston since 1999, will the minister explain why front-line police officers in Frankston were forced to operate last month with one in five officers unavailable for duty?

Mr CAMERON (Minister for Police and Emergency Services) — As you know, Speaker, we have put on 1400 extra police and the Chief Commissioner of Police and police command allocate them. Let us cut to the chase: the Brumby government fully supports Christine Nixon and the work she has done to reduce crime by 23 per cent — and it is about time the opposition as well fully supported her.

Children: protection

Ms D'AMBROSIO (Mill Park) — My question is to the Minister for Children and Early Childhood Development. I refer to the government's commitment to make Victoria the best place to live, work and raise a family and I ask: can the minister update the house on recently announced initiatives to improve the safety of children in care?

Ms MORAND (Minister for Children and Early Childhood Development) — I thank the member for

Mill Park for her question and for her interest in Victorian children. Around 300 000 children across Victoria are in some form of care. Around 2800 licensed children's services provide care in kindergartens, child-care centres and occasional care services for around 220 000 children. In addition there are 75 000 children in family day care and out-of-school-hours services.

When parents leave a child in any form of child care they want to be sure that they are leaving them in a safe, caring and quality environment that supports their learning and development. The Brumby government recognises the importance of early childhood services to a child's ability to develop to their full potential. The vast majority of children's services are doing an outstanding job. I have visited many children's services over the last six months in my role, and I have seen some great programs being introduced. However, parents want to be confident that their children are receiving safe care, that the regulations are being strictly enforced and that breaches of those safety requirements are adequately reflected in the penalties. They also want to know that it does not matter what sort of care they choose for their child, the same high standards apply.

Today I will be introducing the Children's Legislation Amendment Bill, which will double the penalties for child-care operators who fail to adequately supervise children and protect them from harm. This will reflect the importance placed on safety in children's services. The bill will also strengthen the enforcement powers of children's services advisers. In addition we will provide for the quality of the children's service program in legislation for the very first time in Victoria — this builds on the Premier's announcement last month that we will be developing an early learning framework — and we will introduce transition plans for children moving from kindergarten to prep.

The bill provides for information to be available on the Web for the first time in Australia for parents to check the record of a child-care service. They will be able to check whether or not there have been any breaches by prosecutions of that centre. This will give them greater confidence in making choices. For the first time we will be introducing family day care and out-of-school-hours care into the act and under the regulations. This reflects the growing importance of these forms of care and the very significant increase in the numbers of children who are in these forms of care. These reforms are about lifting the standards of all children's services, and all of these initiatives will support Victorian children to have the very best possible start in life.

CONDOLENCES

Hon. John Norman Button

Mr BRUMBY (Premier) (*By leave*) — It was with great sadness that I learnt this morning of the passing of John Button. John was a person I have known for some decades. He was a passionate Victorian and Australian. He was a passionate lover of the Geelong Football Club. He was a person who was witty, charming, persuasive and above all, I think he had a lovely way with people. He will be sorely missed by his loving family and by very many people throughout Victoria and across the nation.

I first met John in the 1970s when I first joined the Labor Party. He was a Victorian senator and a regular visitor to Bendigo and country Victoria. In the late 1970s and the early 1980s he worked tirelessly with the community in Bendigo to save the then Bendigo ordnance factory from what would have been a fire sale under the then Fraser government with a potentially massive loss of jobs. It was one of his many victories and a highlight of his sparkling, 19-year political history. The history books will show that John was instrumental in the ascension of Bob Hawke to the federal ALP leadership in 1983. That was the same year I was elected as the federal member for Bendigo and that John became the federal industry minister and Senate leader.

John used to love his visits to country Victoria. He was educated in Ballarat and Geelong. He used to love any opportunity to get out of Canberra and Melbourne into the country. He was widely regarded as Australia's finest industry minister; he was certainly Australia's longest-serving industry minister. He was ahead of his time in many ways. He oversaw the reform of many industries that had long been protected by very high tariff levels and quotas.

Most Australians would remember best the Button car plan — the most notable example of his reforming zeal. He saw better than most the huge competitive pressures on that industry, on the one hand, and the huge opportunities to get into export markets, on the other. It is worth remembering that in 1985 the automotive industry was protected by a tariff of almost 60 per cent. Today Australia's exports of automotive products are worth almost \$5 billion per annum. The automotive industry is our largest manufacturing export earner and one of our largest export earners in total.

When John retired in 1993 he had been the longest-serving minister in a single portfolio under the Hawke and Keating governments. That was a great

credit to him. The legendary Button energy and drive continued well after his departure from federal politics. Many people in this place will know that he was a prodigious writer. He was a wonderful storyteller. His books included *Flying the Kite* and *As it Happened*. He also received a Premier's literary award on an essay on the future of the Labor Party, which was titled *Beyond Belief*. He was an in-demand commentator and observer, and he was never backward in giving public advice, including to the ALP. Most people found his straight talking refreshing and his integrity impeccable.

He was a professorial fellow at Monash University and in recent years was on the board of the General Sir John Monash Foundation, which is based in Melbourne. The foundation administers Australia's most prestigious postgraduate scholarships, and John was instrumental in helping secure state government funding to support these scholarships. Whenever he believed more support was needed he would ring up and ask me to meet him for a cup of coffee at his favourite coffee shop, Cafe Alcaston. We would go over there, and he would talk about the needs of the foundation.

Anyone who knew John Button can testify to his extraordinary sense of humour. He would often start a conversation with a joke, and I know that every speech I saw him make in public life started with a story or comic observation.

Among his many passions in life was his beloved Geelong Football Club. He was there at last year's grand final to see the Cats win their first flag in 44 years. When he was ill late last year, having been diagnosed with pancreatic cancer and having had the first operation, the club's president, Frank Costa, and chief executive officer, Brian Cook, visited him in hospital. I understood they took the premiership cup with them to cheer him up.

As he reflects in *As it Happened*:

In politics and football there are small triumphs and sometimes big prizes. It's the same in most people's lives. You have to persevere, to take sides and, win or lose, accept the consequences. I keep the faith my team will make it, and Australia, too. It may take time.

John persevered and kept the faith. In the final months of his life he was rewarded with two resounding victories — the Cats' triumph and the election of the Rudd Labor government.

Just a couple of months ago, in February, the Deputy Premier and I had the privilege of meeting with a very frail John Button at Parliament House. We invited him in for a cup of coffee in the parliamentary dining room. It was the day before he was to have a second blood

transfusion. Many members of caucus were able to speak with him and greet him, and he was true to form, cracking jokes with many of them as he spoke to them.

In an interview with George Negus in 2004 John said:

... I am one of those people who is inclined, I think, to be active till I drop.

He was certainly true to his word. We will all miss him greatly in the Labor Party, in the Victorian community and across Australia more generally.

On behalf of the Victorian government I extend my condolences to John's family: his two surviving sons, James and Nick; his two stepdaughters; and his partner, Joan, who has provided wonderful care for him in recent times.

Mr BAILLIEU (Leader of the Opposition) (*By leave*) — John Button was a fine man, a rare politician — he had friends on all sides of the house, all sides of politics — and he was a great Victorian. There is no doubt about that. He made an extraordinary contribution to Australian life over 19 years as a minister, as a senator, as a Senate leader for the Labor Party, obviously, and as a key figure in the Hawke government. The Premier has spoken of that, and I share his thoughts.

Of course politically — and indeed physically — John Button and I did not always see eye to eye, but he and I always got on extremely well. There have been many occasions over the years when I have found myself at Kardinia Park or other venues, with my arm around John's shoulders and his arm around my waist, singing the Geelong theme song, and it was always done with great gusto.

John and I shared a number of personal interests, including his love of Richmond and his love of the Geelong Football Club. Indeed 10 years ago John and I, together with two others, formed a support group for the Geelong Football Club here in Melbourne. It has been a great success, and we would, of course, privately argue that it was the only reason the Cats won the premiership last year. I know he enjoyed it very much. We enjoyed each other's company. I know how delighted he was last year with the victory. I saw him shortly afterwards — very, very excited, he was — and I have seen him since. He was a great supporter of the Geelong Football Club, a great supporter of many institutions in the community and a great member of the Victorian community all round. I saw John a few weeks ago. He had a big smile on his face and, as the Premier said, he was still fresh with a joke. He never stopped smiling.

John Button was a thoroughly decent man. He will be greatly missed. Someone quipped to me this morning that the football club had lost another member; I have no doubt whatsoever that John is actively recruiting in a higher place to ensure future success. My sympathies go to his family. I repeat: he was a fine Victorian.

Mr RYAN (Leader of The Nationals) (*By leave*) — John Button was a fine man. He was in every sense a good bloke. I had occasion over the years that I have been in politics to meet with him intermittently at different events that we both attended, and inevitably he had very positive conversation to offer about the topics of the day. John Button had a distinguished career in politics. He was elected as the Minister for Industry and Commerce in the Hawke government in 1983 and served in that role with distinction for 10 years.

Politics of all persuasions need visionaries, and John Button was such a person. He saw Australia's place in the future in a global market, particularly in the car industry, in a way that was ahead of its time. He had the courage of his convictions from a public policy perspective to present a position on behalf of that industry which of course at the time was not at all greeted with acclamation by everybody who was associated with it — indeed, to the contrary — but he stuck to his guns about it. Ironically enough, the same industry is now under examination from the perspective of issues which for years have been part of its fabric. One need only have regard to the enormous courage which John Button brought to his role back in those years — those difficult years — to be able to say that he discharged his responsibilities ministerially in a way which did him great credit.

I last saw him in Queensland in the middle of last year, and we had, as ever, convivial conversation. He was always wonderful company, and I concur with the descriptions the Premier and the Leader of the Opposition gave of him. He will be sorely missed, and all members of this place mourn his passing.

Mr HULLS (Attorney-General) (*By leave*) — I also want to pay my respects to John Button, a great Labor stalwart, a great Victorian and a great Australian. I am sure everyone would agree that John Button made a tremendous contribution to the Labor Party and to this country. As we have heard, he served as a federal parliamentarian for 19 years. He was Leader of the Government in the Senate, and he was a minister in both the Hawke and Keating governments.

He was an intellectual and an idealist with an amazing grasp of politics and government policy, and he was always a driving force for reform. As the Premier said,

many people regarded him as one of the country's most influential industry ministers, and he certainly played a key role in reforming the car industry.

I first got to know John when I was elected to the federal seat of Kennedy. There were many icons in the caucus not the least of which was John Button. As a new member of federal Parliament, I always found that John was more than happy to mentor new members, speak to the new backbenchers and provide advice about politics or football. John and I both got out of federal politics at the same time, in 1993 — the only difference is that he got out at a time of his own choosing!

I will leave it to others to reflect on his parliamentary achievements because I knew John best as a fellow supporter of the mighty Cats; he was absolutely passionate about the Geelong Football Club and would actually often send personal notes to coaches throughout the year, particularly to Malcolm Blight when he was coaching Geelong. John would send notes to Malcolm Blight about what moves should have been made during a particular game. He also saw himself, I have to say, as a *de facto* selector, making suggestions about who should be in or out of the team in a particular week and what positions they should play in. The fortunes of the Geelong footy club were always very dear to his heart.

He used to say that football and politics had a lot in common. He said:

They are both competitive activities. You need a good full-forward. You need people who can kick goals. You need a team.

He was, as the Premier said, certainly thrilled when the Cats won the flag last year, and I saw him afterwards at many celebrations.

John did not stop working when he retired from politics. He wrote a number of books and was very generous with his time as a media commentator and in providing advice to the next generation of Labor hopefuls. Anyone who met John can certainly testify to his wicked sense of humour, his laconic wit and the very colourful language that would at times make Gordon Ramsay blush. I am deeply saddened by John's death and I know many in the Labor movement would also be deeply saddened. I extend my condolences to his family.

The SPEAKER — As a mark of respect at the passing of Senator John Button, I ask members to stand in their places.

Honourable members stood in their places.

THE UNITING CHURCH IN AUSTRALIA AMENDMENT BILL

Introduction and first reading

Mr HULLS (Attorney-General) introduced a bill for an act to amend The Uniting Church in Australia Act 1977, to consequentially amend other acts and for other purposes.

Read first time.

Mr Baillieu — On a point of order, Speaker, is this a public bill or a private bill?

The SPEAKER — Order! That will be determined once I have seen the bill.

Mr Hulls interjected.

Mr Baillieu — On that same point of order, Speaker, in regard to your previous comment, the minister has made a comment at the table. I seek clarification of whether the bill is public or private.

The SPEAKER — Order! I will check with the Clerk.

It is a decision of the Speaker as to whether it is a public or a private bill. The house can then form its own opinion.

CHILDREN'S LEGISLATION AMENDMENT BILL

Introduction and first reading

Ms MORAND (Minister for Children and Early Childhood Development) — I move:

That I have leave to bring in a bill for an act to amend the Children's Services Act 1996 and the Child Wellbeing and Safety Act 2005 and for other purposes.

Ms WOOLDRIDGE (Doncaster) — I ask the minister to provide a brief description of the bill.

Ms MORAND (Minister for Children and Early Childhood Development) — Amongst other things the bill will include family day care and out-of-school-hours care under the act and under the regulations for the first time. It will also increase penalties for breaches of the act and provide powers for the release of information to the public on breaches of the act and regulations.

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 114 to 141 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.

PETITIONS

Following petitions presented to house:

Water: north–south pipeline

To the Legislative Assembly of Victoria:

This petition of residents of Victoria draws to the attention of the house the proposal to develop a pipeline which would take water from the Goulburn Valley and pump it to Melbourne.

The petitioners register their opposition to the project on the basis that it will effectively transfer the region's wealth to Melbourne, have a negative impact on the local environment, and lead to further water being taken from the region in the future. The petitioners commit to the principle that water savings which are made in the Murray–Darling Basin should remain in the MDB.

The petitioners therefore request that the Legislative Assembly of Victoria rejects the proposal and calls on the state government to address Melbourne's water supply needs by investing in recycling and capturing stormwater.

By Dr SYKES (Benalla) (691 signatures)

Water: north–south pipeline

To the Legislative Assembly of Victoria:

This petition of residents of Victoria draws to the attention of the house the proposal to develop a pipeline which would take water from the Goulburn Valley and pump it to Melbourne.

The petitioners register their opposition to the project on the basis that it will effectively transfer the region's wealth to Melbourne, have a negative impact on the local environment, and lead to further water being taken from the region in the future. The petitioners commit to the principle that water savings which are made in the Murray–Darling Basin should remain in the MDB.

The petitioners therefore request that the Legislative Assembly of Victoria rejects the proposal and calls on the

state government to address Melbourne's water supply needs by investing in desalination, recycling and capturing stormwater.

By Dr SYKES (Benalla) (74 signatures)

Water: catchment logging

To the Legislative Assembly:

We, the undersigned, draw to the attention of the Legislative Assembly of Victoria that logging of high conservation forest is occurring at the Armstrong Creek catchment.

We, the people, are outraged that at a time when Victoria is experiencing its most severe drought, logging of this catchment is reducing our water supply.

We are equally concerned at the fact that logging of this catchment is destroying the habitat of Victoria's endangered faunal species, the Leadbeater's possum.

We therefore call on the Victorian government to immediately cease logging of the Armstrong, Thomson, Cement, McMahons and Starvation catchments.

By Ms LOBATO (Gembrook) (391 signatures)

Rail: Northcote level crossing

To the Legislative Assembly of Victoria:

The petition of the residents of Northcote draws to the attention of the house the disturbing and intolerable sound of the Northcote train crossing signal. The petitioners therefore request that the Legislative Assembly of Victoria replace the signal with an electronic bell in order to reduce the sound.

By Mr SCOTT (Preston) (41 signatures)

Tabled.

Ordered that petitions presented by honourable member for Benalla be considered next day on motion of Dr SYKES (Benalla).

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

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

SCRUTINY OF ACTS AND REGULATIONS COMMITTEE

Review 2007

Mr CARLI (Brunswick) presented annual review, together with appendices.

Tabled.

Ordered to be printed.

Alert Digest No. 4

Mr CARLI (Brunswick) presented *Alert Digest No. 4 of 2008* on:

Animals Legislation Amendment (Animal Care) Bill

Co-operatives and Private Security Acts Amendment Bill

Crimes Amendment (Child Homicide) Bill

Drugs, Poisons and Controlled Substances Amendment Bill

Education and Training Reform Amendment Bill

Environment Protection Amendment (Landfill Levies) Bill

Essential Services Commission Amendment Bill

Justice Legislation Amendment (Sex Offences Procedure) Bill

Land (Revocation of Reservations) Bill

Police Integrity Bill

Working with Children Amendment Bill

together with appendices.

Tabled.

Ordered to be printed.

DOCUMENTS

Tabled by Clerk:

Crown Land (Reserves) Act 1978 — Orders under s 17D granting leases over Elsternwick Park Reserve (two orders)

Land Acquisition and Compensation Act 1986 — Certificate under s7

National Environment Protection Council — Report 2006–07

Parliamentary Committees Act 2003 — Government response to the Public Accounts and Estimates Committee's Report on the 2007–08 Budget Estimates

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

Brimbank — C92

Kingston — C71

Knox — C67

Manningham — C70

Melbourne — C92, C126, C138

Mitchell — C53

Monash — C25

Moreland — C43

Surf Coast — C41

West Wimmera — C14

Whittlesea — C104

Wyndham — C81, C91

Yarra Ranges — C63

Statutory Rules under the following Acts:

Legal Profession Act 2004 — SR 15

Prevention of Cruelty to Animals Act 1986 — SR 16

Subordinate Legislation Act 1994 — SR 17

Subordinate Legislation Act 1994:

Minister's exception certificate in relation to Statutory Rule 17

Minister's exemption certificate in relation to Statutory Rule 16

Surveillance Devices Act 1999 — Report of the Special Investigations Monitor under s 30Q

Victorian Relief Committee — Report period ended 31 December 2007

Wildlife Act 1975 — Wildlife (Control of Hunting) Notice No. 1/2008.

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

Justice and Road Legislation Amendment (Law Enforcement) Act 2007 — Sections 4(1) and 8 — 1 April 2008 (*Gazette* G13, 27 March 2008).

ROYAL ASSENT

Message read advising royal assent to:

14 March

Classification (Publications, Films and Computer Games) (Enforcement) Amendment Bill

18 March

Consumer Credit (Victoria) and Other Acts Amendment Bill

Crimes Amendment (Child Homicide) Bill

Criminal Procedure Legislation Amendment Bill

Infringements and Other Acts Amendment Bill

Legislation Reform (Repeals No. 1) Bill

Professional Boxing and Combat Sports Amendment Bill.

APPROPRIATION MESSAGES

Messages read recommending appropriations for:

**Education and Training Reform Amendment Bill
Essential Services Commission Amendment Bill
Police Integrity Bill.**

BUSINESS OF THE HOUSE

Program

Mr CAMERON (Minister for Police and Emergency Services) — I move:

That, under standing order 94(2), the orders of the day, government business, relating to the following bills be considered and completed by 4.00 p.m. on Thursday, 10 April 2008:

Co-operatives and Private Security Acts Amendment Bill.

Drugs, Poisons and Controlled Substances Amendment Bill

Essential Services Commission Amendment Bill

Justice Legislation Amendment (Sex Offences Procedure) Bill

Police Integrity Bill.

The government and the opposition have talked about how to proceed this week, and I thank the opposition for its cooperation.

Mr McINTOSH (Kew) — The Minister for Police and Emergency Services, who this week is the Acting Leader of the House, is correct that there have been a number of discussions about these bills. I certainly do not think this is going to be a very controversial week. I anticipate that a number of members will wish to speak on the Police Integrity Bill, including members of the opposition, but by agreement that debate will not come on until tomorrow. I also anticipate that the Drugs, Poisons and Controlled Substances Amendment Bill is likely to provoke little or no controversy, but by agreement that debate will not come on until Thursday morning. I am grateful to the government for agreeing to that arrangement so as to accommodate the opposition's needs.

The five bills listed on the government business program motion will occupy the time of the house. As usual, responses to the annual statement of government intentions will be used as a reserve. The opposition does not oppose the government business program.

Mr WALSH (Swan Hill) — I am surprised that the government does not have more speakers to support its business program motion. The Nationals, as part of the coalition, will also support the government business program.

One of the issues for debate, as you look down the order of business on the notice paper, is order of the day 12 — that is, debate on the Water Amendment (Critical Infrastructure Projects) Bill. We all know that water issues around Victoria are critical to the communities we represent, so as the shadow minister for country water I question why this bill is still languishing at the bottom of the notice paper.

The government has said water is a big issue and that its priority is to find water for the communities that desperately need it. I would have thought this particular piece of legislation should have been at the top of the notice paper rather than at the bottom. That bill should be debated with much vigour so the government can make sure our communities have the water they need for the future. With those few comments, The Nationals do not oppose the government business program motion.

Mr HODGETT (Kilsyth) — I rise to make a brief contribution on the government business program. As has been stated, the Liberal Party is supporting the program. We have a number of speakers who wish to speak on the five bills, but we do not think it will be a problem getting through them all by the cut-off at 4.00 p.m. on Thursday. We will have a number of speakers in particular on the Police Integrity Bill.

I note that the annual statement of government intentions continues to be used as a filler. I think there are a number of bets going on as to how long that item remains on the notice paper until we get through all the responses.

I too will make a brief comment about the Water Amendment (Critical Water Infrastructure Projects) Bill 2006. As has been stated, this bill sits at the bottom of the notice paper. It is the bill that we were called back urgently in December 2006 to debate and, as was previously stated, the government's definition of 'critical' is obviously different from the community's definition. I would have thought that the bill would be at the top of the notice paper as well.

Motion agreed to.

MEMBERS STATEMENTS

Hon. John Button

Mr WYNNE (Minister for Local Government) — I rise with sadness to acknowledge the death today of former Senator John Button and extend my condolences and those of all of the ALP members in the Richmond electorate on his passing.

As members would know, John Button was a longstanding member of the Richmond branch of the Labor Party a longstanding resident of the suburb of Richmond as well. In the late 1960s he was influential in the reform of the Victorian branch of the Labor Party. He then went on to pursue a very distinguished parliamentary career, both as a Senate leader and, as other members have indicated, as a visionary industry minister. Many would argue — indeed, the Deputy Prime Minister in her comments today argued — that we would not have a car industry in this state without the Button plan. It is widely regarded as a major reason why we still have a thriving car industry in Victoria.

His legacy will live on through the annual John Button lecture, which he always looked forward to. I know that previous speakers as well as Bill Shorten, Sharan Burrow and George Megalogenis would join in this period of sadness that we all have at his passing, and we extend our condolences to his family.

Portland: boat ramp

Dr NAPHTHINE (South-West Coast) — Portland is the fishing and boating mecca of southern Australia. The massive and growing interest in catching southern bluefin tuna and albacore in the deep waters off Portland is bringing hundreds of boats and recreational anglers to the area. There is also growing interest in more traditional local fishing for snapper, whiting, gummy shark, flathead, morwong, yellowtail kingfish and many other species. In addition, there is a huge interest in seeing the magnificent blue whales that regularly visit the area.

All of this boating activity is causing significant overcrowding and delays at the one and only Portland boat ramp as well as major parking problems for vehicles and boat trailers. Action is needed immediately to build an additional boat ramp at Portland and to provide more parking for these boats and trailers. The work is urgent but must be done to fit in with the Portland Bay master plan, and it should be done in conjunction with other key projects important for commercial fishermen in Portland — that is, the upgrading and redevelopment of the trawler wharf,

which should have been done by this government some years ago and is in need of urgent attention, and the relocation of the crayfishing fleet to the north-west corner.

The government's plans to put the crayfishing boats on finger berths off the trawler wharves is dangerous and unpopular, and the result would look ugly. They also fail to address the need for an additional boat ramp for recreational fishers. We need the government to adopt the Portland Bay master plan and implement it with regard to commercial and recreational angling needs.

Port Phillip interfaith network

Mr FOLEY (Albert Park) — I rise to acknowledge the work of the newly formed Port Phillip interfaith network and the support lent to it by the Brumby Labor government in its important work of building respect, tolerance and harmony both between communities of different religious faiths and in reaching out to the broader community.

I had the pleasure recently of meeting with representatives of the interfaith network of Port Phillip at Temple Beth Israel in St Kilda where our host, Rabbi Fred Morgan, the Reverend Carolyn Francis from the St Kilda Baptist Church, the president of the combined Catholic parishes of St Kilda and Elwood; and the mayor of the City of Port Phillip, Janet Cribbes, acknowledged receipt of a \$20 000 grant from the Brumby government on behalf of the more than 20 different faiths that make up the network.

The interfaith network seeks to promote harmony, education and awareness of the racial and religious diversity of the local community. The Port Phillip interfaith network is leading the way in promoting tolerance and mutual respect in the community, and this funding will allow it to develop a booklet to educate people about the many faiths that live side by side in our community. Part of the reason why Victoria has such a good record in interfaith relationships and has largely avoided conflicts such as the Cronulla riots is attributable to the efforts of community-based organisations such as this.

The funding from the state government is for a booklet to be launched in April 2009 that will showcase rituals particular to different faiths and cultures. This support from the Brumby government is part of funding through the Victorian Multicultural Commission for similar projects across the state totalling \$98 300.

Rail: north-eastern Victoria

Dr SYKES (Benalla) — Today I wish to add my voice to those of my colleagues, the member for Murray Valley and the member for Benambra, who have repeatedly raised concerns about the appalling V/Line passenger services between Melbourne and Wodonga.

Most recently two constituents have written to me regarding a V/Line trip from Melbourne to Wangaratta on Sunday, 30 March. Robyn Hughan was part of a group of 11 people who had booked reserved seats, and Peta Clark was on the same train. The train was grossly overbooked. V/Line had failed to add an extra carriage as it had promised Ms Hughan at the time she booked her ticket. Men, women and children had to stand in the aisles from Melbourne to Seymour. At Seymour, people travelling to Wangaratta and Wodonga were told to leave the train and catch a bus the rest of the way. The only problem was that there was only one bus for over 70 passengers, and many passengers had to wait nearly an hour for another bus. As Ms Hughan said, 'This was a very stressful and frightening experience for all passengers involved, and I hope this never has to happen again'. And as Mrs Clark said, 'I travel regularly on V/Line to visit my friends in Melbourne, and I must admit that not one trip I have taken over the past 12 months has been incident free.

I call on the Minister for Public Transport to correct these and other V/Line service problems, and I call on the Brumby government to live up to its claim that it governs for all Victorians.

Transport: east-west link needs assessment

Ms THOMSON (Footscray) — I rise to welcome the report by Sir Rod Eddington on east-west transport, particularly its recognition of the west and its infrastructure needs and the importance of doing something, as doing nothing is not good enough and will not fulfil the needs of transport users, whether they be members of the public or those in industry.

I welcome the truck action plan and look forward to its implementation. I look forward to the discussion and engagement with the community on the solutions that are required for our transport needs for the longer term. I welcome the government's response to the Eddington report of engaging with members of the public to give them a greater opportunity to participate in finding solutions for Victoria and the east-west transport problems and to work with government to find those solutions. It will not be easy working out the best way of dealing with the challenges that Sir Rod Eddington

has identified, but they are important challenges that need to be met. I think he should be congratulated for looking at a number of initiatives for road transportation, rail infrastructure and also the bicycle paths that he recommended in his report. It is a very comprehensive report. I recommend — —

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

Zimbabwe: elections

Mr WELLS (Scoresby) — This statement is in recognition of the long-suffering Zimbabwean people, who are now so close to realising a dream many thought they would never see — the end of the dictatorial regime of Robert Mugabe. Election officials have announced that Mugabe's ruling Zanu-PF party has after 28 years lost its majority in Parliament to Morgan Tsvangirai's opposition MDC party. However, the result of the presidential election remains in doubt and clouded in controversy, with a run-off election now almost certain to occur.

The tenacity of the Zimbabweans in fighting economic and social adversity against a background of intolerable political dictatorship and corruption has been heroic. The country, once a regional powerhouse and net exporter of food, is an absolute economic basket case, with inflation running at thousands and thousands of per cent, and is reliant on international assistance to stave off mass starvation. Fortunately, despite the bleakness that life currently brings in Zimbabwe, the hope of the people for change has prevailed and shone through.

A good Zimbabwean-born friend of mine told me that the world community, with a few exceptions — namely, British Prime Minister Gordon Brown — has had an appalling record when it comes to supporting the Zimbabwean people. He believes the world largely pays lip-service to Zimbabwe as it has nothing to offer the world. Elsewhere there is economic advantage to be had from intervention, but because this is not the case with Zimbabwe, everyone keeps quiet. Of all the countries that could have the greatest influence, South Africa also refuses to take a genuine stand.

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

Strathmore Greek Senior Citizens Club

Mrs MADDIGAN (Essendon) — Last week I had the pleasure of joining the Strathmore Greek Senior Citizens Club to help celebrate Greek National Day. I would like to congratulate Orestis Amirsonis and his

committee for the great work they have done not only in organising the celebrations for that day but also in establishing this club. The club started in 2005. Already it has attracted 170 members from the Moonee Valley area, mainly from Moonee Ponds, Airport West and surrounding areas. It has provided a program of very energetic and enjoyable activities for senior Greek residents who live in the area. The club has been supported, I am glad to say, by the Victorian Multicultural Commission, which gives great support to elderly citizens clubs across Victoria, a number of which are in my electorate.

