

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE COUNCIL

FIFTY-SIXTH PARLIAMENT

FIRST SESSION

Tuesday, 20 November 2007

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Tuesday, 20 November 2007

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

QUESTIONS WITHOUT NOTICE

Office of Police Integrity: investigation

Mr BAILLIEU (Leader of the Opposition) — My question is to the Premier. I refer to the latest example of corruption in Victoria, the ongoing police corruption scandal, and the statement by chief commissioner Christine Nixon on Friday that she first learnt of this investigation on 14 September, and I ask: when did the Premier first become aware of this investigation?

Mr Hulls — On a point of order, Speaker, there has been an assertion made at the start of the Leader of the Opposition's question. As everyone in this house would be aware, there are currently matters that are under investigation, and there have been hearings take place. To be making an assertion such as the one that the honourable member has made is inappropriate, and indeed not only inappropriate —

Honourable members interjecting.

The SPEAKER — Order! I ask members to allow me to hear the point of order in silence.

Mr Hulls — It is not only inappropriate, but he has not produced any evidence to back up that assertion, and therefore I ask you to ask him to rephrase his question.

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

Mr BRUMBY (Premier) — As I have indicated publicly on a number of occasions, I was given limited verbal advice by the Secretary of the Department of Premier and Cabinet late in the week preceding the week in which the public hearings occurred.

Mr Baillieu — On a point of order, Speaker, the Premier has not addressed the question.

Honourable members interjecting.

The SPEAKER — Order! I will hear points of order in silence.

Mr Baillieu — The Premier has previously publicly said that he heard of the public hearings at a particular time. My question was in regard to when he first became aware of this investigation. Speaker, if it was

good enough for Christine Nixon and Simon Overland to address this question, it should be good enough for the Premier to address the question.

The SPEAKER — Order! The Premier has concluded his answer.

Government: accountability

Mr STENSCHOLT (Burwood) — My question is to the Premier. Can the Premier update the house on what new initiatives the government is taking to enhance openness and accountability?

Mr BRUMBY (Premier) — I am delighted to advise the house of further decisions our government has made which will further improve open, accountable and accessible government in this state.

Honourable members interjecting.

The SPEAKER — Order! The Premier will be given the opportunity to answer the question in silence.

Mr BRUMBY — If you look at the raft of reforms that have been introduced during our eight years in government, you will see that the Victorian government is today far more open, accessible and accountable than it has ever been.

Honourable members interjecting.

The SPEAKER — Order! It is custom and practice in this place to halt conversation when the Speaker rises to her feet. I ask members for some cooperation.

Mr BRUMBY — If you look at the raft of reforms that have been introduced by our government over the last eight years, you will see the restoring of the independence of the Auditor-General; the substantial reforms to the Financial Management Act, where we restored quarterly reporting after it was removed by the Kennett-Stockdale government; and more information provided more often about the state's finances than ever before. We have strengthened the powers of the Ombudsman. We have increased by 50 per cent the number of cases that are being dealt with under our freedom of information legislation. We are answering —

Mr Kotsiras interjected.

The SPEAKER — Order! The member for Bulleen!

Mr BRUMBY — We are answering more questions on notice in the Parliament than ever was the case previously —

Mr R. Smith interjected.

The SPEAKER — Order! The member for Warrandyte! This is a serious matter and a serious question, and I ask for his cooperation.

Mr BRUMBY — We have increased the number of questions that are asked in question time by the opposition each day from three to five.

Honourable members interjecting.

Mr BRUMBY — I can see why the opposition is so embarrassed by this matter. Members of the opposition, particularly the Deputy Leader of the Opposition, remember what it was like here in the 1990s, when there were three questions a day for the opposition — —

The SPEAKER — Order! I ask the Premier to stop debating the question and come back to answering it.

Mr BRUMBY — We have introduced the human rights and responsibilities act. We have increased the powers under the whistleblowers act. In every way and in every sense across government we have made the government more open, more accessible and more accountable. Today, with the Deputy Premier and Attorney-General, I announced more reforms to make government even more accessible and more accountable in the future.

When I became Premier I said I would announce further reforms to the Freedom of Information Act and to the range of provisions related to it. Today I announced, with the Attorney-General, that we will implement all the recommendations of the Ombudsman's report — every one of them — which is about making FOI more accessible and more accountable. I announced today that we will abolish the provision of conclusive certificates, which has always been a veil behind which governments can hide documents as cabinet in confidence.

Today I also announced that we will return the act to its original intent: I announced today that we will abolish application fees for freedom of information requests. Just for the record, the question could be asked: who put these fees on in the first place? The answer, of course, is the Liberal Party; the answer, of course, is the Kennett government.

Honourable members interjecting.

The SPEAKER — Order! I warn the member for Bulleen. The member can consider himself very lucky.

Mr BRUMBY — When the original FOI act — —

Mr Burgess interjected.

The SPEAKER — Order! The member for Hastings will stop interjecting.

Mr BRUMBY — When the original FOI act was introduced by the Cain government in 1982, applications were free. It was not until 1993 — until the election of the Kennett government — that application fees were put in place.

I am proud that we today announced the abolition of those fees. This will mean, particularly for individuals who want to get access to their files — and they are able to do