The Strathmore Greek Senior Citizens Club has established itself as an important tenant of the Boeing Reserve Community Centre. This is an area which is fairly removed from the mainstream of shopping centres et cetera. It is great that it has established a centre where older Greek residents in the community can go and enjoy themselves with other Greek-speaking people. It organises not only activities and clubs but also excursions to other places around Victoria. There is not — —

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

Electricity: blackouts

Mr CLARK (Box Hill) — Victorians are entitled to answers about why so many had to wait for so long to have power reconnected after last week's storms and why it was so hard to report power failures or find out when power was scheduled to be restored. This is the third widespread blackout to hit our distribution network in three years, but the problems remain. In February 2005, 410 000 customers lost supply due to storms. In January 2006 there were 618 000 supply interruptions due to storms and fires. Each time the government ordered inquiries by the Essential Services Commission and detailed recommendations were made, but there is no sign of anything the government or the ESC has actually done to make sure the recommendations were implemented. There were dramatic improvements in supply reliability in Victoria under the reforms of the 1990s, but since 2004 reliability has been deteriorating. The ESC itself has admitted that the 2006 reliability figures, the latest available, were the worst in six years.

Last Friday the Premier said the problems were due to climate change. The government has talked a lot about climate change, but when it actually comes to action it is missing. There is no evidence that the government or the ESC has actually done anything to ensure that Victoria's power supply standards or responses are

adapted to cope with the predicted consequences of climate change. Victorians need an expert investigation and report on all this by a respected and impartial person who is independent of both the government and the ESC. This investigation needs to look not only at the performance of power companies but also at the failures of the government and the ESC to act on the recommendations arising from the 2005 and 2006 blackout inquiries and at what needs to be done to upgrade Victoria's power reliability for the future.

Seymour electorate: neighbourhood renewal project

Mr HARDMAN (Seymour) — I rise to inform the house of a fantastic social enterprise that is being conducted at the moment in the Seymour electorate by UnitingCare-Cutting Edge in partnership with Seymour Neighbourhood Renewal. Currently the renovation for renewal project is kicking goals for disadvantaged people in our area. The renovation for renewal project is providing jobs, training and social services for people who need a hand to break into the workforce. The renovation for renewal project has taken on apprentices and trainees to do work such as building, landscaping, metal fabrication and painting. The apprentices work and training are supervised by qualified tradesmen who teach them the skills they require to ensure they succeed through the provision of pastoral care that is required by people who otherwise might have struggled to get into the workforce because of a lack of qualifications, lack of work experience or perhaps intergenerational unemployment.

The renovation for renewal project has been providing immediate improvements to properties in the Seymour neighbourhood renewal area, including fencing and landscaping. These works have lifted the pride of the local community and improved the look of their communities. The project is providing invaluable opportunities to people to acquire the skills and experience required to get employment. It has also assisted in regard to addressing the skills shortages that exist in the area. Those involved in the project have also been contracted to do cyclic maintenance and refurbishment for the Department of Defence. I congratulate all the workers in UnitingCare-Cutting Edge on the important contribution they are making to our area.

Royal Children's Hospital: Good Friday appeal

Mr NORTHE (Morwell) — The 2008 Good Friday appeal has once again demonstrated the generosity of Victorians with in excess of \$12.4 million being raised for the Royal Children's Hospital. The moneys raised

will assist with the purchase of medical equipment and help fund research projects. I make special mention of the Cork Club at the Royal Exchange Hotel in Traralgon, which raised \$86 334 in the 2008 appeal, making it the leading hotel fundraiser in Victoria for an incredible 13th time. Remarkably 2008 was also the 25th year in succession that the Cork Club has been the leading country hotel fundraiser. The moneys raised for the Good Friday appeal included \$738 941 from the Run for the Kids event, in which I and others in this chamber participated.

The Royal Children's Hospital has been a saviour in the lives of the children from many families. I had the opportunity to witness firsthand the absolute dedication and skill of doctors and staff at the hospital while visiting young Brock Howe from Traralgon in February of this year. Three-year-old Brock, his mother Dee-Anne and brother Rhys suffered burns in a horrific house fire in Traralgon in December 2007. Brock suffered severe burns to 43 per cent of his body. Brock's father, Paul, who has been an absolute tower of strength throughout this traumatic episode, hoped that Brock would soon be released from the hospital. The family has expressed great gratitude for the vast amount of community support they have received, and I am sure that will continue when the family returns to Traralgon in the very near future.

Agriculture: genetically modified crops

Ms LOBATO (Gembrook) — Today I wish to talk about lies, damned lies and statistics, particularly as they relate to the spin around the adoption of GM (genetic modification) technologies.

The latest in the succession of reports to dazzle non-believers is that of the Australian Bureau of Agricultural and Resource Economics (ABARE), which has released a report stating that an uptake of GM crops could add \$912 million to the economy in the next 10 years. Let us take a look at that figure. What has generated it is a series of unfounded assumptions that that the world is suddenly going to change its mind and consumers will want to adopt GM crops. This massive assumption is totally unfounded and ignores the fact that all of Australia's main grain markets, including Japan, Europe and the Middle East, have steadfastly rejected GM crops and have stated that they will continue to do so. The ABARE report also assumes that the world's biggest canola producer, China, intends to introduce GM varieties, but there is absolutely no evidence for this assumption either. Three-quarters of the projected benefit is tied to genetically modified wheat, a crop which is not accepted by any country in the world, does not exist in

the commercial market and is not permitted to be grown in Australia. This means that three-quarters of the projected benefit will never and could never eventuate, as the commodity on which that projection is based does not exist in trade terms.

It is admitted in the report that the higher seed costs and the costs of identity preservation involved with GM crops have not been taken into consideration. ABARE blames a lack of information for not taking the likely increases in costs into consideration. What the ABARE report also fails to do in a fundamental sense is forecast the cost to the Australian economy as a result of the adoption of GM crops, which will threaten our most valuable — —

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

Bass Coast Regional Health: staffing

Mr K. SMITH (Bass) — It really annoys me that we have such a secretive, stupid and scared government that will do almost anything to keep itself in government. It tries to claim credit for the things it does not do and denies any involvement in issues in which it is totally involved and responsible.

As the house would be aware, I have called for doctors for Bass Coast Regional Health, formerly Wonthaggi hospital, since the local GPs pulled out their services last October. The Minister for Health did not commit to funding until the local doctors withdrew, leaving the hospital with only a few locum doctors to work in the accident and emergency department. The hospital, to its credit, advertised and got three doctors, who started in March and April; two are still to come.

What really got up my nose was to read in the local paper that the Minister for Health had come to the hospital — in my electorate — to welcome the doctors. The minister did not have the decency or the courtesy to advise me that he was coming. It was a cheap shot by a cheap minister. What also bugged me was that last week I made arrangements to go to the local hospital to also meet with the doctors, only to be told that the hospital has to advise the minister's office of my visit and that it would have a spy accompany me to go to my hospital. 'What a bloody cheek!' I thought to myself. To make it worse they sent Johan Scheffer, a member for Eastern Victoria Region in the other place, down to do the job.

The ACTING SPEAKER (Mr Ingram) — Order! The member for Bass is using unparliamentary language.

Mr K. SMITH — What did they think I was going to do? Did they think I was going to tell the doctors what a hopeless health minister we have and how the Brumby government has stuffed up the health system in Victoria? You can believe it!

TangledWebs: donor conception

Ms CAMPBELL (Pascoe Vale) — Congratulations to all involved in TangledWebs (TW), an action group that is challenging donor conception (DC) practices in Australia and internationally. Its website states:

Members have personal and/or professional experience that relates to DC or adoption. TW provides an alternative voice to ART (assisted reproductive technology) through greater recognition of the complex, lifelong issues that affect the person created through DC. It is our view that there are significant moral, social and legal issues that arise from DC practices that have intergenerational consequences for the wider community.

TangledWebs advocates equal rights and protection for all DC people, as defined in the United Nations Convention on the Rights of the Child, and believes that DC practices throughout the world contravene the rights of the child/adult created in these circumstances. It seeks to raise public awareness concerning issues of identity/kinship loss for DC people and is committed to ensuring that all DC people have access to adequate emotional, practical support to assist them with their life experience of kinship loss and possible reconciliation with disconnected kin.

I had the great pleasure of meeting members of TangledWebs at the Victorian Law Reform Commission hearings into surrogacy. We were united in our opposition to the intrinsic injustice of surrogacy because surrogacy ignores the rights of the child. The rights of children conceived by DC to be born to their parents is something we should never forget.

Nepean Highway–Bay Road, Cheltenham: traffic infringements

Mr THOMPSON (Sandringham) — What is the Brumby government hiding in relation to the operation of red light cameras in Victoria? Why have over 400 individual Victorians complained in person to my office about the receipt of traffic camera infringement notices? Why has over \$100 000 been ripped out of the bayside community in the space of less than six months? Why has the government not responded to a number of questions on notice put to the Minister for Roads and Ports and the Minister for Police and Emergency Services regarding police fines that have been incurred by people making a right-hand turn at the intersection of Bay Road and the Nepean Highway?

Why are Victorians facing the loss of their livelihoods, the loss of their licences and the loss of family resources as a consequence of incurring multiple fines? Why are Victorian families being attacked in this arrogant manner when under the processes of this Parliament there is an expectation that questions on notice will be responded to within a reasonable time — and certainly in the other place within 30 days? Why is stress being caused to people visiting relatives in hospital who have cancer and other illnesses and who rely on the major breadwinner to earn money to support their family? Why is the Brumby government failing to respond?

Buses: Frankston electorate

Dr HARKNESS (Frankston) — Public transport in Frankston received a major boost recently with the significant expansion of bus services between Frankston and Portsea. Some 25 extra services a week will now be running, which will provide better travel options for people on the Mornington Peninsula. Providing extra bus services not only makes transport more convenient; it is also crucial in the fight against climate change. I have spoken to many residents in Frankston who are keen to leave their cars at home but are worried about the frequency and direction of bus services. These extra services provide an answer and are an important step in reducing carbon emissions on the peninsula. With this in mind it is fantastic to see the government initiate further reviews for bus services between Frankston, Cranbourne and Ringwood. I will follow these reviews with great interest, and I encourage Frankston residents to put forward their own advice and suggestions.

Children: Wise Choices — Safe Children initiative

Dr HARKNESS — In other good news, a range of ethnic communities in Frankston were delighted to learn that the Minister for Children and Early Childhood Development has released child safety information kits in eight languages. The Wise Choices — Safe Children initiative rightly recognises the barriers faced by non-English speakers in looking after their children's safety. The fact sheets provide a range of useful advice to parents when choosing activities or organisations for their child to be involved in. I know that safety concerns can be a major worry for any parent. As the parent of a young child, I can only begin to imagine how difficult it might be for a family with limited English, and that is why the provision of this safety information in eight community languages is such a welcome development. I look forward to discussing this and other programs with the Minister for

Children and Early Childhood Development and the child safety commissioner at my Frankston children's services forum which will be held later this month.

Health: eastern suburbs

Mrs FYFFE (Evelyn) — In 2002 the then Premier promised that Lilydale would have a super-clinic. It is 2008 and still many months from being open. A promise was made that the clinic would have a renal unit so local residents requiring dialysis would not have to travel to the city. This promise was broken in July 2006. On 12 October 2006 the then Minister for Health issued a press release which said that a 12-chair haemodialysis centre would be established at Maroondah Hospital and would be up and running by the end of 2007. This promise has also been broken.

Following my call to the hospital seeking information, the CEO (chief executive officer) put out a press release which says that the 16-chair renal dialysis unit was well under way and would be ready in the middle of this year. The building has not even been started; in fact the land on which it is planned to put the service still has buildings on it that will need to be removed before building can commence. To use the famous line from *The Castle*, someone should tell the CEO that he is dreaming if he thinks the unit will be ready by the middle of the year, as was stated in the media. The middle of the year is just three months away.

The minister also promised a new 16-chair haemodialysis centre as part of the redevelopment of the Box Hill Hospital. Despite my attempts to get information about when they will be ready for use, it appears the plans to include the 16 chairs in the redevelopment have vaporised — another broken promise. All these broken promises mean the number of dialysis patients is increasing and the cost and time of travelling are taking their toll — so much so that sufferers are seriously looking at travelling to other countries for transplants. One can only imagine the depression experienced by dialysis patients who are now feeling they are a burden to their families.

Kyneton Teddy Bears Picnic

Mr HOWARD (Ballarat East) — Last Sunday I had the pleasure of joining many members of the Kyneton community at the Teddy Bears Picnic in the Kyneton Botanical Gardens. This event was organised and sponsored by the Friends of the Kyneton Botanical Gardens and celebrated the 150th anniversary of the establishment of the gardens. The gardens were inspired by Baron von Mueller, as were so many other gardens around the state. As a special feature of the

commemoration of the gardens it was very pleasing to see two of von Mueller's great-grand-nephews — the now Baron von Höllönzon and his brother, Grafing Barrington von Hirt, who are also known as Neil and Barry Hirt — present on that occasion. Together they planted a Wollemi pine in the gardens.

The picnic also attracted numerous children and their families, who were able to enjoy the music by Pete Preston as Elvis Presley and to purchase plants and other items sold at the stalls. All in all, it was a very enjoyable day, held in beautiful weather in the outstanding environs of the gardens. I congratulate the Friends of the Kyneton Botanical Gardens for planning this event. They have done a great job working with the support of the Macedon Ranges shire to care for the gardens and promote them to the community. The last few years have been very challenging for the gardens. I was pleased to see that the state government has been able to support the group with the installation of a water tank and watering system to help to keep the trees alive. It is a great place to go.

WorkCover: premiums

Mrs VICTORIA (Bayswater) — The Premier recently announced a policy to use the WorkCover surplus of \$600 million to fund an anti-obesity campaign in Victorian workplaces. I do not have a problem with encouraging those in the workforce to take better care of themselves. In the long term we will be saving money, because prevention is always cheaper and better than cure. However, I am curious as to how such a large surplus has come about. We are assured that the premiums paid by employers are not funding this new campaign. An employer in my electorate — let us call him Mr F — is currently paying a huge premium to WorkCover to insure his employees. His premiums are so large that he is considering shutting his doors. His business is a wonderful boon to the local community, with hundreds of employees being able to provide for their families. He supports countless local charities, schools and sporting clubs with donations. It would be devastating to lose his support. Mr F is being penalised for the historical injuries of some of his employees. Fairer and more reasonable premium rates for businesses are needed. A fairer and more reasonable WorkCover liability system must be introduced before our small businesses are crippled. Being penalised with huge premiums for undisclosed historical injuries incurred whilst workers were with a former employer is not helping small businesses to grow.

Ringwood Spiders Football Club

Mrs VICTORIA — Congratulations to all involved with the Ringwood Spiders, our local team in the Football Integration Development Association. Sue, Clinton, Gavin, Frank and the gang do a fantastic job coordinating our enthusiastic players. I wish them the best of luck for season 2008.

Consumer affairs: federal legislation

Mr LIM (Clayton) — I rise to congratulate the federal government's announcement of draft legislation aimed at stamping out the hidden costs of purchases. For far too long consumers have been ripped off when taxes and levies are added at the end of a transaction. This method of sales has concerned me for quite some time, and there are a number of examples where costs have been hidden away in fine print. This makes it very difficult for consumers to shop around. I am sure we all have been victims of this at some time or another; it might involve the booking of \$15 airline tickets only to find out later that, after taxes and levies, the cost is much more. We have all purchased tickets for football or cricket matches or the theatre only to find that booking fees have been charged that cost nearly as much as the tickets themselves, or we have signed up to a mobile phone contract only to find extra connection fees or service fees that end up costing much more than we have budgeted for.

This legislation has been supported by the Consumer Action Law Centre. An article appeared in the *Australian Financial Review* of 1 April in which the centre's spokesman, Mr Gerard Brody, was quoted as saying that the proposed changes would be 'a very good outcome' for consumers. It is particularly important at this time of fiscal uncertainty leading to rising petrol prices, rising grocery prices and rising interest rates that the Victorian family can rely on information when constructing family budgets to ensure their future financial stability. It is wonderful — —

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

Jean McKendry

Ms PIKE (Minister for Education) — I want to take this opportunity to pay tribute to the work of a wonderful citizen in the electorate of Melbourne. Jean McKendry has been providing support for lonely and isolated older people in our community for many years through the Jean McKendry Neighbourhood Centre, which is located in Melrose Street, North Melbourne. People who know that part of the world will know that

it is home to many disadvantaged, isolated and lonely people. Every day lunch is provided and a supportive program occurs. I thank Jean and all her helpers for their wonderful work.

The ACTING SPEAKER (Mr Ingram) — Order! The time for making members statements has expired.

CO-OPERATIVES AND PRIVATE SECURITY ACTS AMENDMENT BILL

Second reading

Debate resumed from 13 March; motion of Mr ROBINSON (Minister for Consumer Affairs).

Mr O'BRIEN (Malvern) — The opposition states at the outset that it does not oppose this bill. The bill seeks to introduce amendments to two distinct acts, one being the Co-operatives Act 1996, the other being the Private Security Act 2004.

Turning to the Co-operatives Act, the bill proposes three particular areas of amendment. The first is the introduction of capital credit units as a means of fundraising by cooperatives. The second is to facilitate mutual recognition between cooperatives registered in different jurisdictions within Australia. The third is to provide the registrar of cooperatives with the power to grant exemptions to cooperatives from the requirements to submit annual audited accounts and to comply with other financial reporting requirements.

The amendment to the Private Security Act 2004 seeks to delay by 12 months the time for the reporting to Parliament by the minister of a review which is required under the terms of the principal act and to delay the date for tabling of that report from 1 June 2008 until 1 June 2009.

Returning to the amendments to the Co-operatives Act, cooperatives are very important bodies in Victoria, to the Victorian economy and the Victorian community. There are almost 750 cooperatives operating throughout Victoria at the moment, and they operate in a wide variety of different industries.

Probably most members of the community would be familiar with agricultural marketing co-ops. These organisations essentially involve producers banding together and using their market power to obtain the best prices for themselves but also to do so in such a way that they are the owners and operators of the cooperative. It is a very important means of empowering individual communities, particularly agricultural producing communities, to make sure they

can market their produce as they see fit and to try to maximise the prices they receive for it.

Cooperatives also operate in a number of other areas throughout the Victorian community. One is in relation to financial services — for example, the Bendigo Bank community bank, which has been very successful — and I am delighted that a Bendigo Bank is operating in Malvern East, in my electorate and just down the road from my electorate office. In that community, as well as in a number of other communities, the Bendigo Bank has very successfully replaced branches of more traditional banks, which had been withdrawn by the big banks. When the community decided there was a need for banking services, it banded together, formed a cooperative and, with the assistance of the Bendigo Bank, ensured that banking facilities continued to be provided to that community.

There are also a number of cooperatives operating in schools. A number of private and independent schools are operated and managed through cooperative structures; so while cooperatives have traditionally been associated with agricultural marketing, there are a number of other areas of endeavour in the Victorian community where the cooperative structure has been adopted and applied.

In relation to the introduction of capital credit units (CCUs) as proposed by this bill, in accordance with the 2002 agreement of the Ministerial Council on Consumer Affairs, there has been a long-term move to try to increase the level of uniformity of regulation of cooperatives throughout Australia. This amendment in the bill facilitates the raising of capital by the issuing of capital credit units to non-members of cooperatives. That is a very important measure because traditionally the cooperative structure has been such that members have been the owners of the cooperatives, and those members needed to provide the capital to operate the cooperatives. But that structure was appropriate at a time when cooperatives were solely based in local communities and when their activities were often smaller in size and scope than they are today.

Today cooperatives can be multi-million-dollar enterprises, and it is appropriate that cooperatives be able to seek capital from outside their own membership. That is what the introduction of capital credit units will facilitate. The introduction of CCUs will not abrogate the principle that the ownership of cooperatives remains with cooperative members. Section 150(4) of the principal act states to this day — and it is not affected by this amending bill:

Subject to this Part and Part 4, shares must not be issued to a non-member.

That cooperative principle or that mutuality principle that underpins cooperatives in Victoria will remain and is not abrogated by the introduction of CCUs as a means of raising funds from outside cooperative membership. In fact, the CCU, notwithstanding its name, is really more akin to a debt instrument than an equity instrument. Having a CCU does not provide the holder with an equitable stake in the company. It provides it with an interest in the capital but not the share capital of the cooperative.

It is important that cooperatives not be at a disadvantage when they are seeking to raise funds compared with other forms of corporate structure. If you are a proprietary limited company, if you are a public company or if you are an association, you can seek funds from outside your own membership. Traditionally cooperatives have been content to look inside their own membership for fundraising, but that is not really appropriate to modern-day economics and modern-day industry which see cooperatives operating as large-scale enterprises. Those enterprises should not be disadvantaged by being forced to look only to their own membership for the raising of capital, and the opposition welcomes this move to allow cooperatives to seek fundraising from outside their own membership.

I should note that this system of CCUs is based on the New South Wales legislation which has been operating, I understand, for up to 10 years and has been quite successful. Certainly I have consulted quite widely with cooperative peak organisations in undertaking my preparation on this bill, and those peak organisations are very supportive of this move for the introduction of capital credit units.

The second part of the bill promotes mutual recognition of what are termed foreign cooperatives. A foreign cooperative is just a cooperative that has been registered in another jurisdiction within Australia. It could be a cooperative that has been registered in another state or territory.

Mutual recognition is something which is not new just in this bill. It has applied in a number of other professions. Certainly my former profession of the law was one which I think has benefited immeasurably from the fact that practitioners throughout Australia do not have to jump through unnecessary hoops to be able to practise interstate. It is important in terms of freeing up the market for services, in promoting free trade between the states and territories, and in reducing the level of bureaucracy, of red tape and of disincentive to trade across state borders, which the previous system unfortunately incurred.

This suite of measures is also based on a 2002 agreement of the Ministerial Council for Consumer Affairs. It is not made clear why such an agreement has taken so long to come to fruition through amending legislation coming before Parliament — but better late than never, I suppose; and certainly the opposition thinks that this is quite a positive measure.

The measure authorises the responsible minister, in this case I understand being the Minister for Consumer Affairs, to certify that a foreign jurisdiction's law is a cooperative law for the purposes of the Co-operative Act 1996 — that is, if that foreign law substantially corresponds with Victoria's.

It is important that the minister have that ability to make a declaration not only to facilitate mutual recognition but also, where a jurisdiction in Australia is not operating in harmony with our own, that the minister should be able to ensure that cooperatives perhaps not as well regulated as Victoria's cannot freely operate in Victoria. It is important to have that hand brake, as it were, on mutual recognition where one jurisdiction is not pulling its weight in effective regulation to ensure minimum standards.

Once certification by the responsible minister has occurred, this in turn confers on the registrar of cooperatives the ability to authorise a foreign cooperative to carry on business in Victoria without having to separately register in Victoria.

As I said, this will cut down on bureaucracy, red tape and barriers to trade within the country. This is a good thing, particularly for cooperatives located near state borders. It is sensible that a cooperative that might be on the Murray River would have customers and clients or seek to have members who might be on either side of the river border.

Under the current legislation there is a need for a cooperative to register separately both in New South Wales and Victoria, or for those cooperatives operating in the tri-corner to register in South Australia as well. Any unnecessary regulation, bureaucracy and red tape, particularly since we are talking about organisations that are owned by members, takes money out of the pockets of our farmers, wheat growers and citrus growers. That is to be deplored. That is why any measure which promotes mutual recognition, particularly for those cooperatives which will be most affected by the need to register separately in each state, is very much to be welcomed.

The mirror legislation that has been or will be passed in other states and territories in relation to this measure

will make it much easier for Victorian cooperatives to also benefit by going into those states but without needing to jump through the hurdles of separate regulation and registration.

The third aspect of this bill in relation to the cooperatives empowers the registrar of cooperatives to have the discretion to exempt cooperatives from annual financial reporting and auditing requirements under the Co-operatives Act. When it comes to proprietary limited companies or publicly listed companies, the Australian Securities and Investments Commission (ASIC) already has this discretion. Much of the regulation of cooperatives is imported from Corporations Law and the way in which ASIC regulates corporations.

One thing that ASIC has under Corporations Law which the registrar of cooperatives does not have under the Co-operatives Act is the power to use a discretion for a cooperative to not comply with requirements to provide annual audited reports. It would seem quite strange that a company can apply for the exercise of such discretion but a cooperative cannot. It seems eminently sensible for cooperatives to have the same ability to apply for an exemption because there might be some standard requirements that may be inappropriate for all cooperatives or may place an unreasonable burden on cooperatives in particular circumstances.

Certainly the opposition welcomes this aspect of the bill particularly whereby discretions can be exercised to ensure that unnecessary reporting or regulation which may overburden a cooperative can be dealt with by way of an application for exemption and the exercise of that discretion to grant an exemption by the registrar of cooperatives.

I want to make some general comments about the regulation of cooperatives. Throughout the course of my consultation with industry over this bill, I have had a number of concerns expressed to me about the resourcing of the cooperatives registry in Victoria. Correspondence directed to me by one of the peak bodies says that the registrar of cooperatives:

appears to be underresourced in recent years, with a considerable turnover of staff and consequent loss of familiarity with the differences between cooperatives and other forms of incorporation.

I take the opportunity of debate on this bill to bring this comment to the government's attention, to try to ensure that the good work that has been progressed nationally through measures to introduce more uniformity and less regulation are not being undone by the failure of the

state government to adequately resource the registrar of cooperatives. If these laws are going to work, there needs to be a bureaucratic apparatus which can make them work.

There is no point in having the ability for cooperatives to apply for exemption from financial reporting if the paperwork then takes too long to get done at head office. I urge the government to take on board the concerns that have been expressed by those who operate in this part of the industry, to ensure that the work that is required to be done in the public sector gets done to facilitate rather than hindering the operation of these amendments.

I turn now to the amendments to the Private Security Act 2004. This bill proposes to extend the time for the reporting to Parliament of the review that is required by the act. Section 178 of the act provides that the minister must review the act to determine whether:

- (a) the policy objectives of the Act remain valid; and
- (b) the provisions of the Act are still appropriate for securing those objectives.

Section 178(2) says:

- (2) The Minister must undertake the review as soon as possible after the period of 3 years from the day on which this Act receives the Royal Assent.

The act received royal assent on 1 June 2004. The review of the act must have been commissioned by the minister under the terms of the law as soon as possible after 1 June 2007. Section 178(3) says:

- (3) The Minister must ensure that a report detailing the outcome of the review is tabled in each House of Parliament within 12 months after the end of the period of 3 years.

That is to say, it must be done within 12 months after 1 June 2007, which is by 1 June 2008. This bill seeks to extend that reporting period from 1 June 2008 to 1 June 2009. The minister, in his second-reading speech, was relatively brief in arguing why this extension is required. He made reference to the fact that the review has commenced but he did not say when it commenced. It is required by law to have been commenced as soon as possible after 1 June 2007 but the minister has not bothered to inform the house when it actually commenced.

When the opposition was briefed on this bill by the department — and a representative of the minister's office was present — I specifically asked when the review commenced. I was told that they did not know and they would get back to me. I asked if they could

assure me they would get back to me before the bill came on for debate in Parliament. I was assured they would get back to me before that happened.

Yet here I am, speaking on the bill, but to my knowledge the minister's office has not got back to me on that question. They have not answered and said when this review commenced. I assume that the minister's office has not sent something which has come through to my office while I have been on my feet. The government must answer what is a very important question, because it is not just a political issue as to whether the government has been slack in getting this review going: it is a statutory requirement that the review commence as soon as possible after 1 June 2007. I know that PricewaterhouseCoopers has been commissioned to undertake the review but the minister has not told the house when the review commenced. The onus is on the minister or other members of the government on the minister's behalf to inform the house of the answer to the question.

Why the delay? Why will we not have a review ready to be reported to this house by 1 June? Why is this bill before the house in April? It appears that the government has been caught short on this — that it has realised it will not make the deadline and is pushing this through almost at the last minute. This is a very sensitive area, because there has been significant criticism of this act and its operation by the security industry and sectors within it, quite often from a small-business perspective. Many small businesses have expressed concerns to me through their peak bodies about some of the obligations imposed by the act. I am not sure whether those concerns are appropriate or not, but they certainly deserve to be treated with respect and dealt with in the course of this review.

The government says, 'By extending the time for reporting on the review, we will be able to undertake this consultation'. My questions to the minister are as follows. Why did you not undertake this consultation at the time he was supposed to? Why did he not commence this review as soon as possible after 1 June 2007? Why did he not get the show on the road? Why did he not undertake consultation with the industry, stakeholder groups and private citizens who are affected by the bill?

It is not just the government's bureaucratic processes that have been delayed by 12 months; it is also the ability of the private security industry to have its views considered. The government has not provided any adequate explanation as to why this delay has come about or whether it has complied with the law, which

requires a review to commence as soon as possible after 1 June 2007. The government has tried to let it go through to the keeper, but I am calling it on this. I expect the minister and the government to answer these questions, because the opposition and the industry have a right to know what the government has been doing. With that I conclude my remarks. I reiterate that in all the circumstances the opposition will not be opposing the bill.

Mr HUDSON (Bentleigh) — It is a pleasure to speak in support of the Co-operatives and Private Security Acts Amendment Bill. The bill will significantly improve the regulatory environment in which cooperatives work, and it will facilitate the expansion of cooperatives by giving them the capacity to raise capital to expand their operations. Cooperatives are an incredibly important part of the Victorian landscape. They exist in many forms, but at their heart they have as fundamental to each of them the principles of mutual self-help, participation, democracy and equality. They allow local communities to engage in actions to address local community needs. They allow communities to identify emerging business opportunities and capitalise on them in a way that allows the communities to share the benefits that come from the activity they engage in together. Cooperatives are a very positive force in the Victorian community and operate in a wide range of areas. I will touch on a couple of areas where I think Victorians can be very proud of the development of cooperatives in the state.

Victoria has a great tradition of cooperative development. Many members will be familiar with the operation of cooperatives in schools in their electorates. I note that the Minister for Education is at the table. There are around 275 school cooperatives in Victoria, which have the capacity to raise funds for additional facilities they would like to see in their schools with the backing of a government-guaranteed loan. In my own electorate Bentleigh Secondary College, through its school-based cooperative, has been able to obtain a grant for the building of an indoor basketball and netball stadium and to raise the remaining funds for the stadium. The facility is available for the benefit of not only the school — it now has a magnificent sporting and recreational facility — but also the community. Members of organisations like the McKinnon Basketball Association, which is a burgeoning association with some 3000 members, can now play basketball at the facility on weekends.

Likewise Victoria can be very proud of the development of private rental housing cooperatives. There are some 139 of those cooperatives across the state. They provide a method of funding housing for

people on low incomes who cannot afford to buy their own home. Those people can join a cooperative, many of which are funded by the Office of Housing, and be part of a group that can purchase properties. They can operate those properties and be responsible for their maintenance and for the development of the cooperative. In that way they can have many of the benefits of home ownership — they do not actually own the properties; they are renting them — with security of tenure and affordable accommodation. This has been a great innovation that has moved us away from the more bureaucratic structures of the Office of Housing to give people a say in small, community-based rental housing cooperatives.

I have had personal and very positive experience of a number of cooperatives. In the 1980s my very first housing loan was through the Box Hill and District Housing Cooperative. It was a mutual self-help cooperative that existed for the benefit of members. Any profits were ploughed back into the cooperative itself. This enabled it to provide to the membership low-cost loans that were very advantageous when compared with the interest rates and loan conditions offered by many of the commercial banks.

Likewise, in one of my very first jobs in the early 1980s I was a project officer for the neighbourhood employment development program, which was a project jointly funded by the then Ministry of Employment and Training and the Brotherhood of St Laurence. What we were doing was trying to create jobs at the local level based on community needs. In Frankston, where I was working, there was a very significant battle going on between young kids who were riding motorcycles up and down the back of residents' houses in newly developed housing estates, which was leading to blows.

What the community did was form the Frankston Motorcycle Park Cooperative and gain access to some land up near Wells Road and the freeway. The community was able to construct a motorcycle track and get young people, their parents and the broader community, including the Frankston and District Motorcycle Club, involved in developing that cooperative for the benefit of those young people. That led to a significant defusion of the conflict that existed between residents and those young people. I want to pay tribute to people like Race Mathews and Jim Simmonds, former members of this house, who did a lot very early on to foster the development of cooperatives with the support of the state government at that time.

As we know, cooperatives increasingly operate across state borders. Many are national organisations, or, if they are not national, they certainly have a national focus. They compete in national and global markets. There is a national scheme for cooperatives being developed under the Ministerial Council on Consumer Affairs, and what this bill does is consistent with that scheme, because it will ensure that we deliver the benefits of a national cooperative scheme more quickly to Victorian cooperatives. The bill amends the Co-operatives Act and the Private Security Act in order to ensure that cooperatives can meet modern-day challenges. It will allow them to apply for an exemption from the formal auditing and financial reporting requirements under the Co-operatives Act.

I think most members of the house would know that in the small cooperatives auditing costs can be quite expensive — up to about \$1500 — and for a cooperative that does not really have a large cash flow and which is operating as a mutual self-help organisation those costs can have a very detrimental impact. The registrar of cooperatives currently receives a large number of requests for exemptions from the formal auditing requirements, but the registrar does not have the power to grant any exemptions on a discretionary basis.

I am sure the member for Swan Hill is familiar with the Peechelba Water Supply Cooperative, which is a farming cooperative in central Victoria. It exists, in essence, to share the allocated water between members for their farms and their homes. Its main trading product is water. It does not have a substantial cash flow, but it is detrimentally affected by the requirement to spend up to \$1500 on auditing. What this bill will do is allow that cooperative to apply to be exempt from those auditing requirements.

Another important element of this bill is the introduction of cooperative capital units. What these units will do is allow these cooperatives to go outside of the membership base to raise capital in the market. That is an important development, because these cooperatives are competing globally with very sophisticated and dynamic organisations which are producing products and services which the cooperatives are competing in, and they need to be able to rely not just on their members but in fact on financial markets and other bodies to lend them money. These cooperative capital units will allow them, in a sense, to issue units like shares or debentures in the cooperative without actually providing membership. They retain the democratic control.

Mr Walsh — They are not shares.

Mr HUDSON — I said ‘like shares’. They control the cooperative. The members remain in control of their own destiny, but at the same time the person lending the money has a properly recognised unit which indicates the financial stake they have in that organisation. These amendments are very positive amendments. They demonstrate the government’s commitment to assisting those communities that want to organise in a cooperative fashion so that they can meet community needs or respond to emerging business opportunities. I commend the bill to the house.

Mr WELLER (Rodney) — I, too, have great pleasure in rising to speak on the Co-operatives and Private Security Acts Amendment Bill 2008. We should realise the value that cooperatives have added to this great state. In the early 1900s there were some 250 dairy cooperatives across this state. The dairy cooperatives have taken the dairy industry from hand milking to milking by robots; it is the cooperatives that have driven that. In the meantime we have seen the amalgamation of cooperatives. Indeed in Victoria now there is only one dairy cooperative left. There are other dairy companies here but there is only one dairy cooperative, and that cooperative is the Murray Goulburn Co-operative. I have not seen this year’s turnover figures, but last year’s figure was \$2.2 billion of turnover. It is a substantial business and very important to the dairy industry. This year, given the world prices, its turnover could well be close to \$3 billion. It is a substantial industry.

One should read a book on the history of the Murray Goulburn Co-operative entitled *Just a Bunch of Cow Cokies*. They were returned soldiers in the Cobram area who had the foresight to start the Murray Goulburn Co-operative in that area. It has grown from humble beginnings to what it is now. It is quite a substantial business, with plants right across Victoria — at Kiewa, Cobram, Rochester, Leitchville, Maffra, Koroit and Leongatha — and indeed in Tasmania at Edith Creek. You may well ask where Edith Creek is. I will refer to the managing director of Murray Goulburn Co-operative who said at one stage when asked where Edith Creek is, ‘You go to the end of the earth and go another 15 kilometres’. But it is in Tasmania, and it is a very important part of the cooperative’s business.

The amalgamation that occurred in my area to form the factory at Rochester was the amalgamation of the Rochester butter factory cooperative with cooperatives from Swan Hill, Koondrook, Gunbower, Pyramid Hill and Kyabram. All were amalgamated to become part of Murray Goulburn Co-operative and the state-of-the-art factory that is in Rochester now.

Murray Goulburn Co-operative has been a very important part of the dairy industry. When the price is being set for what dairy farmers are going to receive, everyone now looks to Murray Goulburn Co-operative and waits to see what its opening price is for the industry. We have seen Fonterra coming here from New Zealand to try and pick up some of the milk in Australia. It never opens its price until Murray Goulburn Co-operative has opened its price. Indeed the liquid milk manufacturers also wait until Murray Goulburn has set its price. It is the cooperatives that set the price for the producers in Victoria. People may question that and ask, ‘Does it really work?’.

Let us compare the dairy industry to the wool industry, which has a failed co-op. There were several failed cooperatives in the wool industry: there was the Farmers and Graziers Co-operative, which failed, and there was the Victorian Producers Cooperative, which was eventually bought out by Elders. What has happened to the wool industry? We have seen the Australian flock go from 180 million at its peak to 80-odd million now. What has happened to the price? Let us compare it with the dairy price. In 1988 the dairy price was \$4 a kilogram; it is currently \$12 or better a kilogram. What has happened in the wool industry where we do not have cooperatives? We see that the wool price is 1000 cents a kilogram — similar to what it was in 1988. Consequently we have seen a shrinking of the wool industry and a growing of the dairy industry. Back in 1988 the dairy industry produced some 3 billion litres of milk here in Victoria. Last year the Victorian dairy industry produced approximately 6 billion litres of milk. In the same time it has doubled, while the wool industry has definitely contracted.

There are other cooperatives in the dairy industry on the herd testing and improvement side. In my area the Northern Herd Development Cooperative has a role of providing semen, freeze branding and testing milk at competitive rates. Again, the proprietary companies that are competing with that cooperative wait until it sets its price before they set their competitive prices for the year. Indeed without Northern Herd Development Cooperative the input costs of dairy farmers would be substantially greater. It has been seen in areas where cooperatives have failed that input costs go up.

Another factor that I would like to raise is the ability of a major cooperative like Murray Goulburn to help its suppliers in times of drought. Despite pleas from farmers last year for the government to freight hay from Western Australia, the government refused to do it. The good thing about a strong cooperative is that, in this case when there was government failure, it stepped in and brought the hay from Western Australia. It also

imported palm kernel, which help keep the price of feed down for farmers. Farmers in this state have to be internationally competitive, bearing in mind that the big cooperative, the Murray Goulburn Co-operative, exports to over 100 countries around the world. The exports are not just butter, skim milk and cheese, as they once were; the powdered milks it now produces can be exported to Asia and turned into product by the simple addition of water. For instance, in China you could go to Murray Goulburn and ask for a powder which could be turned into reconstituted milk. You could go to Murray Goulburn and ask for a powder to use in a bakery to make bread. You could go to Murray Goulburn and ask for a powder you just add water to to make ice cream. These are the benefits of having a strong cooperative.

Mr O'Brien interjected.

Mr WELLER — The member is quite right — there is probably more water in China. This bill talks about cooperative capital units, which I see as an important tool for cooperatives going forward. Farmer members of cooperatives are always challenged on where they should make their investment. Does a farmer make it in his farm in water-saving initiatives, which are important — and in my area many farmers do that? At the same time there is competition from the cooperative needing funds to invest in the latest plant that will turn milk into an even higher value product. A farmer always has conflicting interests. Does he invest in the cooperative, which is going to turn the milk into something that will give an even higher return, or does he invest in his farm, which is going to make him more efficient and enable him to produce even more of the high-quality milk that comes out of Victoria and is renowned around Australia?

An honourable member interjected.

Mr WELLER — That is another factor — that farmers have to meet the challenges of a decreasing amount of water in northern Victoria and the challenges of Melbourne taking some of the water away from an industry that employs over a couple of thousand people in Victoria. There is another part of this bill which I have a bit of a problem with.

Mr Herbert interjected.

Mr WELLER — The member is quite right. At long last he is admitting that it is stealing. The member on the other side agrees that the government is pinching our water. If I could refer to the bill, the amendment to the Private Security Act deals with the fact that it should have been done by 2008, and the government is

asking for an extension to 2009. What has the government been doing? Where is the justification for a 12-month extension? Has the government been sitting on its hands? If the extension is really needed, the government should tell us why rather than just asking and expecting us to accept it.

In closing, I support this bill because of the importance of cooperatives to the dairy industry and other farming industries. We have seen how successful the dairy industry has been off the back of cooperatives, particularly the Murray Goulburn Co-operative, and how unsuccessful the wool industry has been without them.

Mr HERBERT (Eltham) — It is a great pleasure to speak on the Co-operatives and Private Security Acts Amendment Bill 2008. The bill is an extremely useful piece of legislation which will assist cooperatives to raise funds and operate on a national basis. Essentially the bill allows a cooperative to issue a new cooperative capital unit, as we have heard previously. It allows for a more streamlined ability for cooperatives to carry on business and operate around Australia without the need for a separate register in each state and territory. Importantly it provides an exemption for smaller cooperatives from the need to have their accounts audited annually by a registered company auditor.

The bill also amends the Private Security Act 2004 to extend the date by which a ministerial review of the act must be finalised. As we have heard, this legislation followed an initial commitment at the 2002 ministerial council that national cooperative legislation would include mutual recognition provisions to enable a cooperative to raise funds and operate across a number of jurisdictions. It has taken some time for this to reach the Victorian Parliament due to delays at the national level, and it is good that we can now proceed to ensure that these mutual recognition procedures and the adoption of cooperative capital units is legislated for.

It is worth just pausing a little to look at that six-year delay, because it reflects what was happening prior to the Rudd government's election last year. The previous federal government's relationship with the states was based on sabre rattling, threats, coercion, intimidation and contempt. The approach by the federal government to any cooperative arrangement with the states led to bureaucratic inertia and an inability to get some necessary, well-thought-out and long-overdue national cooperative arrangements in place. I am absolutely delighted that today we have seen a complete reversal of that appalling behaviour and lack of respect between the federal and state jurisdictions. That no longer operates, and we are starting to see rapid change and

the delivery of improvements in the areas of water, health, education, regulatory reform and in legislation such as that we have before us today.

I will not speak for long. We have heard many contributions. The member for Bentleigh outlined in some detail the essential elements of the bill and some of the more important aspects of it. I wish to say a few words in recognition of the tremendous contribution to service provision that cooperatives make in this state and in this country. In Victoria there are about 750 registered cooperatives — that is, 750 groups of people who are absolutely committed to improving their local communities. These cooperatives are organised, owned and controlled by their members in order to progress a common good, a concept that some may think does not exist in today's modern world but which is out there thriving in many communities around the state, both rural and urban. Cooperatives are traditionally based on the concept of self-help, on cooperation and on a drive to produce an agreed outcome. They operate across many aspects of our society. They provide water to irrigators and, as we have just heard from the member opposite, great farming services in the dairy, tobacco, egg and fishing industries.

In the urban and rural contexts they are involved in the provision of child care, housing, taxi services, community radio stations, education and many more areas. I think there would be very few members of this house who have not at some point been a member of a cooperative, whether it be a local school cooperative formed to raise funds for a building, a food cooperative, a housing cooperative or a rural cooperative. As such, many members will have a great understanding of what goes on in cooperatives and of the great work they do. Their members are passionate and dedicated people who contribute enormously to building stronger Victorian communities.

One important aspect of assisting this vital community sector is ensuring that cooperatives can operate in an environment that is protected from predatory and unscrupulous behaviour and from corrupt practices, through which people may seek to take advantage of the work of these hardworking people. On that point we have had a fairly tightly regulated sector. It has provided those safeguards in general, and the industry has done well through the legislation, but now it is time to move on. We are far more national in approach to most things in life nowadays, and in the cooperative sector there is no difference. It now needs a nationally consistent approach, or provisions, and I think this legislation provides that.

On the issue of the Private Security Act I think the amendments are straightforward. The act requires the minister to complete a review of its operations by 1 June 2008, and due to major work being undertaken at a national level to harmonise regulation of private security industries around the country, and the Council of Australian Governments development of national minimum standards, this review needs to be extended for a year to make sure what we do is consistent with those national efforts.

It is a simple fact. The member for Malvern seems to think there is a conspiracy here, but I really think this is something that needs to be nationally consistent and we need to synchronise our operations with what is happening at the national level. The bill is a very useful addition to the legislative framework in Victoria, and I commend it to the house.

Mr THOMPSON (Sandringham) — It is of interest to note that one of the reasons the private security legislation has been delayed is to achieve the harmonisation of legislation across the country, yet there is the anomalous example in relation to conveyancing in Victoria — that is, the endeavours of the Victorian government to build a go-it-alone system does not have the support of other states and does not have the support of the banking industry. It is an ineffectual national model and will not have the opportunity to go ahead.

In relation to the private security provisions of this bill I note that the principal act, the Private Security Act, was debated in 2004. Section 178 is quite explicit in saying that the minister will undertake the review as soon as possible after a period of three years from the day on which the act received royal assent. Noting the alignment of Labor governments across the nation, it is hard to fathom why they need a further 12 months to effect a basic review of a very important industry. At the time the bill was debated in 2004 there had been a serious assault that had led to the death of a person who had a significant sporting background in Australia, and much debate took place about the registration of people under that particular legislation.

The Private Security Act regulates the employment of people who play a very important role in securing a number of important public buildings and public and private infrastructure in Victoria. It is important that that particular industry be responsibly regulated. The reason for the delay, as the shadow minister, the member for Malvern, has pointed out to the house, is a characteristic of the current government — that is, its inability to respond within reasonable time frames. Earlier in this place today I gave the example of the

delay in providing answers to questions on notice lodged in this place and also in the other place to people who are dealing with the court process in Victoria in relation to police fines.

In relation to the other element of the bill, the Co-operatives Act 1996 and the amendments thereto, the purpose of the bill is to amend the Co-operatives Act to enable cooperatives to issue capital units for raising funds, increase recognition of co-ops registered outside Victoria and to allow the registrar of cooperatives to exempt smaller co-ops from the requirement to have their accounts audited.

Within the Sandringham electorate cooperatives have played an important role over several decades. There has been the important work of housing cooperatives, which have facilitated the provision of lower interest housing loans to people buying their own homes, and more work could be done on that frontier today, noting the demand for housing in Victoria, the accelerating increases in property prices and the numbers of young Victorians who are being locked out of the housing market.

There has also been excellent work undertaken by cooperatives in relation to the provision of school buildings. Mentone Girls Secondary College, one of the leading state schools in Victoria — an outstanding school — has been the beneficiary of a number of cooperative projects between the parents, the school administration and the wider local community to construct a number of important buildings. One more recent project was the gymnasium complex and basketball-netball precinct constructed in the late 1990s, which saw an outstanding donation by the City of Kingston provide a first-class sporting facility and an assembly hall for the school.

There was the work undertaken at Cheltenham Primary School under the guidance of Kim Brownbill, the then principal, regarding building endeavours there, and Sandringham Primary School also, as I recall, utilised a cooperative to further a number of building projects at the school, under the leadership of Helen Worlidge, the school principal — an outstanding educator — and also under the leadership of Jon Duggan, who was an architect by vocation. He was seconded to the school council and oversaw some excellent developments there. But for his expertise and but for the drive of the then principal, Helen Worlidge, a number of building projects would not have eventuated. Jon's work was subsequently recognised further afield when he was recognised as one of the most outstanding school council presidents in Victoria. In more recent times he has had more free time in the evenings and has focused

more on his private architectural work. As other members have discussed, the work of cooperatives is significant and important.

The major area of concern from the point of view of the opposition relates to the reasons for the delay in the finalisation of the review of the Private Security Act by the Minister for Police and Emergency Services and by his predecessors, and I allude to the importance of a number of legislative reviews being undertaken in a timely manner. There is the example of major delay in a number of projects in Victoria. There was a public housing maintenance computerisation project, which last time I checked had only delivered the first of five modules, and there is the delay in a national conveyancing scheme, where the Victorian government chose to go it alone. It has not operated since coming online last November, and it basically sits there as a white elephant. It is important for the effective compliance measures within the security industry that there is an act that is functional, operative and able to meet the needs of the industry and the wider community.

Mr HARDMAN (Seymour) — I rise to speak on the Co-operatives and Private Security Acts Amendment Bill. The purpose of the bill is to improve the regulatory environment in which cooperatives operate and to facilitate the expansion of cooperatives by introducing an additional method of capital fundraising. The bill also extends the period within which a ministerial review of the Private Security Act 2004 must be completed.

In response to members opposite who have queried the review and consultation processes being undertaken, the Department of Justice commenced the planning for the review in 2007 in accordance with the statutory requirements to conduct the review before 1 June 2008. PricewaterhouseCoopers commenced the review in November 2007. The review is well under way. The consultation with the private security industry is being undertaken both through the Victorian Security Industry Advisory Council and directly with the private security operators. Public consultation will follow. The time frame for finalising the review is being extended primarily to take into account the work being undertaken at the national level to harmonise the regulation of the industry and to enable movement across jurisdictions through mutual recognition arrangements.

Cooperatives like companies and incorporated associations are legal entities. They allow members to have similar privileges, such as buying and selling property. The cooperatives are owned and controlled by

members who join together for a common benefit. As a member representing a rural community I am particularly interested in this legislation, as cooperatives are an important mechanism and structure for the primary production sector. They provide services to sectors such as the dairy, egg and fishing industries and to irrigators. Those provisions have been well established today, and I will not go any further into describing those particular industries; they really make a big difference to rural and regional Victoria.

As well as rural industries, Victorian cooperatives operate in and across a wide range of areas that provide services to the community and include services like child care, housing, taxi services and community radio stations. All of these services in rural communities are essential and improve the lives of people who live within country areas. Perhaps in many cases those services would not be able to function as efficiently and as well as they do without the cooperative structure.

The Co-operatives and Private Security Acts Amendment Bill will amend the Co-operatives Act by introducing cooperative capital units as an additional form of capital fundraising to support the trading operations of cooperatives, simplifying the ability of cooperatives registered in another jurisdiction to operate in Victoria, and providing discretion for the registrar of cooperatives to exempt small cooperatives from all or specified financial reporting and audit requirements under the act. The amendments will support the operation and sustainability of the cooperative sector which, as it has been outlined today, is very important.

It is with great pleasure that I wish the bill a speedy passage in order that the cooperative sector continues to thrive and move towards national consistency.

Mr CRISP (Mildura) — The Nationals in coalition are not opposing this bill. The purpose of the Co-operatives and Private Security Acts Amendment Bill is to amend the Private Security Act 2004 and the Co-operatives Act 1996. These amendments aim to enable cooperatives to issue cooperative capital units, provide for recognition of foreign cooperatives and for other purposes.

Cooperative capital units are interesting in that they are issued by a cooperative which confers upon the holder an interest of capital of that cooperative other than share capital. They are considered personal property and can be issued to both members and non-members of a cooperative, they are subject to laws pertaining to personal property and can be subject to equitable interest as in the case of other personal property. They

are also considered as a debt on the winding up of a cooperative. For all intents and purposes these are debentures.

As to foreign cooperatives, a cooperative from overseas may solicit for members in Victoria, provide goods and services in Victoria, seek share capital, take deposits and offer securities in itself in Victoria. Overseas cooperatives can be granted to operate under the law of another state or country if they are compatible with Victorian law or are declared compatible by the minister.

The Private Security Act amendments are to extend an inquiry deadline. It is with some interest that I have found a definition here today that the member for Seymour commented on previously when he indicated that the PricewaterhouseCoopers review was to start as soon as possible. However, as soon as possible was to have been June 2007, so by its not starting until November 2007, 'as soon as possible' equalled five months. This will be a useful definition for the future in learning to understand the language of the government.

I move to the issues. Cooperatives are out there for almost everything. As I looked across the list in Victoria, and there is an extensive list available, I saw that they are in agriculture, finance, art, child care, taxis, Meals on Wheels, sporting clubs, broadcasting, alternate energies, ideas and education. There is even a labour cooperative, and I am not sure whether that is to do with the members on the other side of the house or whether it is for another purpose.

Cooperatives have been an extremely useful tool in developing agriculture within Victoria and within Australia. They have been involved in marketing, packing and purchasing everything from fuel supplies, farm supplies and other things that are necessary in production.

Many years ago I was a member of the Sunraysia District Citrus Cooperative Society, and its history — —

Mr Stensholt — In Victoria or New South Wales?

Mr CRISP — It was both sides of the border, as the member for Burwood has noted. Its job for Sunraysia was to develop export markets for citrus, which it undertook well but was taken over by the private sector as the industry evolved. This was very much the case for cooperatives that began very strongly in the Sunraysia region post-World War II. However, many of them went into decline, particularly from the 1970s onwards. From its humble beginnings in the citrus industry, the Sunraysia cooperative evolved to be a

major force in developing international markets, and now, as part of its long-term legacy, it financially supports agripolitical representation.

I believe that cooperatives still have a valuable role. That is why I welcome the modernisation of this legislation. They are coming back and are still a useful industry tool. They are being talked about strongly, including by the minister in the second-reading speech. He summed it up extremely well when he said:

Cooperatives are organisations owned and controlled by members who join for their common benefit.

Cooperatives are traditionally based on values of self-help, self-responsibility, democracy, equality, equity and solidarity.

Those are very strong reasons for introducing this legislation.

Recently I was part of a parliamentary committee that looked at biofuels. The committee heard that many of the emerging groups in rural Victoria are coming forward with cooperative structures in mind to develop biofuels, again proving that cooperatives are useful tools.

Turning to cross-border issues, which are finally recognised in this legislation, mutual recognition is a major issue. Cross-border issues are certainly very much on my mind. I encourage the government to extend its mutual recognition of cooperatives across borders to other areas that are important. One area which comes to mind is the tickets for machinery operators. Recently the chief executive officer and chairman of the Civil Contractors Federation came to see me and visited Sunraysia to deal with the cross-border issues that occur there. If you happen to operate machinery such as backhoes, graders or bulldozers — a great deal of rural equipment — you need to have a ticket issued in Victoria. If you drive across the river and want to operate on the other side of the river, you have to have a ticket for New South Wales. I am very encouraged by the harmonisation and mutual recognition that has come forward to date, and I encourage the government to move on with this into other areas. For example, someone who has a backhoe business and perhaps a front-end loader and a small crane will incur around \$800 a year of extra cost because of the need to have tickets on both sides of the border. Recently New South Wales and Victoria got together on something called a red card, which is to do with basic site training for occupational health and safety. The card will be recognised by both New South Wales and Victoria. Such things can be done and should be done. We need to move forward on this issue,

because cross-border issues are a cost to our economy on a daily basis.

The last issue that comes to mind in relation to this cooperatives legislation concerns mostly a series of questions. Aboriginal cooperatives are not mentioned, and I am not sure whether they are covered under other legislation. Can Aboriginal cooperatives raise capital, and how do they fit, particularly with interstate activities? Aboriginal cooperatives often have great social benefit, and I have not been able to research whether they are provided for in this legislation.

The discretion to exempt cooperatives from auditing is a welcome inclusion. Many of the cooperatives that form are small and in their infancy and are trying to get an idea up to mutually benefit those who are involved. I think it is a great step forward for these mostly smaller enterprises to be exempt from auditing. Companies have that facility.

To summarise where we are up to with the harmonisation issue, it was based on a 2002 Council of Australian Governments agreement. Victoria is moving forward together with New South Wales, which is welcome. The other states are going to follow, but we want them to hurry up because there is much to do. The Nationals in coalition are not opposing the bill.

Mr STENSHOLT (Burwood) — I rise to support this bill. I had a lot to do with cooperatives in a previous career, particularly international cooperatives. I did a lot of work with Race Matthews and other people. Race is of course a previous member of this Parliament as well as the federal Parliament.

I am a member of a cooperative. It is not the Labor cooperative the member for Mildura was referring to, but the cooperative of the Camberwell South Primary School. I am told there are 750 cooperatives throughout Victoria. Can members guess which group of organisations has the biggest number of cooperatives? There are 275 educational cooperatives. That is right, that group is local primary schools. The government is very supportive of that situation and of the harmonisation approach as well. The provisions in this bill whereby cooperatives can match the raising of capital may even help the schools as well as the very large cooperatives, which I am sure the member for Mildura is more familiar with than me.

I am more than happy to support this legislation. I note though that one of the failures of cooperatives internationally has been their inability to be sound financial managers. I urge the registrar, who has been provided with further discretion, to use that with great

care. One of the great weaknesses of cooperatives is their financial management. From my point of view, given my experience, it is appropriate to sound that note of caution. The other part of the bill — the security side — is obviously a common-sense measure, insofar as there is a bit more work to do on a Council of Australian Governments basis. That is obviously a very sensible recommendation. I commend the bill to the house.

Mr WALSH (Swan Hill) — I rise to speak on the Co-operatives and Private Security Acts Amendment Bill. The purpose of this bill is to amend the Co-operatives Act 1996 to enable cooperatives to issue cooperative capital units, provide for recognition of foreign cooperatives and for other purposes. When we talk about foreign cooperatives, in principle we are talking about interstate cooperatives being able to operate in Australia rather than in overseas countries.

As has been pointed out by previous speakers and mentioned in the minister's second-reading speech, cooperatives have played a significant role in the primary production sector over many years. Cooperatives in that sector have been particularly about maximising market strengths when there are many sellers and few buyers. There are quite a few examples of cooperatives over the history of agriculture, and some previous speakers have talked about cooperatives in the sectors of agriculture in which they have had a particular interest in the past. I will be doing the same.

The Farmers and Graziers Co-operative Ltd, set up many years ago to enable its members to own abattoirs in Victoria, was very much about leveraging producers into meat marketing. They believed that the abattoirs at the time were taking unfair profits out of the industry, and they wanted to transfer those profits back to the producers. The member for Rodney spoke about the Victorian Producers Co-operative Ltd — the VPC, as it was known. That pastoral house in Victoria was set up by farmers to make sure they could have their interests represented rather than through the large pastoral houses which they believed were exploiting farmers through the fees they charged. The VPC was also able to offer better credit facilities to farmers than the large pastoral houses.

I want to spend a bit of time talking about cooperatives in the fruit industry, in which I was involved. At one stage a large number of cooperatives in Victoria, South Australia and New South Wales were processing fruit for the domestic market and for export. There was the Berri cooperative in Berri; the cooperative in Leeton, New South Wales, the SPC and Ardmona cooperatives at Shepparton, and the Kyabram cooperative at

Kyabram. They were in the industry to process fruit into product, particularly canned, for domestic use and for export.

The demise of some of those cooperatives came about because one of their principal markets was England. When England entered the European Economic Union, that particular market dried up and put significant pressure on those cooperatives. The subsidies that were paid by members of the European Economic Union put major stress on those cooperatives and the markets they supplied. Both the Berri and Leeton cooperatives fell by the wayside. SPC, of which I was a director for eight years, ended up as a publicly listed company.

One of the advantages achieved for the members of that cooperative was that when it became a publicly listed company, the cooperative members of SPC probably had their net worth in their equity in SPC increased tenfold. Subsequent to SPC becoming a publicly listed company, it took over Ardmona, which freed up equity for members of that cooperative. It injected quite a lot of capital into the Shepparton area. That company is now owned by Coca-Cola Amatil.

The member for Malvern, in his contribution to the debate, talked about the Bendigo Bank community bank cooperative model. That has been a real boon around Australia, particularly in Victoria.

Mr Delahunty — It started in Rupanyup.

Mr WALSH — As the member for Lowan interjected, it actually started at Minyip and Rupanyup in the great electorate of Swan Hill. Even though at one stage it was in the seat of Wimmera, it is now in the great seat of Swan Hill. I will take credit away from the member for Lowan and the fact that the very first Bendigo Community Bank was started there.

It has been a real boon for small communities, and as the member for Malvern said, it has now moved into suburban communities. A cooperative model is used where the community owns the banking franchise for that area. The profits are shared — the profits that the community part of that bank earns are put back into the community. It is my understanding that the Bendigo Community Bank at Minyip and Rupanyup is now putting something like \$100 000 a year back into those two small communities, which is a great boon to them.

The cooperative culture has changed over time and moved away from some of the agricultural models I have talked about to become more like the Bendigo Bank model. In recent times Bendigo community banks have also opened up in the communities of Charlton and Inglewood in my electorate. In Inglewood the

Bendigo Bank had one of its own bank franchises. The community got together and raised the capital in record time to purchase that franchise so that it could become a community bank.

The key point in this bill is the issue of raising cooperative capital units. It is a very good initiative that could rejuvenate the cooperative process in lots of industries. One of the greatest limiting factors facing the cooperatives which no longer exist — and this has previously been mentioned by the members for Mildura and Rodney — was their inability to raise capital. A conflict arose because the members of the cooperatives needed capital for their own businesses and did not want to put capital into the marketing or processing sector.

With the raising of these capital units there is an opportunity for the concept of cooperatives to rise from the ashes like the phoenix and play a key part in agricultural and other community initiatives in the future. I wish the bill a speedy passage.

Ms BEATTIE (Yuroke) — It gives me great pleasure to speak briefly on the Co-operatives and Private Security Acts Amendment Bill. One of the reasons for the bill is to improve the regulatory environment in which the cooperatives operate. The member for Burwood talked about some of the school cooperatives and told us that he was a member of a school cooperative, as am I. There are some 275 school cooperatives. The purpose of the cooperative that I am a member of, which is the Roxburgh College school cooperative, is to enable finance to be raised with the cooperative underwriting the loan.

This bill facilitates the expansion of cooperatives by introducing that additional method of capital fundraising, introduces cooperative capital units as an additional form of capital fundraising to support the trading operations of cooperatives and simplifies the ability of cooperatives registered in another jurisdiction to operate in Victoria. The member for Mildura gave as a good example a cooperative which may need to operate on both sides of the Murray River, and it is important that cooperatives have the ability to be registered in another jurisdiction. The bill also provides discretion for the registrar of cooperatives to exempt small cooperatives from all or specified financial reporting and audit requirements under the act. We all understand that some cooperatives are formed with a specific purpose in mind and are not made up of accountants and auditors, so it is imperative that the registrar of cooperatives has that discretion.

Cooperatives can be wonderful organisations. We have all heard about some cooperatives that operate in a very good fashion and are positive additions to the community, and the Bendigo Bank is certainly one of those. It started off as a small organisation and has broadened its operations throughout the state and does a wonderful job. However, some communities have had cooperatives which have not always been run so well. Although I do not think such things happen now, in the past some cooperatives in Aboriginal communities were not run in a fashion that was beneficial to some of those communities. By increasing the discretion of the registrar of cooperatives to intervene in the affairs of a cooperative this bill will prevent the recurrence of such situations. I do not think these things happen any more; most cooperatives operate in a fashion that is beneficial to their communities and their constituencies.

The Ministerial Council on Consumer Affairs circulated an out-of-session paper on the proposed national cooperatives agreement, which included a recommendation that the ministerial council approve jurisdictions enacting model provisions. The issue of cooperatives is firmly up there on the national agenda, and I am sure that this bill will enhance and strengthen the important work that many cooperatives do. I commend the bill to the house.

Mr DELAHUNTY (Lowan) — I want to make a few comments on the Co-operatives and Private Security Acts Amendment Bill. As we know, the bill amends the Co-operatives Act 1996 — there are three changes — and it also amends the Private Security Act 2004 to extend the time frame for completion of a statutory review of that act by one year to 1 June 2009. The member for Yuroke referred to the fact that cooperatives will be given the opportunity to raise money. I hope we never get to the stage of this state government having to use cooperatives to bail us out of problems similar to those we had back in the early 1990s, when the state ran out of money. A lot of work had to be done by the previous coalition government to get us out of that problem.

I want to speak briefly about the impact of this legislation upon country communities. As we know, country communities rely on agriculture for their economic and employment fortunes. Previous speakers, including the members for Rodney, Mildura, and Swan Hill, have spoken about the strength of agricultural cooperatives, particularly in the dairy industry. There is not much dairying in my part of the state, but there are some grain industry cooperatives, and they have played an important role in supporting their country communities.

I also compliment the Bendigo Bank. I heard the comments made by the member for Swan Hill about that bank. It has been a great help to country communities, not only by providing banking services but also in raising funds. In my electorate the Bendigo Bank has branches at Edenhope, Coleraine, Lake Bolac and Willaura. There are also branches in Horsham and Hamilton, but they are not run on the community model of the other towns. The branches in my electorate raise a lot of funds that go back into the community, and they do an enormous amount of work in providing banking services and, importantly, providing dollars needed for community infrastructure. They have an important role to play. I compliment the Bendigo Bank and, more importantly, compliment the work done by the cooperatives in the agricultural sector which play an important role in my electorate of Lowan. Like my coalition colleagues, The Nationals will not be opposing this legislation.

Ms CAMPBELL (Pascoe Vale) — In the short time allocated to me I want to make two brief points about the Co-operatives and Private Security Acts Amendment Bill. We have heard from other speakers that the purpose of this bill is to improve the regulatory environment in which cooperatives operate and to facilitate the expansion of cooperatives by introducing an additional method of capital funding. The bill also extends the period within which a ministerial review of the Private Security Act 2004 must be completed.

It is terrific that there is agreement between all states and territories to establish a national scheme of cooperative legislation under the Ministerial Council on Consumer Affairs (MCCA), which has agreed on a set of core consistent provisions that will be embodied in a national cooperative code that will make for ease of administration throughout Australia. The core consistent provisions are based on the Queensland Co-operatives Act 1997 with some amendment to facilitate national adoption. It is important for us to reflect that in 2002 MCCA agreed to incorporate into the core consistent provisions that fundraising provisions be based on a modification of the cooperative capital unit provisions in the New South Wales Co-operatives Act of 1992.

In conclusion, the Co-operative Federation of Victoria — the peak body for cooperatives in Victoria — has expressed support for the introduction of cooperative capital units and the mutual recognition provision. I am sure I join with other members and the CFV in welcoming this legislation and wishing it a speedy passage.

Ms MORAND (Minister for Children and Early Childhood Development) — It is clear from the contributions that have been made to this debate that many members have had direct and positive experiences in cooperatives in their many different forms. I want to thank members for their support of this legislation, and specifically the members for Malvern, Bentleigh, Rodney, Eltham, Sandringham, Seymour, Mildura, Burwood, Swan Hill, Yuroke, Lowan and Pascoe Vale. I wish the bill a speedy passage.

Motion agreed to.

Read second time.

Third reading

Motion agreed to.

Read third time.

ESSENTIAL SERVICES COMMISSION AMENDMENT BILL

Second reading

Debate resumed from 13 March; motion of Mr HOLDING (Minister for Finance, WorkCover and the Transport Accident Commission).

Mr WELLS (Scoresby) — I rise to speak on the Essential Services Commission Amendment Bill 2008, which amends the regulatory framework of the Essential Services Commission (ESC) in the following way: it simplifies the purpose and objectives in the act. It provides the commission with the power to make codes of practice and impose civil penalties for their breach. It broadens the power of the commission to inquire into any matter referred by the minister for finance, and only the minister for finance can make that referral.

It provides the commission with powers to access information from regulated and related third parties and clarifies processes and decisions on the release of commercial-in-confidence information; it removes the specific provision to inquire into and report on insurance industry matters; it introduces civil penalties for breaching Essential Services Commission determinations and it introduces new third-party access regime provisions for regulated industries.

The Liberal Party will not be opposing this bill. We note that the primary role of the Essential Services Commission as being the primary economic regulator of essential utility services in Victoria. The Essential

Services Commission regulates certain services in the electricity, gas, water and sewerage, ports, rail, export grain handling, statutory insurance and transport sectors. The role differs for each regulated industry but generally involves regulated prices, service standards, market conduct and consumer protection. The ESC investigates and advises the government on regulatory matters that affect Victoria's essential services. It also administers the Victorian renewable energy target scheme. Our regulated industries in electricity, gas, ports, grain handling and water pay annual licence fees set by the minister for finance. The structure is obviously also on the website and is made up by people with certain expertise.

I notice with great interest that in the second-reading speech's reference to the situation when the Essential Services Commission was created in 2001, there was provision for a review to be conducted under section 66(2) of the Essential Services Commission Act 2001 after five years. I note that in the second-reading speech the minister for finance referred to the work of Mr Beale, and I will come to him in a moment, saying that:

The review found that, under the Victorian framework, consumers had benefited from falls in the real price of essential services and, in many cases, from improved quality and reliability.

I am wondering whether the minister is still keen to put the view that quality and reliability have been improved.

Over the last week we experienced the problems that a storm caused. Everyone would accept that there is an issue when storms come through — with lightning, winds and rain — and that sometimes the power will go off. Last week the lack of information to consumers from the power companies caused a lot of anger. Many telephone calls came to my office — and the member for Ferntree Gully was also in the same situation, covering the same sort of area — and people were saying, 'We do not know what is going on. We do not know when the power is going to be reconnected', which was causing an enormous number of problems.

Numerous phone calls were made to SP AusNet, the electricity distribution network responsible for our area, by customers in a number of streets where power had been lost, but the company's phone lines were constantly engaged. In one case the person got through after midnight, but when they named the street they were living in, SP AusNet had no idea that their street was devoid of any power.

That concerns me greatly. I thought there would have been some computer or other system that would tell the electricity distribution network if power was down at certain places and a control panel operator somewhere could notify the company of that rather than relying on people just phoning in. As I said, in the example that more recently was reported to my office, the constituent had tried to get through to tell the company that the power was down. He waited until after midnight before he was answered, yet the company had no idea that power to that street was down. It was reconnected late on Friday night, so my constituent and others in the street were without power for a couple of days.

The other thing that bothered me about the storm last week was that not many people would have heard of SP AusNet. I would have thought the electricity retailers would have had more information available on websites or phone lines about particular areas. I am sure that when the minister is summing up, he will be able to explain how retailers have some responsibility in those situations, whether it be to inform customers on a website or a phone line. I am with TRUenergy, for example, so the first thing I would do would be to ring TRUenergy or go onto their website to find out what was going on, but there seemed to be a breakdown in communication.

As I said, everyone accepts that if a severe storm causes the power to go out, you will have a delay, but the real concern is: when is the power going to come back on, when are the workmen and women in the area going to be able to restore it? I am sure consumers would be more at ease if they had some sort of information. If they were told, for example, 'We think the power will not be on until tomorrow night', then at least families could start making decisions or alternative arrangements, like what to do with the frozen food, how to get the kids up and about for school with showers and washing and everything else, but when you are in the dark, without the heater working, it makes it very difficult for families to function when they do not know what is going on.

I mentioned earlier the review of the Essential Services Commission Act 2001 by Roger Beale, and I note that in the foreword he said:

This is a review required under section 62(2) of the Essential Services Commission Act 2001 to determine whether the objectives of the act are being achieved and still appropriate and whether the act requires amendments to further facilitate those objectives or to insert new ones.

It has occurred at a time of significant change in the national regulatory architecture (particularly in the energy sector) following comprehensive reviews of national competition policy, the national access regime, the gas access regime,

regulation of export infrastructure and access pricing in the energy sector.

Roger Beale conducted this report, and I note that he has had:

... broad experience at the most senior levels in national economic and environmental policy as well as in corporate governance and leadership.

In March 2004 he retired from the commonwealth service after eight years as the Portfolio Secretary of the Department of the Environment and Heritage and nearly 20 years in department head level posts, including in transport, Prime Minister and Cabinet ...

...

Mr Beale was a commissioner of the Public Service Board from 1984 to 1987.

...

His appointment as commissioner followed his role as executive director of the task force that produced the 1984 White Paper on Public Service Reform.

He has a major in history and law from the University of Queensland.

On page 4 of the foreword to the report Mr Beale asked whether the objectives of the ESC act and the commission were being achieved. The commission in the review by Roger Beale said there were four primary regulatory roles:

Access pricing and conditions for gas pipelines (until 1 July 2007 for economic regulatory functions and 1 January 2008 for non-economic regulatory functions); electricity distribution (until 1 July 2007 for economic regulatory functions and 1 January 2008 for non-economic regulatory functions); declared shipping channels and grain silos; and rail track.

Pricing to consumers (intermediate or final) for water and regulation of pricing for electricity and gas (until 1 January 2008).

Consumer protection from gas, electricity and water retailers.

Advice to government on a variety of prices for regulated industries including taxi and tow truck charges, statutory insurance premiums and TAC premiums.

The object of the ESC act is set out in section 8. It is broken into a primary objective and a number of facilitating objectives. The primary objective is set out in section 8(1):

... to protect the long-term interests of Victorian consumers with regard to the price, quality and reliability of essential services.

I suspect there will be a number of members who will wish to speak on that particular role. I would like to discuss the point that Roger Beale made in asking whether the other objectives of the ESC act are still appropriate. He stated:

A good performance does not mean that improvement is not possible. This is true for all the regulatory jurisdictions that together have comprised the NCP framework. As the 10th anniversary of NCP (and the fifth of the commission) approached, COAG ... received a number of in-depth reviews of regulatory performance. These included reports by:

... the national access regime and the gas access regime;

the exports and infrastructure task force (EIT) on export infrastructure;

and the expert panel (chaired by the reviewer) on energy access pricing.

He then went on to speak about how the review was put together. He stated:

However, a number of the submitters to the review argued strongly for the retention of a priority for consumer interests, particularly for low-income and vulnerable consumers, and in addition for the commission to have an objective to advance environmental sustainability.

The review believes that these are important issues. However, the government has many ways of influencing environmental and social outcomes other than by requiring the commission to make decisions on the relative weights to be applied to these factors. For example, should a government want to raise prices of a scarce resource to provide a signal to consumers to use the resource more wisely (e.g. water), or price a pollutant such as greenhouse gases, it can achieve these ends through a water industry regulatory order (WIRO) (which ... form the basis against which the commission assesses water pricing proposals), or economy-wide schemes such as emissions trading or a minimum renewable energy requirement.

Recommendation 1 is to amend the primary objective in the ESC act:

To promote efficient investment in, and efficient operation and use of, resources utilised by regulated industries for the long-term interests of consumers with respect to price, quality, safety, reliability and security of supply ...

Recommendation 2 is to repeal section 8(2) of the ESC act to remove the facilitating objectives.

Recommendation 3 is:

Amend sections 33(3) and 33(4) of the ESC act to replace the current provisions with provisions reflecting a requirement that in making pricing determinations the commission:

provide a reasonable opportunity for a regulated entity to recover at least the efficient costs of providing services that are the subject of the determination and complying with any regulatory obligation ...

provide effective incentives to a regulated entity to promote economic efficiency in the provision by the regulated entity of services that are the subject of a determination, including:

the making of efficient investments in the assets owned, controlled or operated by the regulated entity and used to provide services that are the subject of a determination ...

Recommendation 4 is:

Amend the ESC act to require the commission to have regard to the following factors in determining the form of regulation to be applied when making price determinations ...

They include:

- barriers to entry;
- service externalities;
- ...
- substitution possibilities;
- ...
- other factors considered relevant by the commission.

One of the important recommendations is recommendation 5, which is in regard to code making and penalties. The recommendation is:

Amend the ESC act to provide the commission with a power to make codes, as well as appropriate penalty provisions for their breach. The process for creating a code should be consistent with the Victorian Subordinate Legislation Act 1994 requirement for the creation of statutory rules. This includes ensuring all new codes and amendments to existing codes made pursuant to the ESC act are subject to the normal regulatory impact statement process, and that they are disallowable by Parliament.

Recommendation 6 is:

Repeal part 6 and sections 10A and 10B of the ESC act and broaden section 41(1) to enable the commission to provide advice to any minister, after that minister has obtained the written agreement of the minister for finance, and clarify that there is no restriction on industries or services on which the commission may be required to give advice.

Conclusion 8 on page 18 of the report states:

Once a balanced and comprehensive information-gathering framework is provided in the ESC act, consider in the review of industry specific legislation calling up the ESC act, rather than relying on parallel provisions.

Recommendation 18 is to:

Amend section 37 of the ESC act to give the commission the power to compel a person to appear before it in relation to any matter that is subject to determination or inquiry — consistent with the Trade Practices Act 1974.

The commission does not currently have this power, which is one of those it is calling for. I quote from recommendation 19:

Amend the ESC act to:

allow the conduct of merit-based reviews in price and access determinations ...

There are a number of important recommendations, but it is important to work out what the differences are. I quote from the second-reading speech regarding the government's response to the review that was conducted by Roger Beale. It states:

In all, the government has incorporated, either fully, in part or in principle, 27 out of the review's 28 recommendations. The only recommendation that has not been incorporated is the recommendation to change the primary objective of the ESC act to bring it into harmony with the national gas and electricity laws. In not supporting this recommendation, the government considered that the current objective was more inclusive, and that it had served the commission well. Moreover, the imminent transfer of most of the commission's energy regulatory functions to the Australian Energy Regulator reduces the benefits of harmonisation with the national energy laws.

The second-reading speech goes on to say:

While the government has fully accepted nearly all of the review's recommendations relating to appeals, it has not accepted that part of one recommendation which relates to the introduction of full merit-based appeals. In doing so the government considers that the current model of limited appeals is robust and cost effective.

On that note I make the point that the opposition is not opposing the bill. As I mentioned before, there are a number of issues regarding the reliability of the electricity industry following what we saw during last week's storms. As I said, the issue for many MPs in the outer east is not with the power company but is in regard to the information that was available to the consumer. That is the part that we have grave concerns about. Having said that, I repeat that the opposition is not opposing the bill.

Ms RICHARDSON (Northcote) — It is my pleasure to rise in support of the Essential Services Commission Amendment Bill 2008. The bill amends the Essential Services Commission Act of 2001 and implements a range of recommendations that have been made by Roger Beale, AO. Mr Beale was commissioned by the Labor government to conduct an independent review of the act to determine whether the objectives of the act were being achieved and whether some finetuning needed to be undertaken. The Labor government is to be congratulated on taking this important step. In order for us to maintain the very best

regulatory standards we must continually review and implement improved legislation as required.

I also note that one of the requirements in the bill is to direct the minister responsible for the commission — whoever that maybe in future — to conduct another review by 31 December 2016. This further underscores Labor's commitment to doing all it can to provide a world-class regulatory framework in the area of essential services. This commitment is longstanding. It was Labor Party policy prior to the 1999 election that called for the establishment of the Essential Services Commission to replace the then Office of the Regulator-General. Upon election in 1999, Labor fulfilled that promise and established the Essential Services Commission, which was to provide Victorians with an independent economic regulator of the essential utilities supplied by the electricity, gas, ports, grain handling and rail freight industries. In 2004 the commission's role was expanded to include water, and in 2007 the commission was made responsible for administering the Victorian renewable energy target scheme.

In summary, Labor has acted to deliver a proper regulatory framework for essential services to ensure that the interests of all Victorians are protected in the delivery of essential services, specifically in the areas of price, quality and reliability. The view of the community is that there is a role to be played by the Essential Services Commission, and I believe there is widespread support for the work that it undertakes. The Beale review sought to further improve this work, which it reviewed in light of the commission's stated objectives. A range of stakeholders were consulted and a variety of submissions were received. Mr Beale presented his report entitled *Review of the Essential Services Commission Act 2001* on 22 December 2006. The review is comprehensive and represents a substantial body of work. Mr Beale is to be congratulated on the work he did. As well as drawing 15 conclusions and making 28 recommendations, Mr Beale stated:

The review has concluded that Victoria can be proud of its regulatory framework, including the ESC act and the work of the commission under that act. Consumers have benefited from falls in the real price of essential services and in many cases improved quality and reliability.

Victorians can be proud of the work undertaken on their behalf by the commission and underpinned by the policy of the Labor state government.

In March 2007 the review and the government's strategic response to the review were tabled in Parliament. However, before changes were

implemented the government contacted regulated industries and stakeholders seeking their views. Labor then announced that 27 of the 28 recommendations would be implemented either in full, in part or in principle. Not all of the recommendations require legislation, but those reforms will also be implemented in due course.

The legislative reforms include refining the commission's current objective and simplifying the legislative framework; revising and recasting of the facilitating objectives — these are objectives that the commission must refer to when performing its role; providing the commission with the power to make codes and impose appropriate penalties; and introducing a proportional penalty framework. There are also provisions to standardise powers and penalties. This will reduce the regulatory burden on industries that provide these services. There are provisions to clarify the circumstances in which the commission is able to investigate non-regulatory industries and provisions to provide greater access to relevant information for the commission to undertake its role.

Finally, new measures will be introduced to ensure that Victoria's regulatory framework is consistent with agreed national frameworks as determined by the Council of Australian Governments. These reforms that largely represent a finetuning of the act will nonetheless all work to ensure that Victorians continue to benefit from the best regulatory framework for the provision of essential services in this state.

I would like to touch upon the one recommendation that was not implemented and on the issue of merit-based appeals. The Beale review recommendation that sought to change the primary objective of the Essential Services Commission was rejected because the current objective is regarded as being more inclusive and because it has not failed the commission to date. The suggestion that full merit-based appeals be held was also rejected because its implementation would result in significant delays to the commission's work and significantly increased costs to the commission.

I note, too, and welcome the government's plan to introduce an additional package of reforms aimed at further improving the regulatory framework in which the industries operate by reducing the regulatory burden. This bill, as I said, has implemented some finetuning of the commission's work. It will go some way to improving the work that is undertaken by the commission. I therefore commend the bill to the house.

Mr WELLER (Rodney) — It is with pleasure that I rise to speak on the Essential Services Commission Amendment Bill 2008. The bill amends the regulatory framework of the Essential Services Commission in the following manner: it simplifies the purpose and objective in the act, and it provides the commission with the power to make codes of practice and impose civil penalties for their breach. I caution the government to make sure that these are codes of practice that work well and that do not require extra red tape. I note the government's commitment at the last election to reducing red tape by 25 per cent; we would not want to see red tape grow as a consequence of this bill.

The bill also broadens the powers of the commission to inquire into the matters referred to it by the finance minister, who is the only minister who can make such a referral. The bill provides the commission with powers to access information from regulated and related third parties and to clarify processes and decisions on the release of commercial-in-confidence information. The bill removes the specific provision to inquire into and report on insurance industry matters, it introduces civil penalties for breaching Essential Services Commission determinations, and it introduces a new third-party access regime provision for regulated industries. That is interesting.

In theory it sounds good, but I use the example of Goulburn-Murray Water in my area, which supplies water to the irrigators in northern Victoria: are we going to have a third party there which duplicates the system? I do not think so. The only way that you could have a third party would be if it were more efficient at sending the bills and collecting the money, which may be a thing that is worth looking at. Goulburn-Murray Water, indeed, may be inefficient — like the government — when it comes to sending bills and collecting the money.

The opposition has consulted widely on this bill with AGL, Consumer Law Centre Victoria, the Essential Services Commission, the energy and water ombudsman, the Energy Supply Association of Australia, the Barwon Region Water Authority, the Consumer Utilities Advocacy Centre, Pacific National, United Energy Distribution and Multinet, the Energy Users Association of Australia, CitiPower, EnergyAustralia, the Port of Melbourne Authority and TRUenergy.

The bill largely implements the recommendations of the Beale review into the Essential Services Commission, undertaken in 2006 and additionally the third-party access regime provisions arising from the 2006 Council of Australian Governments (COAG)

agreement on competition and infrastructure reform. However, the bill extends the objective of the Essential Services Commission, allowing the minister for finance to refer matters in relation to any industry to the Essential Services Commission for advice and report. Again I would encourage the government not to abuse this provision and create more red tape for small businesses. That would be a frustration, given that the government went to the last election with a commitment to reducing red tape.

The referral power is accompanied by coercive powers in relation to document access, and it would allow the government to commission reviews of industries for political purposes. We want to make sure that that power is not abused. Additionally, the government has the potential to duplicate work already undertaken by the Victorian Competition and Efficiency Commission. You could have the situation where it becomes inefficient if you have two government organisations looking at the same industry.

While the third-party access regime provisions are template provisions from the COAG agreement, their implementation is a matter for Essential Services Commission judgement. This will potentially be very controversial in a similar way to the third-party access issues I have already raised, which have arisen between Telstra and the Australian Competition and Consumer Commission in the last two years.

The role of the Essential Services Commission is to look into several things, not just price; its role is to look into quality and reliability as well. Quality and reliability of service in the essential utilities in my area is quite important. For instance, if you are a dairy manufacturer with a tower drying milk and the power goes off, all that powder is then wasted. All the product in there, which is worth many thousands of dollars a tonne, is wasted. The drier goes into wash mode, so you get soaps and water coming in on the powder, and it then becomes stockfeed, which would be worth a small percentage of what it would have been worth if we had a reliable power system.

Power failure is a big cost to industry, particularly across the horticultural industries. Any of the processing industries in northern Victoria need a very reliable source of power. For instance, I can advise the house from personal experience that when the Longford gas plant explosion took place in 1998, the Murray Goulburn Co-operative factory at Rochester used natural gas for its boilers, and it took four days before the boilers could be changed from gas to diesel oil burners, which then created the steam to run the plant.

Consequently the factory could not take the milk from the farmers, which created an environmental issue.

On my farm we dumped 11 500 litres of milk down the drain. It went into the effluent pond and fortunately did not get off the farm, but for farmers who were not as well organised as in my example, there was the potential for milk to enter into streams and those sorts of things. This highlights the importance of having a very reliable energy source for the state.

The quality of water is also very important for food manufacturers. If we are going to be exporting our products all around the world, the water that we use in our manufacturing plants has to be of the highest quality. The bacteria counts have to be low, because that is what is measured to determine the quality of the food when we export it overseas. We have heard from both sides of the Parliament about the importance of the food manufacturing exports from Victoria. It is of the utmost importance that the Essential Services Commission maintain those high standards of quality and reliability when it comes to the supply of water, power and gas to the manufacturing industries right across Victoria, and, in particular, in the seat of Rodney.

The Essential Services Commission is also most important to the residents of the towns in my electorate. Coliban Water supplies water to the urban users within the electorate of Rodney, and some comes from Goulburn-Murray Water as well. Coliban Water proposes — and the Essential Services Commission under this current review has agreed — to lift the water prices by 82.5 per cent over the next five years, which is a major cost impediment to the residents of Rodney, particularly the residents on pensions and fixed incomes. The government is proposing, and the Essential Services Commission has agreed, that the price of water is going to double over five years. If you are on a fixed income, the doubling of the prices charged by a utility like a water company is an extreme inconvenience and puts pressure on individual and family budgets.

Once again I want to talk about energy in my electorate provided by Origin Energy. Last week I had a constituent in my office who had applied to Origin for a discount of 5 per cent. Origin wrote back to say that he could have a discount of 5 per cent. The small print said, however, that where there is a step rise in the charge, the wattage has come down from 10 000 watts to 333 watts. In reality the 5 per cent discount is not a discount at all. These are the things that the Essential Services Commission should be looking at.

Once again the Essential Services Commission is investigating the price of taxi fares. I must say that taxis are of the utmost importance to the aged and the disabled in my electorate. There are no public buses or trams in Kyabram or Rochester. There are taxis. We need to make sure that taxis are an affordable, reliable and quality service for our aged and our disabled. As I have said, I will not be opposing the bill, and I look forward to further debate.

Mr TREZISE (Geelong) — I also am pleased to be speaking in support of the Essential Services Commission Amendment Bill 2008. As the house has heard from previous speakers, this bill emanates originally from the independent review of the Essential Services Commission Act 2001 that was carried out by Roger Beale in August 2006. The review was carried out very effectively and efficiently, ensuring that all stakeholders and interested parties had the opportunity for consultation and input. Mr Beale consulted extensively with industry, customers and other government departments, no doubt.

In carrying out this review, Mr Beale's role was to ascertain how well the objectives and goals of the Essential Services Commission Act were being met, how appropriate those objectives were in 2006 and whether the act required amendment to ensure its effectiveness for future operation. Although the review found that the objectives of the act were being met, it also rightly recommended that a number of changes to the act were required. Twenty-eight recommendations were made by Mr Beale and, as is the hallmark of this government, the government undertook to itself consult widely and analyse each of those 28 recommendations before making any firm decisions. Many stakeholders and other interested organisations and individuals were given a chance to voice their opinions on the recommendations. The government has adopted fully, in part or in principle, 27 of the 28 recommendations made by Mr Beale in this review. It is these recommendations that form the basis of the bill before us tonight.

In ensuring that the operation of the bill reduces the regulatory burden on businesses whilst guaranteeing that the interests of customers or consumers are met and protected, the government is currently developing a further package of reforms that will work in conjunction with the bill before us tonight. In developing these reforms, two reviews will be undertaken. One will focus on the regulatory burden on energy retailers in meeting the needs of their customers and upholding their rights and protections, and the second will examine the administrative burdens across the commission's regulatory services and activities.

In supporting the provisions of this bill, it is important that we ensure not only that our essential services industries are operating effectively and efficiently to the benefit of all stakeholders — including suppliers, retailers and also consumers as the end beneficiaries — but that consumer rights are being protected, especially the rights of families and individuals who are really battling to make ends meet in this tight situation. That includes families on low incomes, the elderly and other customers or consumers who find themselves in a vulnerable position. We have to ensure that they are protected, and that is what this bill does.

This is an important bill that puts into operation important reforms that will build on the current strengths of Victoria's existing regulatory framework that has been in place for more than six years. It is a bill that ensures that the state, businesses and all Victorians will benefit from a world-class regulatory system. It is a good bill, and I wish it a speedy passage through this house.

Ms ASHER (Brighton) — The opposition does not oppose the Essential Services Commission Amendment Bill 2008, but I have to say at the outset that I have grave reservations about the extension of the minister's powers beyond those recommended in the Beale report. I will await the minister's explanation of why he diverted so much from the COAG (Council of Australian Governments) agreement and the Beale report to seek these extended powers for himself. I would have thought that maintaining the status quo on his powers would have been a preferable alternative.

The bill simplifies the purpose of the act and most importantly, it gives the ESC (Essential Services Commission) powers to make codes of practice. Those codes will be eligible for disallowance by either house and, as the second-reading speech observes and the bill report remarks upon, that will increase the level of parliamentary scrutiny available by Parliament over the ESC. There will be civil penalties for breaches of these codes.

The bill importantly introduces the capacity for new third-party access regimes. This has arisen as a consequence of the 2006 COAG agreement on competition and infrastructure reform. As I said, the amendment in the bill will allow the government to meet its obligations under the COAG agreement. I note that the documentation has a timetable for reform spanning the years 2006–07, 2007–08, 2008–09 and 2009–10 and a timetable for, in particular, rail regulation and ports regulation. Given this government's incapacity to hold to timetables, I know

that we will be making sure that the government adheres to the timetable that it agreed to.

The majority of the changes, as other speakers have said and as the minister said in the second-reading speech, relate to a review of the Essential Services Commission Act by Roger Beale, AO. This was obligatory under the 201 ESC act. Indeed I remember clearly the debate establishing this body in 2001. The previous body was the Office of the Regulator-General, and we heard a lot about that in this Parliament from the Labor Party. Nevertheless the Labor Party has formed a new body to oversee regulation in a number of industries.

As was required under the legislation, a review has been conducted by Roger Beale. He embarked on wide consultation, and he made 28 recommendations and drew 15 conclusions. I want to refer to the Beale report, the *Review of the Essential Services Commission Act 2001 — Final Report* and to an observation on page 3, which reads as follows:

The microeconomic reform of the Australian economy which has continued since the mid-1980s underpins the non-inflationary growth that has lifted living standards and allowed us to achieve the lowest levels of unemployment in 30 years. A key part of that reform has been to improve the productivity of public infrastructure and essential services.

He also went on to make the observation that:

Throughout this national reform effort Victoria has played a positive and at times leading role.

It strikes me, as I am sure it strikes those of us on this side of the house who lived through the changes of the 1980s to which Roger Beale referred, that in those days we would not have seen a Labor minister commend a report that contained observations like that.

The most important conclusion of the Beale report is at page 6, where Mr Beale found that the ESC act objectives are being achieved by the commission but went on to recommend a range of reforms, most of which the government has placed before the house in this bill either in whole or in part.

The government responded to the Beale report in a document entitled *Strategic Government Response to the Review of the Essential Services Commission Act 2001*, whereby it indicated broad support for the direction of the report, and it claims that 27 of the 28 recommendations in the Beale report are reflected in full or in part in the bill.

However, as I said at the beginning of my comments, there is one additional element of the bill that is not part of the COAG process or the Beale report — that is, that

it allows the minister for finance to refer matters about any industry to the ESC. We express grave reservations about this. It is too wide. The commission, by way of example, has significant powers to procure documents, which can impose significant costs on businesses. These costs are indeed recognised in the second-reading speech by the minister, and we wonder why the government wishes to pursue this course of action. It is also reasonable to argue that this could result in a duplication of the role of the Victorian Competition and Efficiency Commission, and we will wait to see whether any government speakers can justify this move away from the two documents on which the bill is supposedly based.

I wish to refer also to the formation of the ESC and in particular to a document from 1999 called 'Labor's pledges for Victoria', a business-style card which was placed in my letterbox. It was interesting to note that the Labor Party in 1999 was campaigning in Liberal seats. There is a picture of the former Premier, Steve Bracks, with the words:

As the first step to making Victoria a better place, I offer six pledges.

On the back of the card there is a little note:

Keep this card to see that we keep our pledges.

I have kept the card. Pledge no. 4 is that they:

Guarantee reliable supplies of gas, water and electricity through an Essential Services Commission with tough new powers.

I ask the question: do we have a reliable supply of water as a consequence of establishing the ESC? Of course the answer is no. Do we have a reliable supply of electricity? Of course the answer is no, because this was just a piece of spin. The government has failed to deliver on one of these six key pledges — and indeed more, but that would not be apposite to the bill — it made in 1999.

I want to also touch briefly on the events of last week when some media observers say that 420 000 Victorians lost their electricity supply, some for a short period of time and others for protracted periods of time in the order of four and five days. The opposition, through the member for Box Hill, has already called for an independent inquiry into the way the power companies handled this matter.

There are two areas where there should be a person independent of both the government and the ESC looking into the way this was handled. The first one is the issue of information, because the public was not

even able to obtain information as to how long their supply would be out and therefore to adjust their behaviour accordingly. I put it to the house that it is one thing to have a supply outage for 2 hours but it is quite another thing to have a supply outage for days, with the consequent economic loss and massive inconvenience.

The other element is that this long outage is unacceptable in a modern society. The member for Box Hill has adequately presented before the public that, for example, in 2004 the average customer was off supply for 132.3 minutes during that year, and that according to the latest ESC figures, in 2006 the average time off supply had risen to 165.4 minutes, which was the highest figure since 1998. The government needs to abide by its promise to guarantee reliable supplies of gas, water and electricity. The ESC was going to do that, and it clearly has not. What we need to see now is an independent inquiry — and by that I mean independent of government and of the ESC — to inquire into the events and the handling of what occurred with those power disconnections last week.

Mr STENSHOLT (Burwood) — I rise to support the Essential Services Commission Amendment Bill. Like the member for Brighton, I remember when the original act came before the house. We made the very good promise before the 1999 election that we would establish a commission with powers to impose tough penalties, including fines, on utilities that could not guarantee supply, quality service, environmentally safe practices and safe workplaces.

The Essential Services Commission (ESC) built on the work of the Office of the Regulator-General, which it replaced, and the act extended and broadened the reach of economic regulation in Victoria. It included provision for broader regulation of essential services, as has been described by other speakers, and a greater emphasis on the interests of consumers. It also broadened the objectives of the economic regulator.

As someone with an interest in these matters I was very pleased this was occurring, because it also placed emphasis on a wider variety of concerns, not just economic but environmental and social factors as well. The act made provision for more transparency in economic regulation through consultative mechanisms including the use of memoranda of understanding between the ESC and regulated industries and the formation of a consultative body for consumers.

The apparatus or framework established is far more comprehensive than what had been in place before. On that point, the framework for water went beyond simply metropolitan water and addressed the economic

regulation of the water industry throughout Victoria. Of course agreements at Council of Australian Governments will probably make those changes in the future. That is a brief history.

As we have seen, this bill picks up the recommendations of the report entitled *Review of the Essential Services Commission Act 2001*. The review was undertaken by Roger Beale, a former member of the Liberal Party. He is probably still a member of the Liberal Party; I do not know. I remember handing out how-to-vote cards at a booth in his electorate during an election campaign. We did not quite win — I think we won that booth — —

The ACTING SPEAKER (Mr Seitz) — Order! The member for Burwood should get back to the bill.

Mr STENSHOLT — That is true, but the Labor Party did win the seat. In any case to show that we are very fair minded we asked Mr Beale to undertake the review. As has already been mentioned, it was a very comprehensive review that resulted in the making of 28 recommendations. I heard the member for Brighton say, ‘Oh, I am worried about the minister for finance’. This is the paranoia of the Liberal Party. The member for Box Hill has probably read these things in a bit more depth and probably does not share that paranoia. I notice that recommendation 7 is:

Amend section 44 ... to allow the minister referring an inquiry for research purposes or an inquiry not related to a regulated industry to determine the powers available to the commission in conducting the inquiry.

There is already a provision there. In the review report it is agreed it would be appropriate to amend the legislation to clarify if necessary that the commission is able to provide advice to industries and services beyond regulated industries and essential services currently defined for the purposes of the ESC act. It is actually there. It is one of the 27 recommendations that have been agreed to either in full, in part or in principle by the government in putting forward the bill we are debating this evening. The bill provides for quite a range of activities.

The member for Rodney said he was worried about the impact of regulation and red tape on small business and asked whether the commission’s new powers would increase the regulatory burden on business. We have a very clear policy on this, which is to reduce red tape on business here in Victoria. We have set ourselves meaningful goals, and the Victorian Competition and Efficiency Commission has produced a list of all the regulatory arrangements in Victoria. It is the first body

in Australia and probably in the world to produce such a list. The commission updated the list in a further edition last year. It is very good reading because it gives a full picture of what is happening in regulatory arrangements here in Victoria. We have pledged to reduce the regulatory burden considerably.

My understanding is that this bill is not expected to increase the regulatory burden on regulated entities. In fact by standardising the powers and processes of the ESC following the recommendations of Mr Beale, AO, it should increase certainty and contribute to a reduction in the regulatory burden. I am assured also that in looking at the codes and introducing new codes or amending codes the commission will also look at benchmarking best practice. It is going to be asked to do first-best regulatory development procedures in this regard. Of course as has already been mentioned by the member for Geelong, it is also going to look at an additional round of regulatory reforms, which will combine with the amendments to significantly reduce the regulatory burden on business.

I will not go into the two reviews because they have already been amply explained by the member for Geelong. Certainly that gives further information to the member for Rodney on the issue he raised. I think the Essential Services Commission does an excellent job. I have read many of its reports in full, and I commend this bill as great reforming legislation that will further the work of the commission in Victoria.

Opposition amendment circulated by Mr CLARK (Box Hill) pursuant to standing orders.

Mr CLARK (Box Hill) — In speaking to the Essential Services Commission Amendment Bill I will concentrate my remarks on the issues to which the amendments that I have had circulated on behalf of the opposition relate. Those amendments arise out of concerns referred to by the Deputy Leader of the Opposition and the honourable member for Scoresby about the direction in which the government is taking the Essential Services Commission (ESC) in one aspect of the changes being made by this bill. Our concern is with that aspect of the bill that removes from the objectives of the commission and from the purposes of the act the link with essential services and regulated industries. Our concern about this is twofold. First of all it is that the government is seeking by virtue of these amendments to vest the Essential Services Commission with very wide powers to conduct inquiries launched whenever the Minister for Finance, WorkCover and the Transport Accident Commission feels like it into any aspect of business or industry across the state and to

have in the course of conducting those inquiries extensive coercive powers.

The second aspect of our concern about this amendment, which means that the ESC can be sent off on these inquiries whenever the minister feels like it, is that it detracts from what should be the core business of the ESC, which is to properly regulate essential service industries for the benefit of Victorians. We have seen in recent days, and indeed in recent years, that the Essential Services Commission struggles to perform those core functions to ensure reliable supplies of gas, water and electricity and to ensure reliable and appropriate supply of other essential services.

For that reason also we are concerned that the scope and functions of the commission are to be broadened by the government so the minister for finance will be empowered to put a whole lot of additional work onto the Essential Services Commission. This aspect of the bill is a departure from what was recommended by Mr Beale in his report. He was very clear in his report that the objective of the commission should remain linked to regulated industries. He noted in recommendation 1:

Amend the primary objective in the ESC act:

To promote efficient investment in, and efficient operation and use of, resources utilised by regulated industries for the long-term interests of consumers with respect to price, quality, safety, reliability and security of supply.

Yet the bill, as it comes to the house, drops those references and states in proposed section 8(1):

In performing its functions and exercising its powers, the objective of the Commission is to promote the long term interests of Victorian consumers.

There is no reference to essential services. Certainly proposed subsection (2) states:

... in performing its functions and exercising its powers in relation to essential services, the Commission must in seeking to achieve the objective specified in subsection (1) have regard to the price, quality and reliability of essential services.

It is clear that this new subsection (2) is just a subset of a much more sweeping objective which is not tied back to essential services or regulated industries. Likewise the bill is changing the purpose of the act, which at present states:

The purpose of this Act is—

- (a) to establish the Essential Services Commission; and
- (b) to provide for an economic regulatory framework for regulated industries ...

It then talks about a mechanism for monitoring and providing advice in relation to the insurance industry. That is being replaced with:

The purpose of this Act is to enable the Essential Services Commission to perform the regulatory and advisory functions that are conferred on the Commission in a manner that provides incentives for dynamic, productive and allocated efficiency and promotes the long term interests of Victorian consumers.

Again, the nexus back to regulated industries and essential services is gone. Where does that leave us and why is it being done? It certainly is not for a reason articulated by the minister in his second-reading speech. The opposition is concerned that these are unjustified sweeping powers that can be applied at the direction of the government to just about any section of business, commerce or industry across the state for goodness knows what purposes.

It has to be pointed out that the government already has a body which is supposed to have the power to conduct these broad-ranging inquiries, and that is the body called the Victorian Competition and Efficiency Commission (VCEC). Why on earth are we getting a second body with similar functions? Are we going to have the battle of the commissions, with the Treasurer in charge of the VCEC and the minister for finance in charge of the ESC? And if they do not get on, will they each send whatever they like to their own respective body? Surely one body is enough. Certainly the government cannot claim that these amendments are necessary for the ESC to carry out its functions in relation to essential services, because already under its existing legislation it is quite clear that a minister can ask the ESC to carry out inquiries relating to essential services, as has been done prior to now.

That brings me to the second of the opposition's concerns about this aspect of the bill, which is that the ESC is already failing to carry out its core responsibility to Victorian consumers to make sure that essential services are supplied on reasonable and competitive terms and with a reliable supply. As the Deputy Leader of the Opposition indicated, in recent times we are finding that the water supply is not reliable, the gas supply is not reliable and the electricity supply has certainly not been reliable. Hundreds of thousands of Victorians were off supply last week and many had to wait up to five days for supply to be restored. Even granted that this was a large storm event, it is not unprecedented.

In the last three years we have had two similar major disruptions to our distribution network. We had storms on 2 and 3 February 2005 resulting, according to the

ESC, in more than 410 000 customers being left without electricity supply. Then in the period between 20 and 29 January 2006, following a number of severe weather events, including high temperatures, severe storms and bushfires, the ESC said that there were 618 000 supply interruptions. After both those events the then energy minister commissioned the ESC to conduct inquiries to find out what had gone wrong and come back with recommendations. We had detailed reports prepared, in the one case by a body called PB Associates for the Essential Services Commission, and in another case a report by the commission itself.

Those reports made detailed recommendations, particularly about improving the way in which communications take place between the power companies and their customers and how information generally is passed on and communicated. There is no evidence whatsoever that those recommendations have been acted on by the ESC or the government, and one of the strongest complaints of members of the public — both householders and businesses — in recent days was the breakdown in communications.

After the report on the 2006 outages, the Minister for Industry and Trade in the other place, Mr Theophanous, wrote to the ESC saying:

Your recommended improvements in distributors' communications with their customers and the commission's monitoring of call centre performance are accepted, and I look forward to improved call centre performance in the future.

There is absolutely nothing in the ESC's work program referring to it actually implementing its own recommendations or its intended future actions. We should not let the government say, 'Let us give the ESC these sweeping additional responsibilities' when neither the ESC nor the government is fulfilling its responsibilities under the existing legislation.

Our amendment restores within the objectives the requirement that the functions of the ESC be with regard to the price, quality and reliability of essential services. Victorians are entitled to hold the Labor Party to the guarantee, indeed the pledge, it made in 1999 of ensuring reliable supplies of gas, water and electricity through an Essential Services Commission with tough new powers.

Ms BEATTIE (Yuroke) — It gives me great pleasure to speak on this bill. The Essential Services Commission Amendment Bill is a product of the review that was done by Roger Beale, AO. The review, commissioned by the government in August 2006, had to be completed by December 2006. As other speakers

have said, the review report included a number of recommendations, most of which were taken up by the government; 28 recommendations reached 15 conclusions. The government has incorporated, either fully, in part or in principle, 27 of the report's 28 recommendations.

An amendment circulated by the member for Box Hill came into the house in a very unusual fashion. Usually amendments are introduced by the lead speaker on a bill. It seems that at some time into the lead speaker's contribution, he sat down and the amendment was rushed into the house in time for the member for Box Hill to speak on it.

I am a little confused by the amendment, as I am sure other speakers will be. It refers to clause 5 and proposes to insert:

In performing its functions and exercising its powers, the objective of the Commission is to promote the long term interests of Victorian consumers with regard to the price, quality and reliability of essential services.

When I look at the bill, I see that proposed new section 8 talks about the objective of the commission. It says:

- (1) In performing its functions and exercising its powers, the objective of the Commission is to promote the long term interests of Victorian consumers.
- (2) Without derogating from subsection (1), in performing its functions and exercising its powers in relation to essential services, the Commission must in seeking to achieve the objective specified in subsection (1) have regard to the price, quality and reliability of essential services.

It seems to me that those things are already in the bill and therefore the amendment is entirely unnecessary' it is absolutely superfluous. It would seem from the manner in which it was rushed into the house — —

Mr Clark interjected.

Ms BEATTIE — I hear the member for Box Hill shouting now.

The ACTING SPEAKER (Mr Seitz) — Order! The member will ignore the interjections. They are disorderly.

Ms BEATTIE — I shall ignore the interjections, because it seems they are being made in the same way that this amendment was rushed into the house at the last minute. The amendment is ill-conceived and ill-thought-out, as are the interjections.

This is an excellent bill. Mr Beale consulted widely with stakeholders. In his review he concluded that the objectives of the Essential Services Commission Act were being achieved. He recommended some changes, which are being taken up. I have heard other speakers talk about the recent wind event that happened in Victoria, putting many thousands of people off-line in their electricity supply. That can be quite distressing.

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

Ms BEATTIE — As I said before the dinner break, it is really important that we note where we are at with this bill. It is distressing for people to be without power, as they were last week when we had a huge storm and wind event, which lasted for a couple of days. I also ask members of this house to reflect on how important it is that the health and safety of workers trying to restore the power system be observed because tragically a man lost his life while trying to restore power. With those closing remarks, I commend the bill to the house.

Mr WALSH (Swan Hill) — I rise to make a contribution to the debate on the Essential Services Commission Amendment Bill. I will start by saying that although there are not many pages in this piece of legislation, the changes it contains can have some far-reaching consequences not only for the role of the Essential Services Commission (ESC) but also for the wider community in how it changes the commission's powers and functions and what that means into the future.

The key changes that this bill makes to the essential services legislation are to provide the commission with the power to make codes of practice and impose civil penalties for breaches of those codes. It broadens the power of the commission to inquire into any matter referred by the minister for finance, and only that minister can make such referrals.

The bill provides the commission with powers to access information from regulated and related third parties, and to clarify processes and decisions on the release of commercial-in-confidence information. It removes the specific provision to inquire into and report on insurance industry matters, introduces civil penalties for breaching ESC determinations and introduces new third-party access regime provisions for regulated industries.

There are two things I would like to spend a little time talking about. The first is the provision in clause 21 which inserts new part 6 relating to codes of practice. These codes of practice bring some quite onerous responsibilities for the industry in which they are being

implemented in that they can impose a duty on any person; they can direct how any matter or thing is to be done; they create an enforceable legal right — which is very important for the house to take note of — and they can impose any liability or penalty, including proportionate penalties, for failure to comply with the requirements imposed by the code of practice. The significant difference between codes of practice and regulations is in the penalties that can be imposed.

The other issue I want to talk about is the broadening of powers for the commission to conduct an inquiry into matters referred to it by the minister for finance. The member for Box Hill and other speakers have touched on this briefly. The government is in some ways getting confused between the roles of the Victorian Competition and Efficiency Commission and the ESC. There is a blurring of the lines between the new powers that the Essential Services Commission is being given and those of the Victorian Competition and Efficiency Commission. That is not good public policy and is to the detriment of the people of Victoria.

I remember that when the Victorian Competition and Efficiency Commission was set up we had a briefing from its chairman. We were looking forward to some significant reforms in red tape and bureaucracy and how that would affect business in Victoria, but I must admit that so far I have been very disappointed with the reports it has handed down. We have had some very lengthy and bulky reports but very little action when it comes to reducing red tape or improving efficiency for business here in Victoria. It seems to have become a bureaucracy that is very good at carrying out inquiries and writing lengthy reports, but the commission and the government are very poor at implementing any of the recommendations in those reports to improve the efficiency of business here in Victoria or improve its competitiveness into the future.

I am disappointed to think that the Essential Services Commission, which at one stage was very focused on regulating the privatised essential services here in Victoria, is now going to become in some ways a quasi-Victorian Competition and Efficiency Commission in that the minister for finance will be able to refer a wide range of issues to it.

It is interesting to reflect on the other times when we have amended the Essential Services Commission Act. One was when the government introduced amendments to bring the water industry, particularly the rural water industry, under the Essential Services Commission. The Nationals opposed that legislation because we believed in the existing structure between the rural water authorities and the water service committees, that sat

underneath those rural water authorities, where there was good customer interaction between the customer groups and the authority in any setting of prices.

As time has gone on the Essential Services Commission has made determinations on water pricing, and the process for seeking submissions and putting out draft reports has evolved, as has another consultation process on the development of those draft reports before the commission makes its determinations. However, what most people in the wider community, and even members of this house, have forgotten is that it is the customers who pay for that process. The government is not showing largesse in any way, and the Essential Services Commission is not performing a service on behalf of consumers for which the consumers do not pay.

Consumers are paying for the Essential Services Commission to be involved in the rural water industry. From memory, rural customers pay something like \$750 000 to have the luxury of the Essential Services Commission carry out those particular reviews. When previously there were very good customer service committees, they could do a lot of that work. It would be my experience that in some ways it has muted the relationship between the customer service groups and the water authorities by having the ESC sitting between them. It has stopped the interaction and the flow of information between the two. I think the customer service groups do not believe that they have the same sort of input to the water authority that they used to have.

I will briefly touch on the amendment moved by the member for Box Hill. If you go back to the legislation itself, you will see that the objective in the original legislation is very similar to the words in the amendment. I know there was some confusion when the member for Box Hill introduced his amendment, but I vigorously support his amendment because it focuses attention on the key role of the Essential Services Commission by looking after consumers and their interests with regard to price, quality and reliability of essential services here in Victoria.

I think it would be a very sad day if the Essential Services Commission moved away from its very narrow objective and the specific role it has of looking after consumers interests in Victoria and in some way became a tool by which the minister for finance could look into anything that he believed may be looked into in the future.

I put on the record that I support the amendment moved by the member for Box Hill, and I hope it is supported

by the government. I know that some active discussions are going on, and I believe it would be in the interests of good public policy if the government supported that amendment.

Mr BROOKS (Bundoora) — I am pleased to rise in support of the Essential Services Commission Amendment Bill 2008. In the brief time I have to contribute to this debate I would like to acknowledge the work that Mr Roger Beale has done in the review that was conducted of the Essential Services Commission Act 2001.

In his report he states that the review of national competition policy reforms conducted by the Productivity Commission in 2005 noted that electricity prices in Victoria had fallen in real terms and that Victoria was the recipient of more falls in real terms in electricity prices than other jurisdictions, which I think is in part because of the work of the Essential Services Commission.

The key areas that this bill is based on and the approach the government is taking to this bill are encapsulated in the key objectives that were outlined in the government's response to the review. The first objective is to enhance Victoria's leadership in economic regulation across the states. This piece of legislation will see Victoria continue to drive reform in areas of regulation and reduce the regulatory burden on business to drive further economic growth. The second objective is to continue to give priority to the needs of low-income and vulnerable customers, which is something this Labor government takes very seriously. The third objective is reduce the cost burden of economic regulation on regulated industries and consequently on consumers. The fourth objective is to preserve the independence of the commission with an appropriate legislative framework which enables the commission to perform its functions in a timely and effective manner, and that is largely what this bill does.

Turning to the amendment circulated by the member for Box Hill, I note that, under the current act, the minister already has a broad head of power to direct the ESC to conduct an inquiry, and that the provisions in the bill that the member's amendment refers to are entirely consistent with the findings of the report made on page 67 of the Beale report — that is, the provisions:

... clarify that there is no restriction on industries or services on which the commission may be required to give advice —

and —

... the commission should have available to it the same —

obligations and —

the same process and powers, across the range of industries upon which it may provide advice.

I am surprised that the opposition is seeking to amend that particular part of the bill.

In terms of regulatory scrutiny of codes of practice, I am glad to see that in introducing the ability of the commission to prepare codes of practice, those codes would be subject to the proper regulatory scrutiny process, including parliamentary scrutiny.

Dr NAPHTHINE (South-West Coast) — The purpose of the bill is to revise the Essential Services Commission Act 2001 following a review conducted of the legislation. Clause 3 of the bill introduces a new purpose for the Essential Services Commission Act, which is:

... to enable the Essential Services Commission to perform the regulatory and advisory functions that are conferred on the Commission in a manner that provides incentives for dynamic, productive and allocative efficiency and promotes the long term interests of Victorian consumers.

The other fundamental change is in clause 5, which substitutes a new section 8 for the one currently in the act and inserts a new section 8A. This again refers to the objective of the commission, which is to promote the long-term interests of Victorian consumers.

It also refers to the commission having regard to the price, quality and reliability of essential services. New section 8A provides that the commission must have regard to such things as efficiency, financial viability, competition, market power, relevant health and safety issues and benefits and costs of regulation. That is the nub of what the Essential Services Commission is about, and I want to refer to that with respect to several industries in my area that are subject to the Essential Services Commission.

Firstly, I want to refer to the water industry in the electorate of South-West Coast. I refer to an article which appeared in the Warrnambool *Standard* of 1 April, under the headings 'Water woes' and 'Residents annual bills to rise more than 30 per cent'. The article states:

Water will cost south-west residents an extra \$235 within five years, as part of a statewide review of water pricing.

A draft review by the Essential Services Commission — which monitors and regulates essential services in Victoria — foreshadows water bills will rise from the current average of \$705 per year to \$940 by 2012–13 — an increase of 33.4 per cent.

Some people might have thought that was an April Fools' Day joke since the article was printed on 1 April, given that the rate of inflation is significantly less than the figures quoted there for the water increases being imposed on residents of south-west Victoria.

Let us have a little history lesson about the water industry in south-west Victoria. On 6 May 2005 the state Labor government announced the forced amalgamation of three local water authorities against the wishes of the local community and the local water authorities. These water authorities were the Portland Coast Region Water Authority, which largely used underground water to supply the towns of Heywood, Port Fairy and Portland, so its supplies were underground water supplies; South West Water, which was Warrnambool-based and took its water supplies out of the Otways, so that is a different source of water and a different management system altogether and supplied Warrnambool, Koroit, Camperdown, Terang and Mortlake; and the third water authority thrown into this mix was Glenelg Region Water, which is based in Hamilton, that supplies water to Coleraine, Casterton and Hamilton, which largely takes its water supplies out of the Grampians and other local supplies. So the three water authorities had three distinct types of water supply.

But that did not stop this government from implementing the forced amalgamation against the wishes of the local people. At the time the then Minister for Water, Minister Thwaites, said in his press release dated 6 May:

... a strategic review conducted by South West Water, Portland Coast Water and Glenelg Water had identified major savings and regional benefits by merging.

An article in the *Hamilton Spectator* dated 10 May said:

The state government claims the proposed merger of three south west water authorities — including Glenelg Water — will produce increased savings and regional benefits.

Lo and behold! I quote again from the article:

But local MPs, Denis Napthine and Hugh Delahunty, were angry about the merger ... claiming it would lead to increased water bills.

Guess who was right! The minister was wrong and the Labor Party was wrong — and the customers of those three water authorities are now facing massive increases in their water prices well above the rate of consumer price index and well above the rate of inflation. The Essential Services Commission is now flagging that water authorities in those areas will be having massive increases in water prices. Indeed Wannon Water — the new merged authority, the

creation of the Labor Party and the Labor government against the wishes of the local people — proposed that its water increases should be 6.1 per cent a year, over double inflation. But the Essential Services Commission officers — good people that they are — said, ‘No, only 5.9 per cent’, so it is still double inflation. And what is worse is that the commission chairman, Greg Wilson, said in this article in the *Warrnambool Standard*:

The proposed price rises will help to fund a record level of capital expenditure across Victoria’s urban water systems, including major new supply pipelines, sewerage schemes and wastewater treatment.

But guess what is happening with Wannon Water? Guess where most of the capital works are going?

Mr Wakeling — Where?

Dr NAPTHINE — Seven million dollars for new headquarters for the staff — a new Taj Mahal water palace in Warrnambool. That is the major capital works being undertaken by Wannon Water. What we are getting is a forced amalgamation. The government is saying, ‘This will deliver lower water prices’, and the facts are we are getting double inflation water and prices, and one of the major projects of the new Wannon water authority is to build itself a new, fantastic Taj Mahal water palace headquarters in Warrnambool.

On top of that we have a situation affecting landowners in West Portland. The government is proposing two new sewerage schemes in Portland — one to the east of Portland for the Dutton Way-Henty Bay area, and one in West Portland. I agree that both areas are deserving of new sewerage schemes. There are growth areas and there are environmental issues and they both deserve new sewerage schemes. However, the Dutton Way-Henty Bay scheme is to be included in the government’s country towns water and sewerage program. There is an \$800 cap in that program, so no landowner pays more than \$800. But the West Portland scheme, which is just a couple of kilometres away is not included in this program, so the landowners there will pay between \$6000 and up to \$60 000 for individual landowners to be connected to the sewerage. And guess what? When Wannon Water was asked about this, it said in a letter of 26 March 2008:

The inclusion of towns in the program is determined by the Minister for Water in consultation with the Environment Protection Authority.

Further it says:

DSE has advised that no funding is available under the Country Towns Water Supply and Sewerage Program.

That includes West Portland, so those poor people have to pay for their own scheme. They have to pay massive increases in their water charges and they have to pay for their own scheme.

The second-reading speech also refers to rail freight services. We know what has happened to rail freight services in western Victoria. An article in the *Portland Observer* of 7 March under the headline ‘The end of the line’ states:

An era ends today when ... 10 ... staff work their last day on the Portland rail freight line.

...The Portland line is believed to be the first Victorian line to have no carrier on it.

This comes at a time when the Labor Party in 2001 promised to have all rail freight in Victoria standardised. And guess what? John Brumby, the then Minister for State and Regional Development, said rail freight would be standardised across Victoria, particularly linking Mildura with Portland.

What do we have some years later? Not one centimetre of new track on the Mildura–Portland line has been converted to standard gauge by the state Labor government — not one centimetre. A \$96 million promise and not one centimetre, and now there are no freight trains whatsoever on that service. We have had the service closed down by the Labor Party through its neglect and mismanagement. It was operating under the previous government, had investments under the previous government and closed under this government, forcing the grain trade to the port of Portland onto the roads, which will cause road safety issues and massive damage to the roads.

If this government is serious about environmental issues, if this government is serious about road safety, if this government is serious about getting freight back on the rail system, it will make a commitment here and now to reopen the line to Portland and make sure that we get rail freight operating in and out of the port of Portland as it should be doing.

Mr SCOTT (Preston) — It gives me great pleasure to rise to support the Essential Services Commission Amendment Bill. I understand that a number of members wish to speak on this bill so I will keep my contribution brief. I will pick up a minor part of the speech by the member for South-West Coast, who usually provides some entertainment late in the evening, but he focused on the purpose of the bill. I would also like to highlight that.

The bill states that:

The purpose of this Act is to enable the Essential Services Commission to perform the regulatory and advisory functions that are conferred on the Commission in a manner that provides incentives for dynamic, productive and allocative efficiency and promotes the long term interests of Victorian consumers.

Previously in this house on a number of different bills — in fact, in my inaugural speech — I discussed the benefits of focusing on the needs of consumers, and I think this bill is another step in that direction. As I have highlighted before, traditionally in Australian politics, and certainly in Victoria, there has been great focus on producers and workers, and that is reflected in the three political parties that are represented in this house — one, the farmers, being producers; business, being producers, for the Liberals; and workers being represented by Labor, but there is a strong shift now going on in Australian society focusing more on consumers.

New section 8(1)(c), which is inserted by clause 5 of the bill, refers to:

the degree of, and scope for, competition within the industry, including countervailing market power and information asymmetries;

That is a classic statement referring to the principles which should guide the commission. It is a classic statement in support of competition and providing efficiency. Competition, of course, drives value for consumers. The introduction of competition in the essential services, wherever possible, is an important and central aspect to ensuring that consumers get the best deal possible. I will keep my comments to that. I commend the bill to the house.

Mr NORTHE (Morwell) — It gives me great pleasure to speak on the Essential Services Commission Amendment Bill 2008. The Essential Services Commission (ESC) replaces the Office of the Regulator General and came into operation on 1 January 2002. These amendments are in response to a review of the Essential Services Commission Act 2001, which has been discussed by many members here today. The review, conducted by Roger Beale, was to assess the efficacy of the ESC act as well as whether the objectives of the Essential Services Commission were being achieved, amongst other particular review aspects. Among the amendments are the provision of civil penalties to be introduced for breaching ESC determinations. It is important to mention that it allows some discretion and flexibility by the commission, so I would commend that particular aspect.

A proposed amendment that has caused some consternation for the opposition is the broadening of the powers of the commission to enquire into any other matter referred to it by the Minister for Finance, WorkCover and the Transport Accident Commission and only that minister can make such a referral. I know there is an amendment that has been circulated by the member for Box Hill which we support. We do not want to see non-regulatory industries caught up within this particular bill. Some aspects of the bill relate to accessing documents, et cetera. It has been pointed out previously that there could potentially be duplication of some of the roles that occur within government departments, most notably those of the Victorian Competition and Efficiency Commission.

The role of the Essential Services Commission is vital in Victoria. As has been pointed out previously, this includes essential services such as gas, electricity, water, sewerage, ports, rail access and export grain handling. The commission monitors these regulated industries, ensuring that service standards are up to the mark, regulating prices and ensuring consumer protection. Of course some of those service standards have caused some debate here today.

I have had the opportunity to call upon the ESC in my role as a member of Parliament. A constituent raised the prospect of an energy retailer who had inadvertently applied some charges to their bill during 2007. It related to the energy retailer, Simply Energy. It attempted to apply gas congestion charges to a consumer. Consequently I wrote to the ESC expressing my concern on behalf of the consumer. It was an example of where the ESC played its role and determined the energy retailer was in fact in breach of its contract. Consequently the full amount that was initially applied to the consumer was refunded in full. That was pleasing to see.

On the other side of the coin we have seen in recent times the ESC appraise the draft proposals of many of the water authorities throughout Victoria. There will be quite an impost imposed on ratepayers as a result of increased water charges in the future. I want to make mention of a few: Western Water charges will increase by 60.7 per cent; Goulburn Valley Water, by 49 per cent; North East Water, by 50.7 per cent; Central Highlands Water, by 55 per cent; Barwon Water, by 72 per cent; Coliban Water, by 82.5 per cent; and in my electorate Gippsland Water, by 100 per cent — all over the next five years. This has caused great consternation within my electorate of Morwell.

Mr Ingram — Why?

Mr NORTHE — I will tell the member why in a minute.

A number of capital projects are being undertaken in Gippsland, particularly under Gippsland Water's jurisdiction. One of them is the Gippsland Water Factory which initially was touted as a \$100 million project but in fact now the cost has increased to \$174 million. The state government was generous enough to contribute \$50 million to this project at its inception. However, as the costs have increased over time, one of the concerns for much of the community has centred around the contribution by the state government. I have made this point, and written to the Minister for Water outlining the case, that given the government receives substantial water dividends and environmental levies from the water authorities, the government should contribute more to this particular project. In fact I would see it as ideal.

I support this project in its first stage, based on the principle that it is a local solution to a local issue. It will treat around 33 megalitres of domestic and industrial wastewater and recycle it, 8 megalitres of which will be reused for industrial purposes by Australian Paper. Of the remainder 25 megalitres, or approximately 75 per cent, will be sent down an open water sewer drain. I believe this water could be utilised or harnessed elsewhere better than being sent to the regional outfall sewer. However, that is another debate.

Gippsland Water customers have seen the Premier step in and cap metropolitan water rates at 14.8 per cent. However, in the light of many regional water authorities proposing higher costs for ratepayers, the Premier and the government have been very silent on this issue. There is an inequity between the metropolitan water authorities as distinct from rural water authorities. Some \$45 million has been earmarked through Gippsland Water for the Loch Sport sewerage project. Many would contend that this particular project, whilst it is fantastic for the Loch Sport community, falls outside the jurisdiction of Gippsland Water. Therefore there has been much concern from many customers regarding this project.

We have raised many times the issue of where concession card holders are situated in this regard. Many low-income earners can currently access a concession of \$158.50 as concession card holders. With the government's proposed increase in the cost of water of 100 per cent over the next five years, we are very keen to find out what it plans to do to alleviate the burden on concession card holders. I will watch with interest what the government does when its budget is delivered next month. Regarding the proposed charges

through the ESC and Gippsland Water, I note that a number of community groups have also highlighted the issues I have raised.

The ESC has had quite a bit to do with the transport industry. Some weeks ago I was lucky to attend a meeting regarding the review of taxi fares in East Gippsland. That review highlighted the perceived inequity between metropolitan taxi services and country taxi services. Section 5.2 of the taxi fare review says that metropolitan operator margins for taxi services is somewhere in the vicinity of 8 per cent, but in the country it is 1 per cent. This highlights the discrepancy between metropolitan and country operators and the importance of the role of the ESC.

Many members have mentioned the electricity industry, the recent power blackouts and how they might affect the ESC. In particular the lack of information given to the public in recent days has been mentioned. Overall, whilst we do not oppose the legislation — —

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

Mr SEITZ (Keilor) — I rise to support the Essential Services Commission Amendment Bill 2008. In August 2006 the government commissioned Mr Roger Beale, AO, to conduct an independent review of the Essential Services Commission Act 2001. Section 66 of the act stipulates that the review had to be undertaken by 31 December 2006. The purposes of the review were to determine whether the Essential Services Commission Act was fulfilling its function, whether it was operating correctly and whether there needed to be amendments in response to changes in industry and in the community.

In preparing the amendments to legislation that have been picked up from the review, the government has been conscious of the imminent transfer of most of the commission's energy regulatory function to the Australian Energy Regulator, the buyback of the intrastate rail business from Pacific National and the unsuccessful court challenge to the commission's information-gathering powers — in other words, the attempt to stop the commission from obtaining information about the suppliers of equipment and materials and the standards that apply. The amendments essentially cover the recommendations of the review.

The Scrutiny of Acts and Regulations Committee has also indicated that the minister must conduct another review by 31 December 2016, so the bill will be scrutinised by Parliament to ensure that essential services for our community are kept up to scratch, that

the owners of the utilities that provide the services meet the standards for equipment and that they reinvest in maintaining and upgrading the infrastructure in particular. It is very important that a body oversees the private companies that control our infrastructure to ensure that they reinvest some of their profits rather than just taking them overseas or elsewhere, leaving us with a run-down system that will eventually collapse and leaving the taxpayer to bail everybody out. We saw with the recent storms how there was an outcry as soon as people were without power, which is an essential service. It is important that we have those services, but nature being what it is we cannot predict it. Disasters will happen. We will get blackouts and we may get other problems if the Essential Services Commission does not have sufficient powers, rules and regulations.

I also observe that the bill is trying to reduce the red tape — in other words, the regulatory paperwork — to make it easier for operators to run and to understand and fulfil their obligations. I notice that some members are looking at me and wanting to speak, so with those few words I wish the bill a speedy passage.

Mr WAKELING (Ferntree Gully) — It gives me pleasure to rise and make a contribution to the debate on the Essential Services Commission Amendment Bill 2008. The bill amends the regulatory framework of the Essential Services Commission in a number of ways, including the simplification of the purposes and objectives of the act. It will provide the commission with the power to make codes of practice and impose civil penalties for their breach. It will broaden the powers of the commission to inquire into any matter referred by the Minister for Finance, WorkCover and the Transport Accident Commission, who is the only minister who can make such a referral. It provides the commission with powers to access information from regulated and related third parties and clarifies the processes and decisions regarding the release of commercial-in-confidence information. It removes the specific provisions to inquire into and report on insurance industry matters, introduces civil penalties for breaching the commission's determinations and introduces new third-party access regime provisions for regulated industries.

As the member for Scoresby said, the opposition will not be opposing the bill. The member for Box Hill will later move an amendment, which I will certainly support, and I hope those on the other side of the house will also support that amendment.

This bill is derived from the recent recommendations of the Beale review into the ESC which was undertaken in 2006 and additionally the third-party access regime

provisions arising from the 2006 Council of Australian Governments agreement on competition and infrastructure reform. If one were to look at the role of the Essential Services Commission and the way in which it is performing in this state, one would be distraught to see the way in which the recent storms that hit this state, particularly in my area in eastern and south-eastern Melbourne, were dealt with. Some 420 000 customers were off supply for up to five days during the most recent blackouts, and many of us would know firsthand what the impact of the storms was. I was affected, like many others. I had to retrieve a wayward trampoline, so I understand the significance of the storm.

Mr Jasper interjected.

Mr WAKELING — No, but it nearly ended up going through my neighbour's front window. I was quite relieved that we saved ourselves from significant cost and embarrassment. Nevertheless, I understand and saw firsthand the significance of the storm. One thing that did happen as a consequence of that storm was that many people in my community were without power for long periods of time. Many residents of Ferntree Gully and in the Scoresby electorate understood that as a consequence of the storm people would be without power. However, they were very concerned that in many instances they were unable to contact the relevant authorities in order to have their problem fixed because they were unable to identify who the correct electricity supplier was. This was an important event that clearly articulated the problems that beset this state with respect to the role of the Essential Services Commission.

This state has seen a number of significant events disrupt supply. Severe storms that occurred in February of 2005 resulted in more than 410 000 customers being left without electricity, and over the period 20 to 29 January 2006 there were approximately 618 000 supply interruptions. One can see that the state has been beset by a number of significant events that have resulted in the loss of power, and the Victorian community can be rightly concerned about what the government has done in this regard. In 1999 the then opposition leader, Steve Bracks, went to an election and said to the Victorian community:

As a first step to making Victoria a better place I offer six pledges. They are responsible, affordable and long overdue.

The fourth of these six pledges was:

Guarantee reliable supplies of gas, water and electricity through an Essential Services Commission with tough new powers.

As a consequence of that announcement the Essential Services Commission was established in 2001. At the time a member on this side of the house said the following about the legislation establishing the commission:

... it is a bill which neither undoes the Kennett government reforms nor imposes tough new restrictions. Rather, what the bill does is continue the status quo as it stood when Labor came to office, but it applies to it a thick, smothering layer of Labor's special contribution to government — namely, red tape, committees, inquiries and inaction.

That comment was made back in 2001. One need only look at the way in which this state has seen power supply disrupted, as I said, in 2005, 2006 and last week, to see the way in which this government has failed to deliver on its commitment to provide a solution in this area.

In 2004 the average customer was off electricity supply for 132.3 minutes. According to the most recent report of the ESC, by 2006 that figure had increased to 165.4 minutes per average household. That is a 25 per cent increase in the length of time for which customers in this state are without supply. That is a damning statistic which indicates the way in which this government has failed to deliver on its 1999 commitment to the Victorian community to guarantee reliable supplies of gas, water and electricity through the Essential Services Commission. In 2008 we are having to deal with legislation to fix up the mess that was put in place when the legislation was introduced in 2001. At that time the Liberal Party indicated the concerns it had with this legislation. As we have indicated in respect of a range of bills, this government has been forced to bring legislation back to this house in order for it to be improved, and that is exactly what we are doing today.

We have concerns about the legislation. The member for Box Hill will move an amendment, and we will be supporting that. We believe it is responsible, and we believe it is important that the state government take on board the views put by the member for Box Hill and support the amendment. With that, I am happy to say that I will not be opposing this bill.

Mr INGRAM (Gippsland East) — It is a pleasure to rise to speak on the Essential Services Commission Amendment Bill 2008. The bill makes a range of changes to the Essential Services Commission Act and makes other consequential amendments to the Rail Corporations Act and the Water Industry Act. It has been interesting to listen to a number of speakers on this bill, particularly those criticising the service

delivery under the new privatised models in both power services and other essential services.

I have raised in this place a number of times my concerns about the privatised electricity industry, and it is my view that the Essential Services Commission is really the only thing that stands between real failure in service delivery and real failure in outages, particularly in remote regions of the state, a large part of which I represent. We have long spur lines serving small populations. I have raised this issue with the government on a number of occasions. I have also raised it with the Essential Services Commission. In my view the commission does a spectacular job in visiting regional areas and talking to members of the community in relation to power, gas and water. We currently have a water price review in Gippsland, and I understand a number of forums are being held in the region. I think there are hearings coming up in Bairnsdale and Morwell.

As I said, the Essential Services Commission has been the line in the sand, if you like, between the price cutting and the service cutting off the power industry in particular. The issue I have raised in this place on a number of occasions and the issue I have raised with the government is the decline in the number of service crews that maintain lines, particularly the lines east of Bairnsdale that run all the way through to Mallacoota. Mallacoota was one of the last towns in the state to be connected to electricity, although Walhalla always claims it was the last. I am not that old, but I was at the do that was put on when we lost our generator in the town and the power was switched on at Mallacoota. Since then it has been a constant battle because of the long distances covered by the lines. Whenever there is a storm, the power ultimately goes out. Historically the State Electricity Commission (SEC) did a spectacular job of maintaining clearances under lines, maintaining the cross arms and maintaining adequate poles.

Following privatisation the first thing that occurred was a decline in the frequency of pole inspections. One of the other things that has occurred is that line clearance standards have changed. Historically the SEC made sure that there was complete vegetation slashing all the way along the massive lines into those regions. Nowadays those contracts have been let, the standards set are lower and because cross-arm inspections are fewer and the power companies are no longer required to clean the insulators, what occurs is that when you get a storm or other weather event or a problem with a tree there is less clearance between the lines and vegetation.

Not only do you get outages and faults but the power at Mallacoota has historically been so poor that people

have not been able to maintain computers, for example; if they leave them on, they blow up. Basically the Essential Services Commission has been trying to hold that line, to maintain services in those communities, and I congratulate it on its efforts. It is still not there, though, because we still have not got real incentives, and we get brownouts and other power faults. I am talking about outages, and there are particular guidelines about outages, but other power faults such as its high voltages and low voltages also need to be addressed.

As I said, I will be making a submission to the water industry review which is currently being conducted. We have the ability to maintain the powers of the commission so that it can address community concerns. I listened to the member for Morwell talking about Gippsland Water's 100 per cent price increases. Why have they occurred? If you look at the history of Gippsland Water, you see that in the order of 75 per cent of its water services and 65 per cent of wastewater services are provided to seven major customers. Those seven major customers pay 25 per cent of the water rates going to Gippsland Water, which is probably not an equitable distribution of cost. Clearly it costs a lot more money to provide wastewater services to businesses like APM.

The major increase is because of the Gippsland Water Factory, which, as most people would know, is really about providing services particularly to APM. I do not think anyone in this place disagrees that that is a very important project, because we have an open sewer drain all the way up to Dutson Downs; anything we can do to remove that is important. But price is an issue that the Essential Services Commission will have to deal with, and it needs to be able to investigate and take hold of documents.

One of the things that has come up in my discussions with the Essential Services Commission, in some of my public comments and in debate with Gippsland Water, is that most of the contracts with these companies are for 20 years. They are commercial in confidence. The community and, I think, even the Essential Services Commission does not initially have access to them. They can get access if they demand it, and I note that some potential changes in the bill will make that easier, but the problem is that even if they get those documents, they cannot change the pricing details in the contracts.

As I understand it, the latest figure for the cost of the Gippsland Water Factory is in excess of \$200 million. A cap was set on contributions from industry. As I understand it, the government paid the industry

contribution, and the rest of the cost of the Gippsland Water Factory will be borne by the only people who can pay it — that is, the residential ratepayers. They would ultimately love to have the Gippsland Water Factory and to close the open sewer drain and the Dutson Downs outfall, but the users and the beneficiaries should pay. That is the message I will be putting in my submission to the Essential Services Commission when it comes down to Gippsland, because it is extremely important that we get this right. The government, as the member for Morwell indicated, probably needs to give a greater contribution, and industry should give a greater contribution.

Looking at the figures in the plan, as I understand it, there is a 100 per cent increase in the rates that will be received from urban users, but there will be a decrease over the next 5 to 10 years in the amount of revenue received from the major users — those seven big companies, the power industry, APM and others. I think that is why the community is a bit touchy about the 100 per cent price increase.

My constituents in Heyfield and Maffra, the constituents of the Leader of The Nationals who is the member for Gippsland South, and constituents of the member for Morwell will be slugged through the neck by these long-term contracts which have been locked in and most of which were locked in when the then chair of Gippsland Water also worked in the power industry. A lot of the other long-term contracts were locked in when the power industry was privatised.

There are some real concerns which the Essential Services Commission should be investigating in its upcoming water price review. In my assessment of the amendment moved by the member for Box Hill I think there is some ability for expansion, and any increase in the powers of the Essential Services Commission should be supported by this house.

Mr THOMPSON (Sandringham) — In examining a bill of the nature of that now before the house I am reminded of the regular disparity between promise and performance on the part of the Labor Party. During the 1980s the then federal Treasurer made some great statements, such as 'This is a budget that will bring home the bacon', 'I won't let there be a recession' and 'This was the recession that we had to have'.

Only a matter of days ago Earth Hour was marked in Melbourne by people turning off their lights, but I invite those in the gallery and beyond to examine how many light globes are lighting this legislative chamber as we speak. On the one hand there is a statement about saving power and greenhouse gas emissions, and on the

other hand the very chamber that the Labor Party has had jurisdiction over for the last eight years has some 150 or so light globes lighting it. I remind members of the house of an occasion when the minister for energy was making a contribution here when the houses were blacked out. This chamber has too much lighting this evening, but there was an occasion when the minister was on his feet when we were plunged into the depths of darkness.

Another example of the disparity between promise and performance is the fact that in 19 of the last 26 years, the Labor Party has been in office and responsible for the delivery of reliable infrastructure — power, electricity and gas — to the people of Victoria. This state, which once had the proud achievement of being known as the garden state, may in a short space of time be referred to as the desert state as a consequence of the failure of the Labor Party during 19 of the last 26 years in government in this state to provide fundamental infrastructure services to the people of Victoria.

While the Premier in question time today was promoting the fact that Melbourne's population will be growing by some 75 000 or thereabouts per year, there is a lag in the maintenance of infrastructure for the people of Victoria in the realm of essential services. I would like to go back to the original bill which was introduced by the then Minister for Energy and Resources in the other place in 2001. The second-reading speech states:

The purpose of this bill is to enable the establishment of an Essential Services Commission from 1 January 2002 as an economic regulator of Victorian utilities.

This bill fulfils a key government election commitment to establish an Essential Services Commission to ensure high-quality, reliable and safe provision of electricity, gas and water services for all Victorians.

Yet it has only been in the last couple of years that some emergency decisions have been made by the Labor Party to deliver infrastructure projects in the area of water that will go some way towards providing high-quality, reliable and safe water services for all Victorians, while today members in this chamber and people in the gallery and beyond may be, or should still be, showering with a bucket, should still be regulating their water supply, should still be watching their front lawns die and their plants and trees in their gardens wither.

When the bill was passed in 2001 the shadow minister at the time, the member for Box Hill, said of it:

...it is a bill which neither undoes the Kennett government reforms nor imposes tough new restrictions. Rather, what the bill does is continue the status quo as it stood when Labor

came to office, but it applies to it a thick, smothering layer of Labor's special contribution to government — namely, red tape, committees, inquiries and inaction.

I hear echoing beyond those expressions the words that resonated in this chamber in the early 1980s, when the Labor Party said it was going to apply modern methods of financial management to the management of Victoria's economy. However, after a decade of Labor in office the state was left with ballooning debts of over \$33 billion against one head of debt evaluation. I am struck by the disparity between promise and performance.

In relation to the recent electricity blackout I put on the parliamentary record that 420 000 Victorian customers were off supply for almost five days. The reliability of Victorian electricity supplies has been deteriorating since 2004 after the dramatic improvements achieved by the reforms of the 1990s. One of Labor's six key pledges in the 1999 election campaign was that it would guarantee reliable supplies of gas, water and electricity through an essential services commission with tough new powers.

One group within my electorate that has been particularly hard hit by the limitation of supply in this area is those people who seek to maintain their own gardens and grow their own vegetables, the organic producers, who work under severe limitations and restrictions on the number of times they can tend their home-cultivated products. For a number of years a competition was held in this state to find Victoria's best home-grown garden and the best Mediterranean-style garden; many of those people were already applying water-efficient methods of supplying water to their gardens, but they have been further hit by the continuing restrictions in Victoria.

It is noteworthy that there were similar massive disruptions to our electricity supplies in February 2005 and January 2006. After each disruption the government commissioned reviews, and changes were recommended. However, the same problems of delays and poor communications have occurred again this time.

As recently as last Friday, 4 April 2008, the Premier blamed climate change and warned wild winds would become a regular feature in Victoria, yet the government and the Essential Services Commission have done nothing to adapt Victoria's power supply reliability to cope with the predicted consequences of climate change. In my own electorate there were two streets — Orlando Street in Hampton and Nichol Street in Highett — in which residents were subjected to longer power outages than other people in the

electorate. One outage affected an 87-year-old lady, who was without power from Wednesday night to early Saturday morning, which was a matter of major concern to her son who had responsibility for taking care of her. Another household in Orlando Street was limited in its power supply for a significant time.

The shadow minister has proposed a number of sensible amendments to the bill. We on this side of the house strongly support those suggested reforms. I reiterate that while the rhetoric of the bill before the house is that there will be a guaranteed reliable supply of gas, water and electricity through the Essential Services Commission with tough new powers, this has been a mantra of the Labor Party which has failed to be realised in the experience of Victorian consumers.

Mr JASPER (Murray Valley) — I join the debate on the Essential Services Commission Amendment Bill 2008 and remind the house of the Essential Services Commission Act 2001. The purpose of that act was to establish the commission and to provide an economic regulatory framework for regulated industries. It also dealt with the insurance industry.

It outlined how the commission was to be established and the essential services which were to be investigated as part of the Essential Services Commission's operation; it lists the electricity industry, gas industry, ports industry, grain handling industry, rail industry, water industry and 'any other industry prescribed for the purpose of the definition'. The act goes on to indicate the regulations which would be made under it and that those regulations could be referred for review. In the latter part of the act it is indicated that there would be a review of the act within five years of its commencement.

The bill before the house is really a response to the operations of the Essential Services Commission and a review of its whole operation. The response was that in 2006 the government commissioned Roger Beale, AO, to conduct an independent review of the Essential Services Commission Act, and this was to be completed and undertaken by 31 December 2006.

In the second-reading speech the minister indicates that in part or in principle 27 of the 28 recommendations in the report by Mr Beale have been incorporated in this bill. I note from the second-reading speech that to accompany this bill the government is developing an additional package of reforms which, combined with the amendments, will significantly reduce the regulatory burden on business.

The speech goes on to say that the review will identify and streamline administrative burdens and regulatory obligations. The first of these reviews will focus on the regulatory burden associated with customer protection and metering frameworks, with the second to look more broadly at the administrative burden across areas of the commission's regulatory activities. That would be a further undertaking as far as incorporating in this bill regulatory reforms concerning the Essential Services Commission.

I have a great interest in subordinate legislation and the operations of the Regulation Review Subcommittee of the Scrutiny of Acts and Regulations Committee, of which I have been a member for many years. I preface my comments by saying that I have listened with a great deal of interest to the contributions made by other members, particularly those relating to a range of problems that have developed in recent times and to where the Essential Services Commission has had an impact on the control of the operations of many industries and has been able to ensure that the most competitive arrangements are being provided in the range of industries which, as I mentioned, are in the original act of 2001.

I refer particularly to the regulation-making powers and the changes that are proposed to be implemented in the bill. A review is being undertaken to determine what additional powers would be provided to the Regulation Review Subcommittee to investigate other avenues and instruments. At present that is done by the committee examining regulations that come before it, but the committee and the government, through the Department of Premier and Cabinet, are also looking at an extension, with legislative and delegated instruments and codes of practice being reviewed by the committee.

I have some concerns with the recommendations that have been made to date and the additional workload that will mean for the Scrutiny of Acts and Regulations Committee and its Regulation Review Subcommittee. If we continue to increase the range of instruments reviewed by the committee, we will need two separate committees to cope with the workload.

Following the introduction of the Charter of Human Rights and Responsibilities the committee now has a huge workload. Firstly, the government has a workload. Every bill that comes before the house includes a preamble in the form of a statement of compatibility in which the government states that it has reviewed that piece of legislation and given an interpretation of how it will affect human rights and responsibilities. In many cases the statement is longer than the second-reading speech. The committee is finding that the length of time

taken to review bills brought before the Parliament means the committee's workload has doubled. Secondly, the Charter of Human Rights and Responsibilities is being referred to in regulations that are coming before the committee, and the same thing is happening — the committee is finding that the workload involved in reviewing regulations and in the staff providing responses is increasing. We have got to a situation where our responsibilities are being extended.

Returning to the bill, clause 21, which inserts section 51(1), refers to the tabling and disallowance provisions as far as the Essential Services Commission is concerned. Therefore, not only will regulations come before the committee but codes of practice will be reviewed. They will be presented to the committee for it to review, and the usual procedures for the investigation of those regulations and for disallowance proceedings in the current Subordinate Legislation Act 1994 will apply. Under this bill the workload of the Regulation Review Subcommittee will increase because codes of practice will be referred to the committee for complete review. We need to be careful in how far we go along this track.

After looking at the second-reading speech notes which have been provided by the minister and reviewing the bill, I have no doubt there will be a reduction in the number of codes of practice that will be developed. There is a belief that the workload of the Essential Services Commission will be reduced because of the work that it has done since its establishment in 2001 and that many of the regulations or codes of practice will go back to the particular organisations involved, whether that be the electricity industry or other industries detailed in the original act. However, because of its concerns the committee wrote to the Minister for Finance, WorkCover and the Transport Accident Commission and asked what the responsibilities of the Regulation Review Subcommittee would be. He responded to our representations as follows:

The proposed method of scrutiny is modelled on the existing process that applies to statutory rules under the Subordinate Legislation Act 1994. However, unlike the regulatory impact statement process outlined in the Subordinate Legislation Act 1994, the scrutiny process does not include the need for independent advice on the adequacy of the regulation statement. Instead, the chairperson of the commission will be required to complete a compliance certificate, which must be given to SARC, together with a copy of the regulatory statement.

All of these codes of practice will be brought to the committee for assessment to decide on the appropriateness of a regulation or a code of practice and whether it meets the requirements under the

Subordinate Legislation Act 1994. Whilst I recognise the bill and what is proposed with this legislation, there will be an increased workload because of the number of codes of practice that will be brought before the committee for assessment.

In closing, I indicate to the house that whilst I recognise the importance of the bill, the changes made to the legislation following the Beale review and the acceptance of most of those recommendations by the government, additional work will need to be undertaken. We need to see a reduction in regulations and not an increase in regulation-making powers that are affecting people across the state of Victoria.

Mr CRISP (Mildura) — I rise to make a contribution to the Essential Services Commission Amendment Bill 2008, the purpose of which is to amend the regulatory framework of the Essential Services Commission in the following manner: simplify the purpose and objectives of the act; provide the commission with the power to make codes of practice and impose civil penalties for their breach; broaden the power of the commission to inquire into any matter referred to it by the minister for finance — and only that minister can make such a referral; provide the commission with the powers to assess information from regulated and related third parties, and clarify processes and decisions on the release of commercial-in-confidence information; remove the specific provision to inquire into the report on insurance industry matters; introduce civil penalties for breaching the ESC determinations; and introduce third-party access regimes provisions for regulated industries.

The Essential Services Commission deals with the basics of life — that is, the essentials. In the Mildura electorate those are quite important to those who live there, principally with regard to water. The ESC sets prices and deals with the reliability and quality of water. However, under the recently and much-heralded national water plan, the Australian Competition and Consumer Commission will take on many of those roles that the ESC now has — or will it? In this legislation and the national water plan there should be some clarification as to how the ESC is going to relate to that plan, and who is going to do what.

The ESC deals with more than water. It deals with energy, electricity and gas. Electricity is another basic need in life, as is reticulated gas. In the second-reading speech the minister pointed out that there is an imminent transfer of most of the commission's energy regulatory functions to the Australian Energy Regulator. The buyback of the interstate rail business from Pacific National will also be impacting on the

business. I hope that the Australian Energy Regulator is up to the task it is being set, particularly in relation to reliability issues. As the house has heard so much about tonight, the power blackouts following the storms throughout Victoria last week have affected people's confidence in our electricity suppliers.

The state of the rail freight will be a challenge for the ESC. It has been a challenge for everybody else, and perhaps it will do better than everybody else. The rail freight network is in a shambles. I could talk about that for a long time, but much of it has already been said. I wish the ESC the best of luck in providing advice on how to rehabilitate and run our rail sector, particularly if it is going to look at what charges are appropriate. Perhaps the ESC might find that the appropriate charge for rail is to pay people to use it, such are the issues that confront us.

I have a concern about a comment the minister made in his second-reading speech. He said:

Moreover, the imminent transfer of most of the commission's energy regulatory functions to the Australian Energy Regulator reduces the benefits of harmonisation with the national energy laws.

It concerns me greatly that we have put an enormous amount of resources into harmonisation in recent years, which should deliver a benefit every step of the way. If there is not a benefit, why do we do it? So many of us, particularly in border regions, are looking at harmonisation to deliver better cross-border outcomes.

I also welcome a reference on page 3 of the second-reading speech, which states:

To accompany this bill, the government is developing an additional package of reforms that, combined with the amendments, will significantly reduce the regulatory burden on business. This suite of reforms will consist of two reviews to identify and streamline administrative burdens and regulatory obligations.

To this I say, 'Hear, hear!'. One of the most common causes for businesses to come to my office is problems with red tape, bureaucracy, and reporting and administrative burdens. Clearly I wish the ESC a speedy passage of this, and I certainly welcome it. It would make life much easier in my office. In the meantime we will have to deal with some of these burdens that restrict business activity. With those concluding remarks, The Nationals in coalition do not oppose this bill.

Mr DELAHUNTY (Lowan) — I rise on behalf of the Lowan electorate to speak on the Essential Services Commission Amendment Bill 2008. As we know, this bill amends the regulatory framework of the ESC

(Essential Services Commission) in a few ways. I just want to speak to a couple of those. It provides the commission with the power to make codes of practice and impose civil penalties for their breach. It also introduces civil penalties for breaching the ESC determinations. It also introduces new third-party access regimes provisions for regulated industries such as rail.

We have a major concern with rail in country Victoria, particularly because Pacific National is withdrawing from the service. With the government aiming to get 30 per cent of product transported onto rail, the state is going about it the wrong way. The member for Mildura spoke about the fact that we might have to pay people to use it. That might have to be the case. There are not only many industries in my area that are directly involved but also others that are concerned about the way the government is handling particularly country rail.

I also want to talk a little about the fact that we know this bill largely implements the recommendations of the 2006 Beale review into ESC undertakings. The additional third-party access regimes are provisions arising from the 2006 Council of Australian Governments agreement on competition and infrastructure reform. Like my colleagues, I will not be opposing this legislation, but I will also be strongly supporting the amendment moved by the member for Box Hill. I look forward to that debate in the consideration-in-detail stage taking place shortly.

As members know, section 3 of the act provides that 'essential service' means the service including the supply of goods provided by the electricity industry. I know, having listened to the debate here tonight, there has been a lot of comment about that. It also means the gas industry — and we have been through our ups and downs in relation to that. I can assure members that the former member for Wimmera, the Honourable Bill McGrath, got natural gas into the Wimmera area, and it is a great benefit to our region. The ESC also looks at the port industry, the grain handling industry, the rail industry, which I have spoken about, the water industry and any other industry prescribed for the purpose of this definition.

As I said, I want to focus particularly on the water industry. I have two major water authorities in my area. They are GWMWater and Wannon Water which, as the member for South-West Coast said, is the result of the amalgamation of three water authorities — two of them in my electorate of Lowan. Portland Coast Water amalgamated with Glenelg Water and the Warrnambool water authority to establish Wannon

Water, and I heard the excellent presentation by the member for South-West Coast about the concerns there.

I want to focus on the GWMWater area in my contribution to the debate tonight. The particular concern is obviously with the lack of rain, which means we have a lack of water. At the moment our reservoirs are 3.2 per cent full. Thankfully the northern Mallee pipeline is in place. If it had not been in place we would have been in trouble. It was constructed five or six years ago with cooperation between the federal and state governments. We are now doing the southern section, which is known as the Wimmera Mallee pipeline. Thankfully it has progressed, and the water authority, to its credit, is working very quickly. There is a bit of concern about the cost blow-out — a major concern, in fact — but the reality is that we are moving forward.

I want to compliment GWMWater on the fact that it recycles nearly 95 per cent of the water in my area for use on recreation reserves, in agriculture and in other industries. Unfortunately that is not the case here in Melbourne. My understanding is that Melbourne is lucky to recycle 10 per cent of its water, and this government is going to steal water from the northern area of the state to supplement the unquenchable thirst in Melbourne. This is where Melbourne should be looking at some of its own practices.

Most towns supplied by GWMWater are on stage 4 water restrictions. People are allowed to use buckets for garden watering, but that is causing major concern, particularly for the elderly. However, I want to focus on the problems in Jeparit, the home of the longest serving prime minister of Australia, Sir Robert Menzies.

An honourable member interjected.

Mr DELAHUNTY — The longest serving Prime Minister — it was not in my time. I have here some newspaper articles which appeared in the *Wimmera Mail-Times*. The first article carries a headline in its 18 January 2008 issue which reads ‘Filthy water angers town’. Another article on 13 February is headed ‘Water costs more; still undrinkable’. A further article in its 14 March issue has the headline ‘Petition on “putrid” water’. The next article I have is in its 17 March issue and is headed ‘Water relief’. That relief took the form of people standing outside the shower block at the football ground to get a shower because they could not shower in their own homes. Another article, also in the 17 March edition, is headed ‘Resident fears for health of Jeparit’. The last article I have — and I could have picked from many more — appears in its 24 March

issue and carries the heading ‘Jeparit out for weeks’; people in the town were going to be without a proper water supply for weeks.

The residents of Jeparit put together a petition, which unfortunately does not meet the requirements for tabling here in Parliament. I wrote to the Minister for Water, who is in the chamber tonight, back on 3 April. In the letter I said:

I write on behalf of the residents of Jeparit in the Lowan electorate who have signed a petition calling for improvements to their water quality and reliability.

Please find attached a petition from Jeparit residents calling on the state government to deliver a potable water supply and request your government facilitate treatment of Jeparit’s water.

This petition does not meet the criteria to be tabled in Parliament however the provision of an adequate water supply is vital for Jeparit and on behalf of the petitioners I request your immediate action to rectify this situation.

Also for your information I have attached copies of newspaper articles regarding this matter.

The petition was signed by 176 people. As members in this house know, Jeparit is not a big town, and that is a majority of the people living in the town.

I want to record the wording of the petition. It reads:

This is a petition requesting that something be done about Jeparit’s water supply, to improve the quality and reliability, and to offer us a world standard potable water. This petition will be sent to the state government Premier, the water minister and the opposition leader, opposition water minister and local member of Parliament. If you are sick of putting up with our smelly water supply, sign this today.

Unfortunately I was not able to table the petition, but from my reading it out in Parliament while the minister is here I am sure he will get the message that the residents of Jeparit are very angry.

I also have a letter from Debbie Dryburgh, who has a shop in Jeparit. It is addressed to the Premier, the water minister and other members of Parliament. It reads:

I am writing to you to request your immediate assistance with delivering a potable water supply to the residents of Jeparit.

...

I have been in constant contact with local water authority GWMWater about a sewage-like odour in the supply since December 2007.

GWMWater explained the odour was caused by stagnant water in the local reservoir, which was, and still is, at an extremely low level.

The quality has deteriorated rapidly in the past four months, to the point the water is now rancid and unusable, but

GWMWater failed to take any action until the dire state of our supply received national media attention, including coverage on *Sunrise*, Seven News and ABC Radio, and press coverage in the *Age* and the *Wimmera Mail-Times*.

Further on in her letter Debbie says:

The water will be non-potable, and could contain the same bacteria that are currently making our water rancid.

As a food vendor, I require ... potable water ... for food preparation and cleaning.

As members can see, there are many concerns.

To its credit, GWMWater did take action. Slowly but surely it got there. Tanks have been installed near the existing water storage, and water is now being supplied to the town via the pipeline. Supplementary water is also being carted from Dimboola. It can be seen that there is much work to be done by the ESC to make sure we get a quality water supply, but at a reasonable price.

It was disturbing last week to see that the ESC increased the amount of money people have to pay for GWMWater above what had been requested, the argument being that interest rates have gone up. Again, if the state government contributed its one-third share to the GWM pipeline it would mean that GWMWater would not have to borrow \$26 million and pay high interest rates. If the state government contributed its fair share to the cost of the Wimmera Mallee pipeline, as are the community and the commonwealth government, we would not see the ESC increasing charges for water in the GWMWater area.

As I said, there are major concerns about water pricing, and this will have a negative impact on industry moving into country Victoria. The Wimmera Mallee pipeline is a major boost, and we thank the state and federal governments for their support. Importantly, we are doing it to turn around our population decline, and the way we do that is to attract industry. But if our prices for water are going to be non-competitive compared to those of our other states, industry will move interstate. That will be a real disbenefit not only for the area I represent but also for the state of Victoria. Like my colleagues I will be supporting the amendment put forward by the member for Box Hill.

Mr HOLDING (Minister for Finance, WorkCover and the Transport Accident Commission) — It gives me a great deal of pleasure to sum up in relation to the Essential Services Commission Amendment Bill. As I outlined in the second-reading speech, this bill has arisen following a review of the essential services legislation, which was a requirement of the primary act. That review was completed last year, and the

government's response to that review has been released and its contents are known to all members. We thank Mr Roger Beale, AO, who was the author of the review that the government commissioned as a consequence of the legislation.

We have been able to accept all of Mr Beale's recommendation with the exception of one, which relates to the reconstitution of the section in the legislation dealing with the commission's objective. As I understand it, the clause dealing with that section is now the subject of a proposed amendment by the opposition. I do not propose to say a lot about that clause now — we can deal with that when we move into the consideration-in-detail stage — but I want to say that this is very important legislation that will reduce the administrative burden in this state. It clarifies a range of powers which the Essential Services Commission requires to carry out its functions. It makes it clear what information it is able to gather from parties that are subject to regulation under the Essential Services Commission legislation. Some fairly well-known litigation has been brought in relation to the commission's activities and, although the ESC was successful, it is very important to clarify and put beyond doubt what the ESC's powers are, and this legislation gives us a good opportunity to do that.

The legislation clarifies the objectives of the commission — about which I will say more when we move into the consideration-in-detail stage — and makes clear what the code-making powers of the commission are and what enforcement powers ought to exist in relation to those codes and the broader functions performed by the commission.

This legislation builds on what has been a very successful competition reform agenda which Victoria has led throughout Australia, and we think the Essential Services Commission has been able to perform a vital role in overseeing a whole range of reforms to what are now regulated industries. That regime is working effectively, and the recommendations Mr Beale made to government are overwhelmingly sound and appropriate. It is for that reason that we accepted them and it is for that reason that those recommendations come to the Parliament in the form of the legislation we are discussing here. Through the passage of this legislation Victoria will still be able to claim quite accurately that we are leading Australia in terms of competition policy and an appropriate framework that protects the long-term interests of consumers and promotes the operation of efficient markets which provide a benefit to all Victorians.

I thank all members who contributed to the debate this evening. In particular I acknowledge the members for Scoresby, Northcote, Rodney, Geelong, Brighton, Burwood, Box Hill, Yuroke, Swan Hill, Bundoora, South-West Coast, Preston, Morwell, Keilor, Ferntree Gully, Gippsland East, Sandringham, Murray Valley, Mildura and Lowan. I wish the bill a speedy passage.

Motion agreed to.

Read second time.

Consideration in detail

Clauses 1 to 4 agreed to.

Clause 5

Mr CLARK (Box Hill) — I move:

Clause 5, page 2, lines 28 to 34, and page 3, lines 1 to 4, omit all words and expressions on these lines and insert —

“In performing its functions and exercising its powers, the objective of the Commission is to promote the long term interests of Victorian consumers with regard to the price, quality and reliability of essential services.”.

The purpose of this amendment is to relate the objective of the Essential Services Commission back to essential services. The opposition is concerned that, under the amendments made by the bill to the purposes of the act and to the objective of the Essential Services Commission, the bill would be implementing a fundamental transformation of the role of the Essential Services Commission from that primarily, if not exclusively, as a regulator of essential services into an open-ended role in relation to industry and economic efficiency, and it would be doing that in conjunction with some fairly extensive inquisitorial powers that the commission has, including powers to require the production of documents and the giving of evidence. The opposition believes this transformation of the Essential Services Commission has not been justified and gives rise to concerns, both in relation to the exercise of the broader role that would be conferred on the commission and the detraction from the very important functions that the commission currently has.

The opposition’s amendment effectively adds to the government’s proposed new section 8(1) reference to the objective of the commission being ‘with regard to the price, quality and reliability of essential services’, which is the relevant phrase that exists in section 8(1) of the existing act. That would restore the primacy of this objective and this role for the commission. The consequence of that is that, in carrying out its various functions, the work of the commission should be related

back to its objective. In our view that still gives the commission and the government some scope to deal with matters that are related to essential services — for example, inquiring into whether or not a particular industry’s services should be regarded as essential, and therefore as to whether the industry should become a regulated industry — but it would make clear that the commission did not have the role of carrying out whatever economic-type inquiry the government of the day and the minister for finance of the day had in mind, such as an inquiry into corner milk bars. We believe that sort of power would be undesirable in itself and because, as I said earlier, it would detract from what should be the main responsibility of the commission.

I must say that the member for Yuroke misunderstood the operation of the opposition’s amendment. It is clear from the way that the government has drafted the bill that the commission is not limited in its objective to essential services, and that is what our amendment overcomes.

As I said in the second-reading debate, the commission is failing in the way it carries out its current roles in terms of safeguarding for Victorians reliability in particular as well as other aspects of the provision of essential services. We have seen that most recently in the blackouts that the state experienced last week following on from similar blackouts in the distribution sector over the past three years. We question why this broadening scope for ESC is needed, given that the Victorian Competition and Efficiency Commission already has this broad economic role. Is this going to be a battle of the bureaucracies and a battle between the minister for finance and the Treasurer as to who is going to use their particular instrumentality to greatest effect? Even Mr Beale pointed out the workflow and budget implications of the course that the government is going down. Notwithstanding Mr Beale’s recommendation, the opposition’s view is that it is highly undesirable to leave to the minister’s discretion the range of coercive legislative powers that can be exercised by the commission under any inquiry that it might be instructed to undertake. For all these reasons we believe this amendment is desirable.

Mr WALSH (Swan Hill) — I support the member for Box Hill’s amendment. In the interests of good public policy and in the interests of efficiency of government, I would like to see the government support the member for Box Hill’s amendment. If you look at the fact that this government set up the Victorian Competition and Efficiency Commission to do one of the roles that it is now talking about having the Essential Services Commission do, I do not believe there is the need for the duplication of those particular

roles. The minister looks puzzled, but I believe that the Victorian Competition and Efficiency Commission can fulfil one of the roles it is now asking the Essential Services Commission to do, so why do we need the duplication of bureaucracy? Why do we need the duplication of roles?

One of the reasons, as I understand it, is that the Essential Services Commission is principally funded by the industries that it does the work for. We had this debate when the rural water industry was brought in under the Essential Services Commission. There is no largesse provided by government when it says that the Essential Services Commission is going to do all this work on behalf of customers. It is customers who are paying for this work to be done, so we need to be clear in the interests of efficient government about how we spend people's money and make sure we do not find that customers of the industries the Essential Services Commission is involved in are funding some grander review that the minister for finance might decide he wants the Essential Services Commission to carry out in the future.

I do not believe it is necessary for the Essential Services Commission to have these additional powers and role. It can be fulfilled by the system that has already been set up by this government — a system that I think we all welcomed at the time but a system that we are all becoming very frustrated with. The principles are good. I think we all wanted to see a reduction in red tape for industry, and we all wanted to see an improvement in the economic viability of our industries in Victoria. But what I have seen following the flurry of activity at the start and the briefing we had when it was set up is some lengthy inquiries and some very long and well-documented reports but very little action arising out of those reports that has improved the efficiency of business in Victoria or has reduced the red tape for business in Victoria.

Let the government put some focus on making sure that the role of the Victorian Competition and Efficiency Commission is carried out well and that we see some real outcomes out of the things it looks into that help business here in Victoria. Let us leave the Essential Services Commission with the very narrow focus that it has had in the past of making sure that the essential services of Victoria, which are principally the old public authorities that were privatised, deliver the services that are needed in Victoria efficiently, cost competitively and in the best interests of consumers. I do not believe that consumers interests will be well served by the government giving wider-ranging powers to the Essential Services Commission, as it proposes.

Mr HOLDING (Minister for Finance, WorkCover and the Transport Accident Commission) — I have listened carefully to the contributions that both opposition spokespeople have made this evening in relation to the clause now being dealt with but also to the broader discussion of these issues that was provided during the second-reading debate. I think the opposition misunderstands the way in which the legislation currently operates as well as the way in which the legislation is proposed to operate as a consequence of the amendments the government has brought here and that are being debated this evening.

I will start by taking honourable members to several parts of the existing legislation. I go first to the way the objectives are phrased at the moment. As members are aware, section 8(1) talks about the primary objectives of the commission. Then subsection (2) contains a description of the things that the commission is to have regard to — namely, the facilitating objectives, as they are described at the moment. Those are the things the commission is to have regard to in the achievement of its primary objective. Then there is the way those two subsections operate in terms of the way the powers of the Essential Services Commission (ESC) are exercised regarding regulated industries.

The section talks firstly about essential services. Then it talks about regulated industries and the way in which the different powers and the different objectives and facilitating objectives are supposed to interact with one another. Roger Beale's recommendations would have taken us to a slightly different place, which was not where the government was prepared to go, so we instead recast the objective of the legislation in a different manner. We have removed the word 'primary' from subsection (1). In new subsection (2) we have described the things to which the commission is to have regard in terms of the regulation of essential industries by focusing on price, reliability of service and quality of service. In new subsection (1) we have talked about the importance of protecting the long-term interests of consumers. That is how we have recast subsection (1).

We have taken what were called the facilitating objectives and recast them as a set of matters that the Essential Services Commission is to have regard to when carrying out that first objective. That is the manner in which we have chosen to recast the objectives under section 8. There is nothing in this which seeks to expand fundamentally the activities of the Essential Services Commission or, for that matter, to usurp the role that we see the Victorian Competition and Efficiency Commission playing.

I did not intend in this consideration-in-detail stage to go into these issues in any great detail, because I am conscious that they were discussed during the second-reading debate, but I disagree fundamentally with the member for Swan Hill's description of the interplay between the VCEC and the ESC. We think they perform different roles and that those different roles can be cast in a way so that it is quite clear what it is that the Essential Services Commission is required to do and what it is that VCEC is required to do in providing advice to government. While their two sets of activities could co-exist in a range of different ways, currently here in Victoria we have cast VCEC and the ESC as having those distinct functions, and I think it is relatively clear what functions each of those two entities is expected to carry out.

The point the opposition has raised implies or suggests that the government wants to profoundly expand in some way the range and breadth of things that the Essential Services Commission can investigate. Essentially the manner in which a referral is made by the minister for finance under the existing legislation is captured within section 41 of the legislation. It lays out what it is that I as minister for finance can refer to the Essential Services Commission. It describes the manner in which such a referral needs to take place and provides that the Essential Services Commission in carrying out that function has to do that work in accordance with the provisions of section 8 and the objective — that is, it has to take into account the long-term interests of consumers, price reliability issues, reliability of supply issues and quality issues within the context of essential services. It then has to use what were previously known as the facilitating objectives, which describe what particular things the Essential Services Commission is to have regard to in carrying out any of its investigatory work. Then of course there is a slight recasting of the manner in which regulated industries interact with those two recast subsections.

The government supports the proposition that has been brought here in the bill. We do not support the amendment that has been moved by the member for Box Hill, and therefore we will not be supporting it when it is put to the vote in the chamber.

Ms ASHER (Brighton) — I would like to make a couple of comments about the member for Box Hill's amendment. I appreciate the minister's lengthy explanation on why the government has chosen this particular course, but I still do not think he has addressed the opposition's fundamental point. The second-reading speech explains that this reform is based on two documents, if you like. The first is the

Beale review report, and the government has accepted in part or in full all the recommendations, bar one. The reason for rejecting one that is adequately explained in the second-reading speech. The government has picked up also on its Council of Australian Governments agreements and made some amendments in the bill to allow it to fulfil its commitments to COAG and in relation to third-party access agreements. That is completely understood.

The reason for this amendment at the moment is that the opposition still does not understand, notwithstanding the minister's explanation, why the government has departed from these two documents. We want to know the rationale. We understand the government supports its own bill, but we are seeking to understand the rationale for the government wanting more powers for the Minister for Finance, WorkCover and the Transport Accident Commission to refer any industry to the Essential Services Commission (ESC). That is the crux of this the amendment. Why should the minister for finance have additional powers to refer any business to the ESC for analysis when the rationale for the bill is based on the Beale report and the government's Council of Australian Governments obligations. This stands outside that.

I refer the minister to his own second-reading speech, in which he acknowledges that the ESC has very significant document-gathering powers and that these powers impose costs on businesses. In fact he indicated in that second-reading speech that he was going to take some measures to acknowledge that and perhaps under certain circumstances alleviate that.

Given that the Minister for Small Business talks about regulation-making powers and how the government wants to assist in the reduction of regulation of business and so on, we want to understand why the government would seek to use, for example, the ESC's very significant powers in the gaining of documents from businesses and why businesses would be subjected to this increased cost component, which is a necessary flow-on obviously from the ESC's very substantial powers in this area. That is just by way of example.

I understand the point the minister made in his explanation of the powers of the Victorian Competition and Efficiency Commission and the ESC. It is not necessarily one I agree with. I do not think in the explanation he gave to the house that he adequately explained why this particular clause in this particular bill has to appear, given that the rationale for the bill is the obligations arising from the review and the COAG agreements. It is that which has prompted this amendment by the member for Box Hill.

Mr HOLDING (Minister for Finance, WorkCover and the Transport Accident Commission) — Can I take it that the essential elements of the contribution of the member for Brighton are that she asked why the government is doing this and how it can justify the position it has taken? She wanted to know what recommendation, what report to government or what document exists which suggest the government should take this course of action. In her remarks she said there are two pieces of advice or two documents the government is relying on: firstly, agreements that exist in relation to the Council of Australian Governments (COAG), and secondly, the Beale report. I understood the member for Brighton to be asking where in those two documents or two bodies of documentation there is a suggestion that the government take this course of action. Is that the position being adopted by the member for Brighton?

She is resisting the temptation to nod, but a nod would not be unruly. Let me assure Hansard that that is the contention that was being made by the member for Brighton — that there is nothing in the Beale report or COAG agreements which would suggest the government should take this action that it has taken in the recasting of section 8. I would draw the attention of the members for Brighton and Box Hill to page 14 of the review of the Essential Services Commission Act, the so-called Beale review. Recommendation 6 says:

Repeal part 6 and sections 10A and 10B of the ESC act and broaden section 41(1) to enable the commission to provide advice to any minister, after that minister has obtained the written agreement of the minister for finance, and clarify that there is no restriction on industries or services on which the commission may be required to give advice.

It is very clear that Roger Beale in providing advice to government, the very advice upon which the government has chosen to legislate in relation to the bill before the Parliament tonight, addresses the very issues raised by the member for Brighton. The government has taken it from that that we should proceed in the manner that we are asking the house to proceed this evening.

Mr CLARK (Box Hill) — I will speak very quickly because I know we are aspiring to finalise this bill within 3 minutes, but I will just say the minister's latest response contradicts what he said in his first explanation in the consideration-in-detail stage. Let me also quote what he said in the second-reading speech:

The bill also broadens the scope of the commission's remit by clarifying that there is no restriction on the industries or services on which the commission may be required to give advice.

That is what he says he is intending to do, and this legislation in fact extends the scope of the commission because the legislation does not give that total open-ended scope at present. The second point I make is that the minister has not addressed the very valid point raised by the member for Swan Hill about who is going to pay the costs of all the additional potential inquiries that the minister could refer to the commission. In particular, are those costs to be borne by consumers within regulated industries?

House divided on omission (members in favour vote no):

Ayes, 47

Allan, Ms	Languiller, Mr
Andrews, Mr	Lim, Mr
Beattie, Ms	Lobato, Ms
Brooks, Mr	Lupton, Mr
Brumby, Mr	Maddigan, Mrs
Cameron, Mr	Marshall, Ms
Campbell, Ms	Merlino, Mr
Carli, Mr	Morand, Ms
Crutchfield, Mr	Munt, Ms
D'Ambrosio, Ms	Nardella, Mr
Donnellan, Mr	Neville, Ms
Duncan, Ms	Noonan, Mr
Eren, Mr	Overington, Ms
Foley, Mr	Pallas, Mr
Green, Ms	Pandazopoulos, Mr
Haermeyer, Mr	Richardson, Ms
Hardman, Mr	Robinson, Mr
Harkness, Dr	Scott, Mr
Helper, Mr	Seitz, Mr
Herbert, Mr	Stensholt, Mr
Holding, Mr	Thomson, Ms
Howard, Mr	Treize, Mr
Kosky, Ms	Wynne, Mr
Langdon, Mr	

Noes, 31

Asher, Ms	Northe, Mr
Baillieu, Mr	O'Brien, Mr
Blackwood, Mr	Powell, Mrs
Burgess, Mr	Ryan, Mr
Clark, Mr	Smith, Mr K.
Crisp, Mr	Smith, Mr R.
Delahunty, Mr	Sykes, Dr
Dixon, Mr	Thompson, Mr
Fyffe, Mrs	Tilley, Mr
Hodgett, Mr	Victoria, Mrs
Ingram, Mr	Wakeling, Mr
Jasper, Mr	Walsh, Mr
Kotsiras, Mr	Weller, Mr
McIntosh, Mr	Wells, Mr
Morris, Mr	Wooldridge, Ms
Napthine, Dr	

Amendment defeated.

Business interrupted pursuant to standing orders.

Sitting continued on motion of Mr CAMERON (Minister for Police and Emergency Services).

Clause agreed to; clauses 6 to 29 agreed to.

Bill agreed to without amendment.

Third reading

Motion agreed to.

Read third time.

Remaining business postponed on motion of Mr CAMERON (Minister for Police and Emergency Services).

ADJOURNMENT

The DEPUTY SPEAKER — Order! The question is:

That the house do now adjourn.

Minister for Tourism and Major Events: media release

Ms ASHER (Brighton) — My adjournment matter is for the Minister for Tourism and Major Events, and I hope he stays in the chamber, rather than leaving it, so he can provide me with an answer. I ask him to issue a statement to correct the public record in relation to his incorrect press releases.

The most recent incorrect press release was issued on 29 February. I note with disappointment that the minister is leaving the chamber; I would like him to stay, because I would love a response to this one — and I ask the Premier to direct him to come back and respond to this adjournment matter.

I quote what the minister said in that press release:

We have worked hard to promote our tourism industry, which is now worth \$10.9 billion to our economy — up more than 50 per cent since 1999.

This is a blatantly false claim. I expect more from a minister with such a good memory. Either he has made a terrible error or he is deliberately misleading the public.

It is correct to say that today tourism is worth \$10.9 billion to the Victorian economy; that is the correct figure. However, the minister's previous figure was wrong. I refer the minister to the 1999–2000 Tourism Victoria annual report, which placed the value of tourism to the Victorian economy at \$10.5 billion. Even if the minister does not want to take that year

because it was the year the opposition left office and he wants to refer to the previous full year we were in office, according to the 1998–99 annual report of Tourism Victoria the value of tourism was \$9.4 billion in that period.

Clearly the minister cannot work out what 50 per cent is, or he has deliberately distorted these figures in his press release. I would also like to give the minister — seeing he is a young up-and-comer — a bit of a tip, and that is: do not rely on the previous Minister for Tourism, the member for Dandenong, who issued a press release on 21 November 2005 saying:

Tourism, which contributes \$10.9 billion annually, is worth nearly 50 per cent more to Victoria's economy now than six years ago.

I would advise the minister in particular to check the source documents. There is no point replicating press releases from his ministerial predecessor — no point just spinning — because there is always someone there to check. I call on the minister to make it clear by issuing a statement to correct the public record. Whilst we on this side of the house are pleased that tourism is making a very good contribution to the Victorian economy, his claims in relation to the previous government are false.

Pascoe Vale Girls College: upgrade

Ms CAMPBELL (Pascoe Vale) — The matter I raise is for the attention of the Minister for Education. The action I seek is that she pay particular attention in the next state budget to the funding request by Pascoe Vale Girls College for stage 2 of its project for the upgrade of the college. This project intends to improve student education in years 7 to 10 science, incorporating the integration of environmental education in a relevant, up-to-date, technology rich environment which will lead to an expansion of post-compulsory pathways. Tomorrow the minister will visit Pascoe Vale Girls College, and this will be a wonderful opportunity for her to see this fabulous school in action.

This stage 2 upgrade proposal is in response to the school's pathways data and analysis showing that the number of students undertaking physical sciences in senior years has followed the statewide trend of progressively declining numbers. This project directly addresses and seeks to arrest this trend and to improve student performance in these curriculum areas. The school has stated its aim of increasing the percentage of the student cohort undertaking the enabling sciences in year 12 — to 10 per cent in physics, 20 per cent in chemistry, 10 per cent in specialist maths and 25 per

cent in maths methods — and subsequently entering related tertiary courses.

The school needs this upgrade because the current facilities are operating from a building built in the 1950s, and there are 38 portables, which are inadequate for an enrolment of 1425 students. This is evidenced by the fact that plumbers and electricians have to attend regularly, and resources are being used in a vain attempt to maintain an adequate environment. One room has been restumped at a cost of \$55 000; however, whole sections of the school need the same treatment. The floors are sagging and bouncing, and are, in my view, inadequate. The instability in some areas has produced a slope which causes sliding doors to be self-closing.

When the minister visits Pascoe Vale Girls College tomorrow she will be able to see what a wonderful team it has in Helen Jackson, its principal, Julie Atkinson and the team, who have worked for years on this particular project. The fact that stage 2 of the project is sorely needed is well known. Labor's financial statement committed to this project.

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

Rail: north-eastern Victoria

Mr JASPER (Murray Valley) — I bring a matter to the attention of the Minister for Public Transport and, in her absence, the Minister for Gaming. The action I seek is for the minister to undertake a detailed investigation into the deplorable standard of passenger rail services in north-eastern Victoria and to provide a blueprint and a timetable for action to be taken to upgrade service in this part of the state. The fact is that the service is just not up to standard and needs a major upgrading. We have two major issues of concern here: the rolling stock is over 35 years of age and needs to be upgraded and replaced as quickly as possible; and the service being provided is substandard, as evidenced by the horrific stories that are coming to my attention on a regular basis. In the time I have got I will not be able to relate all the stories that have been presented to me, but I will seek to get some of those included.

The standard of the rail track on this north-eastern line has resulted in trains just not being able to travel at the speed they are capable of, and in fact we have got buses replacing part of the service to date. We have had the Fischer report into freight services in country Victoria; we have had the Eddington report, which has just been presented to the government, in relation to upgrading transport services in metropolitan Melbourne; and of

course the state government some two years ago received a report from the Department of Infrastructure entitled *Public Transport Safety Victoria*. That report recommended a huge change in the upgrading of passenger rail services and rail track services in country Victoria.

I want to highlight the situation by presenting to the house just one or two examples of the difficulties that people are experiencing. For instance, people travelling from Albury-Wodonga have to come down by bus to Wangaratta. A couple of weeks ago some passengers arrived by bus at Wangaratta to join the train, and the train would not move. The train had broken down, and buses had to be brought in to take the people further on that journey.

Another typical example occurred on Sunday, 30 March, when a lady with a five-week-old baby boarded a train in the evening in Melbourne to travel to Wangaratta. She was not able to obtain a seat. She got a seat for herself at Broadmeadows, and then when they got to Seymour it was announced that all passengers travelling to Wangaratta had to leave the train and that there would be buses there for them. There were 70 or 80 people there and only one bus. Not all of those people could join the bus to travel to Wangaratta. That family finally arrived at Wangaratta hours after leaving Melbourne.

It is a totally deplorable situation. The air conditioning in the carriages is not working, the toilets are not working and sewage is overflowing, the carriages are dirty and the water fountains are not working. It is a totally disgraceful situation, and I believe the government can correct some of these things with a plan. We must get from the minister immediately a plan of action she can take.

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

Consumer affairs: International Award Payment Centre

Mr LIM (Clayton) — I raise a matter for the attention of the Minister for Consumer Affairs, who is at the table. I ask the minister to take action to protect consumers in regard to this issue, which concerns a highly deceptive and misleading letter received by some Victorian residents. The letter is from the International Award Payment Centre with a Kansas, United States, address. The letter appears to tell recipients that they have won a cash prize of US\$10 000 or A\$12 285. The correspondence includes

a picture of the cheque made out in the recipient's favour. In part, the letter states:

I am pleased to inform you that, contingent upon your valid entry and pending official declaration as the final winner, you shall be awarded the sum of A\$12 285.

However, on closer examination the letter asks the recipient to answer a question and forward a payment. If the recipient does this, they will receive further letters requesting more payments. One person who was duped has been sending payments since 2006. If one were to read the fine print on the back of the picture of the cheque, they would see the statement:

... winners and prizes will be determined by April 30, 2009.

This is hardly consistent with the assertion that a cheque has already been made out in the recipient's favour. This award scheme is bogus. The despicable aspect of this scam is that the material is obviously aimed at the more vulnerable members of our community. Put simply, the perpetrators are stealing from their victims. I am happy to provide the minister with a copy of the material from the International Award Payment Centre.

I ask the minister to make sure that the public is aware of this scam and to refer it to the department with a request that the department publicise this on its website and in its annual report. This scheme would clearly be illegal in Victoria because of its deceptive and misleading nature. I do not know whether consumer protection laws are weaker in Kansas, but I also request the minister to consider whether the issue can be referred to the US authorities.

Electricity: blackouts

Mr WELLS (Scoresby) — I would like to raise a matter for the Minister for Energy and Resources and ask that the minister take immediate action to improve communication by electricity distribution network companies and/or electricity retailers with consumers. Last week we had huge storms, and in such conditions accidents happen: trees fall on powerlines, powerlines come down on cars and across roads and from time to time the power will go out and consumers will be inconvenienced. That is not the point I want to raise here with regard to communication. Quite clearly the issue is that consumers were not receiving enough information from phone hotlines or websites they could go to.

The State Emergency Service, the Country Fire Authority and other emergency services did an outstanding job last week. It was absolutely incredible: trees were down making houses unsafe, and at times

SES workers were keeping a watch on live powerlines on roads while waiting for power workers to arrive.

SP AusNet is responsible for the electricity distribution network in eastern Victoria, including the outer east and my area of Knox, and Alinta/United Energy is responsible for a section of eastern and southern metropolitan Melbourne bordering Knox. The recent storm demonstrated that when the power goes out, the distribution companies and electricity retailers are providing an unacceptable level of response to consumer enquiries. The general faults hotlines were engaged constantly. For those who were lucky enough to get through, the telephone message said that due to a large number of calls because of the storm there were no customer representatives available to take the call. The caller was encouraged to call back later or the call simply dropped out.

I think there could have been a better system whereby the retailers, for example, were able to update websites or provide up-to-date information. That way, the consumer would know what is going on. They could plan, they could move to another house, they could move frozen products out of their fridges. The list goes on. In one case a person rang in after midnight — the only time they could get through — and the power company did not even know that that person's street did not have any power. That was a number of days later, on the Friday after the storm. In conclusion, I ask the minister for energy to consider taking action to improve communication. Members understand that things go wrong in storms, but this is a matter that needs to be addressed.

Adult literacy: Young Readers program

Dr HARKNESS (Frankston) — I wish to raise a matter tonight for the attention of the Minister for Children and Early Childhood Development. The minister recently launched the Young Readers program, which provides a free book for all toddlers visiting a maternal and child health centre. The action I seek from the minister is that she ensure that advice on adult literacy education is available at these centres so that those parents who need help to read to their children can find assistance.

It might surprise some people to learn that Australia does not have a 100 per cent literacy rate. Without a doubt we are one of the wealthiest and best-educated countries in the world and yet some people are being left behind. While estimates are difficult, we know that many Australians cannot read and write and that many more have poor or limited literacy. In January this year the Australian Bureau of Statistics released the results

of its adult literacy and life skills survey, which are quite concerning. The ABS found that 7 million Australians between the ages of 15 and 74 have level 1 or level 2 literacy skills, meaning that they do not have the minimum level of literacy to deal with the complex demands of daily life and work in the emerging knowledge-based economy.

Poor literacy makes it difficult to contribute to the economy. If Victoria's economy is to be internationally competitive, we need people who can work well in the services industry with good skills in research, analysis and communication. To be part of this, all Victorians must have good basic reading and writing skills. But this is much more than an economic problem. A low level of literacy makes it difficult to fully participate in the modern economy and society: in community groups, the arts and in public debates.

The importance of good literary skills is clear, and the Victorian government recognises this. We are already investing heavily in primary and secondary education, and the government's progress in improving Victorian schools is well known.

In addition to this, I have been pleased to see the Brumby government look outside these traditional areas, taking education beyond the classroom. The Young Readers program is a good example of this. Under the program, parents visiting a maternal and child health centre are given a literacy information pack when their child is four months old and a free book when their child is two years old. This will include information about local resources and information provided by local libraries in supporting adult literacy. This is a small but crucial step to improve literacy from an early age, recognising that learning begins long before school does.

I encourage the minister to ensure that the Young Readers program takes into account what we know about adult literacy. Sadly some parents need help to read to their children. I ask the minister to make sure that as part of the Young Readers program, maternal and child health centres are able to provide information on adult literacy education. This would be a great improvement to this promising program, and it would help to ensure that Victorians of all ages can experience the benefits of good literacy skills. I look forward to discussing this with the minister at my Frankston children's services forum.

Disability services: supported accommodation

Mr INGRAM (Gippsland East) — I raise a matter for the attention of the Minister for Community

Services in relation to an incredibly important issue: the plight of young persons in residential aged care. This is an issue that has come up a number of times in my electorate. I have spoken to a number of parents, particularly those people who are growing older and no longer have the capacity to look after their disabled children who require fairly intensive care. The action I seek is for the minister to investigate the need for residential aged care for young persons within the Gippsland East electorate.

I have met a number of people, including Ian Cox, whose daughter has an acquired brain injury and requires fairly serious attention. She is not the only one. I have visited a number of aged-care facilities in my electorate over the years, and it is a fairly disturbing issue for those people and the families. They see their children reaching their 20s and 30s, and potentially older, but because of their treatment and care requirements, they are required to stay in residential aged care.

The government has put out a number of policy statements on this issue. My Future My Choice has been designed to give younger people and their families a greater say in decisions and to provide specific accommodation to meet the needs of people with a range of disabilities, such as acquired brain injury, spinal damage and intellectual disability, who cannot be cared for at home and need a much greater level of care.

I would like the minister to investigate the needs and go through the numbers. There are sufficient numbers within my area, and we are a fair way from other facilities that have been established for the treatment of young people who require this type of treatment. It would be good to have suitable and acceptable accommodation close to where the families are so they can support their children and friends. This is an important issue, and many members I have spoken to in this place acknowledge that — —

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

Geelong: netball courts

Mr TREZISE (Geelong) — In the adjournment debate tonight I raise an issue for action by the Minister for Sport, Recreation and Youth Affairs, who I note is at the table. The issue I raise relates to the provision of much-needed netball courts to operate on a shared-use basis between the proposed Western Heights Secondary College and Bell Park netball club.

For the information of the house, currently Western Heights Secondary College is made up of three campuses in the northern suburbs of Geelong in my electorate, which, thanks to the Brumby government, will be transformed into a one-site, world-class education and community facility.

An honourable member — Another one?

Mr TREZISE — Another one, this time on Vines Road. Incorporated into this complex is a proposed two-court netball facility that would be used not only by Western Heights Secondary College students but also the neighbouring Bell Park netball club, which currently plays on what I would describe as very substandard courts. The action I seek from the minister is that he provide adequate funding to ensure that these netball courts are built as part of the new complex on Vines Road to the benefit of not only Western Heights Secondary College but also Bell Park netball club.

Currently Bell Park netball club plays on, as I said, substandard courts, and having inspected the courts with club officials recently, I suggest the courts do not meet current Geelong Netball Association standards. They are essentially what I would describe as tennis courts that have been converted into netball courts and therefore do not have, for example, adequate run-off. They have a substandard surface and no lighting for training, especially during the winter period. Bell Park netball club has four senior sides and eight junior sides in the Geelong netball competition, so it is a substantial club, and I know it is looking for far more success in 2008 than it achieved in 2007.

Through the Department of Education and Early Childhood Development the state government, in partnership with the City of Greater Geelong, is set to rebuild the current three-campus Western Heights Secondary College into a world-class — and I mean world class — education and community facility. This will incorporate not only school facilities but facilities for other organisations, including Vines Road community centre and Vines Road Senior Citizens Club. In addition it is proposed to build the two netball courts I have referred to. These courts are important. They will be of great benefit to the school and to the Bell Park netball club. I therefore look forward to the minister's action in this matter.

Mornington: harbour facilities

Mr MORRIS (Mornington) — Last week, as we all know, Victoria was lashed by extreme storms. A huge amount of damage was done, and thousands of people suffered delays of many hours on their trip home. A

great job was done by the police and emergency services personnel, the power company employees who worked through the night and the volunteers in the State Emergency Service and the Country Fire Authority.

However, there are questions to be asked and answered, particularly about emergency planning, which clearly left a lot to be desired and quite a few of my constituents in the dark for far too long. But that is a matter for another day. The storm also wrought havoc on Mornington harbour. It had to be seen to be believed, and I have the photos upstairs.

The DEPUTY SPEAKER — Order! Would the member indicate the minister to whom he is addressing his request.

Mr MORRIS — I am about to, Deputy Speaker. It is a great pity that the photos cannot be incorporated into *Hansard*. The storms left a trail of destruction, and a lot of that did not need to happen.

The action I seek from the Minister for Environment and Climate Change in the other place is that he act to ensure that adequate measures are promptly put in place to protect Mornington harbour from extreme weather events, particularly the calamitous effects of storms approaching the harbour from the north. We had a very lucky escape last Wednesday. No-one lost their life in the harbour that day, but it could have been a very different story.

On Wednesday morning 65 boats lay in Mornington harbour. By day's end 23 had been torn from their moorings; 5 lay on the bottom or had been shattered on the rocks; 18 were on the beach, all damaged; 20 more were smashed on their moorings; and 43 out of 65 suffered damage.

One of the small jetties was destroyed by a motor cruiser which later sank. The main Mornington pier also sustained what appears to be substantial damage. The storm ripped through the harbour with the wind speed at times reaching 75 knots, and 4 to 5-metre waves crashed in. If there had been a boat outside in distress, there is no way that the Mornington Volunteer Marine Rescue could have got out to save it. It simply could not have got its boat into the water.

This is not the first time this has happened, and it will not be the last. As we get more and more people living on the peninsula — something actively encouraged by this government — the risk increases. I repeat that we were lucky this time, but luck runs out, and many lives will be lost if we do not get action soon.

The people at Parks Victoria work very well with our community to look after the facilities we have to the extent that they are able, but they are not miracle workers. We need money spent, not just allocated. After many years of asking for them we still have not had any effective works to provide a safe haven. We need to get a result. We need the minister to buy into the debate, to provide leadership and to work with the council to get this problem solved before the inevitable tragedy occurs.

Consumer affairs: letter scams

Ms MUNT (Mordialloc) — The issue I raise this evening is for the attention and action of the Minister for Consumer Affairs, who is in the house this evening. I ask the minister to investigate a scam that is new to me. One of my constituents, Mrs Catherine Hutton, has brought this scam to my attention. Mrs Hutton was very concerned when she received a letter in her letterbox, because she never uses her home address for any of her correspondence. She always gives her post office box address, so it is very unusual for any correspondence to come to her letterbox. She keeps her address closely guarded because she is very conscious of her privacy and the security of her family.

Despite Mrs Hutton's efforts, this letter was addressed to her in her name at her home address. I have it here with me, and it is handwritten. This was very concerning to her and caught her attention. Mrs Hutton was perplexed as to where her name and address had been sourced from and was also concerned about her right to privacy. The letter purports to be from a Mr David Rhodes of Perth and gives examples of other people he says have benefited from his pyramid-type scheme. Recipients are asked to send cash to further recipients listed in the letter and with the pyramid-type on-sending of the letter are 'guaranteed' to receive \$70 000 in cash in return.

I am concerned that vulnerable residents in my electorate may be scammed by similar letters. They may be drawn into this scheme. Not only are they at risk of losing their money, but their name and address may be on-sent and published for further use by other unscrupulous scammers. Also, recipients such as Mrs Hutton can be alarmed by unsolicited handwritten letters arriving at their homes because it is an unwarranted invasion of their privacy.

I have been contacted by my constituents regarding a range of scams that draw people in and take their money and sometimes alarm them. These scammers are thieves and bullies, and ordinary people need to be informed of the many varied forms these scams can

take. I ask the Minister for Consumer Affairs to investigate this scam on behalf of Mrs Hutton.

Responses

Mr MERLINO (Minister for Sport, Recreation and Youth Affairs) — I thank the member for Geelong for his adjournment matter and his constant interest in sport in the Geelong region. I will take into consideration his strong support for the Bell Park football netball club's application to the country football and netball program, for facilities, which, as the member pointed out, if the application is successful, will also be shared with students from Western Heights Secondary College. I have spoken many times in this house about the benefits of the program, particularly to netball. Over 40 per cent of almost 200 projects funded to date have involved the developing, redeveloping or resurfacing of our country netball courts. It is vital that we invest in these local facilities because they are not only crucial community assets but they are also responsible for breeding the stars of tomorrow.

The Melbourne Vixens, Victoria's new elite netball team, includes several star players who hail from country communities. Captain Sharelle McMahon is from Bamawm, Julie Prendergast from Kerang, Caitlin Thwaites from Bendigo, Madison Browne from Geelong and Jo Curran from Robinvale. I want to take this opportunity to congratulate the Vixens on their round one victory over Central Pulse on Saturday, and I very much look forward to seeing them live this Sunday at the State Netball Hockey Centre.

We want to give the next generation of young stars in regional Victoria even better opportunities in this great sport. The Brumby government, through the Go for Your Life campaign, is proud to be the major partner of the Melbourne Vixens in a three-year deal worth \$450 000. The Brumby government has also committed \$500 000 to the Collingwood Football Club to improve the important partnership it has with the Vixens, which includes an upgrade of the training facilities that they will share at the Lexus Centre. We have given this unprecedented level of support because the Brumby government knows the Vixens provide a fantastic opportunity to increase the growth and coverage of women's sport in this country.

Given the Brumby government's strong partnership with the Vixens, it was surprising to read, on Wednesday, 19 March, a media release from the Leader of the Opposition titled 'Brumby must support Vixens', which reads:

Premier John Brumby must explain why he has short-changed the Melbourne Vixens netball team ...

Mr Baillieu said the Vixens were Victoria's representatives in netball's premier league competition and the team deserved much more support than it was currently receiving from the Brumby government.

For the record, the day before the Leader of the Opposition fired off this release an article appeared on the Netball Victoria website entitled '500k Vic Gov windfall for Vixens', and it reads:

The Melbourne Vixens will benefit from a massive \$500 000 earmarked for the club in recent funding announced by the Victorian Government.

Through the Collingwood Football Club the Vixens will receive the funding to establish world-class training facilities for its athletes at the VIS/Lexus Centre.

...

Applauding the funding announcement, Netball Victoria CEO Sue Crow said the grant would help elevate netball in the state to new heights.

'In addition to the fantastic support that the Melbourne Vixens receive from the VIS, this grant will ensure that our netball team will be the best resourced in the competition ...

'They will have access to training facilities and sports science support that is second to none'.

I would be happy to forward this article to the Leader of the Opposition and encourage him to check the facts more thoroughly before firing off media releases, and based on her earlier comments the member for Brighton may counsel the opposition leader. The facts show that the Brumby government is the major partner of the Melbourne Vixens.

The Brumby government is very proud to be so strongly involved in the sport at both the elite and grassroots levels, providing more than \$1 million to the Vixens and \$10 million through the country football and netball program for grassroots netball. The Brumby government understands the mutual dependency of grassroots and elite sport; therefore I will closely consider the member for Geelong's request to support Bell Park football netball club's application.

Mr ROBINSON (Minister for Gaming) — The member for Clayton raised an issue for my attention that relates to a scam, a lottery scam, of which we are unfortunately seeing too many. It was the International Award Payment Centre, a company that purports to be based in Kansas, I understand. On this occasion the member has referred to a letter which a constituent received, a letter which gave the impression that the recipient had won a prize but which on closer examination is really just a ruse to fleece that individual of some money. Regrettably, these scams have been popping up all around the world in recent years. They

are somewhat difficult to crack down on because of the fact that they emanate from other jurisdictions.

What also complicates the situation somewhat is that there are actually some legitimate lotteries that provide for sales overseas — indeed I have a neighbour who regularly purchases tickets in a quite legitimate state lottery in North America.

Mr Jasper — Has he won anything?

Mr ROBINSON — He does win prizes occasionally. But it makes that much harder the task of distinguishing those that are completely bogus, which are just designed to rip off individuals, from legitimate lotteries. I agree with the member for Clayton that the actions of people involved in this company, the International Award Payment Centre, if it actually does exist, are quite despicable. They are designed simply to fleece individuals of their money.

Mr Jasper interjected.

Mr ROBINSON — The member for Murray Valley asked what we can do about it. I will certainly refer this to Consumer Affairs Victoria, which has on its website currently warnings about scams and lotteries. I think it has warnings currently about two lottery scams and one sweepstakes scam. It has some quite detailed information there about the sorts of things people should watch out for. Certainly we encourage people at all times when they receive invitations like this, if they are not going to throw them in the bin, which we would encourage them to do, in the first instance to contact Consumer Affairs Victoria on 1300 558 181 and seek further advice.

The member has asked that we have the matter investigated, and I will certainly ensure that Consumer Affairs Victoria does that. I appreciate the member's interest, and I would appreciate him doing what he can to circulate in his local media and local area warnings to people that this sort of approach from companies based overseas is almost always bogus and illegal and should be thrown out and given the treatment it deserves.

The member for Mordialloc raised an issue that is not entirely unrelated — that is, chain letters. Chain letters are a more traditional form of scam. The member referred to a constituent who was anxious not only about receiving this scam but about how her private postal details came to be involved in this and came to be provided to the person who had written to her. That is an interesting question. It may be one that Consumer Affairs Victoria can shed some light on. Chain letters are illegal. They are designed around a ruse that if

everyone participates, everyone will get rich. Of course simple logic tells us that cannot happen and that eventually the chain will disintegrate and people will be left hopelessly out of pocket while a few are enriched.

In this case Consumer Affairs Victoria will investigate the material the member has provided. CAV has had some limited success in chasing participants of these schemes or the architects of such letters. Usually in the case of a chain letter, and I see it is the same in this case, the mailing details of other individuals are provided on a separate piece of paper and that allows CAV to contact those individuals to find out if they understand where this letter has originated. CAV has had some success in the past in tracing chain letters and advising all those whose names have been referred to that if they have been active supporters of this activity, they are breaking the law. CAV will enforce the law as it sees fit.

Again I encourage the member to advise her media contacts and her constituents that these sorts of approaches represent illegal activity and that people who are found to be promoting such activity will be pursued by Consumer Affairs Victoria.

The member for Brighton raised an issue for the attention of the Minister for Tourism and Major Events. I am certain he is flattered by her continuing attention as to how he undertakes his work. She alluded to figures he had used in a press release. I am certain he will be happy to respond to her on that. My tip is that she should not be prepared to win this one, because as we on this side of the house all know, the Minister for Tourism and Major Events is good with numbers — he is very good when it comes to numbers. I would be backing the minister in this one.

The member for Pascoe Vale raised an issue for the attention of the Minister for Education relating to the funding of Pascoe Vale Girls College. She is seeking an upgrade. I understand that the minister is visiting that exceptional school tomorrow. I am aware that Helen Jackson, who has been out there for many years, is an exceptional principal who never does anything by halves. She is truly an asset for the education system. I will pass the matter on.

The member for Murray Valley raised an issue for the attention of the Minister for Public Transport. I understand he is deeply concerned about the standards of passenger rail services and the amenities for passengers in the north-east. He spoke to me about this only a few weeks ago, so I understand his longstanding and genuine interest in this matter. I will have that matter referred on.

The member for Scoresby raised an issue for the attention of the Minister for Energy and Resources relating to the adequacy of communications by electricity retailers and distributors to customers. I endorse the comments of the member for Scoresby insofar as they relate to the excellent work of local State Emergency Service crews. Certainly it was my experience that last week's weather event — the windstorm — was unprecedented. I have not seen before the sort of damage I saw last week, where we had winds of very high strength for most of a day. It was quite an extraordinary event. I will pass that matter on.

The member for Mornington also raised an issue that related to last week's storm, this time for the attention of the Minister for Environment and Climate Change in the other place. The issue related to Mornington harbour. I thought in his contribution he said he was pleased that luckily fatalities were avoided in that instance. But I want to place on the record that there was a fatality last week. A power industry worker, a young man with a young family, was killed. I think he was electrocuted — —

Mr Burgess — That is not what he said.

Mr ROBINSON — I am just putting this on the record, because it is worth acknowledging that tragically a young man was killed while carrying out his duties last week. I am sure all members would want to extend their sympathy to the members of the young man's family for what they will have to endure. I will pass that matter on to the Minister for Environment and Climate Change to the extent that he might reasonably be expected to be able to have improvements made to the harbour to mitigate against the type of freak weather events we had last week.

The member for Gippsland East raised a matter for the Minister for Community Services in relation to young people in residential aged care and in particular people who suffer from acquired brain injuries. He is asking for those needs in the region to be investigated. I will pass that matter on.

Finally, the member for Frankston raised an issue for the attention of the Minister for Children and Early Childhood Development. He asked that adult literacy material be provided at maternal and child health centres, because we should not lose sight of the fact that adult illiteracy is a serious issue. This came to my attention recently whilst I was doing a launch in the suburbs of a Consumer Affairs Victoria booklet. A middle-aged gentleman came to me and said that he could not read. He said that it was all well and good for

material to be put around but that people who could not read found it of little use and that we ought to put our promotional material out in ways that accommodate people with needs like that. I am very aware of the sort of issue that the member has raised, and I will make sure that it is passed on to the Minister for Children and Early Childhood Development.

The DEPUTY SPEAKER — Order! The house is now adjourned.

House adjourned 10.50 p.m.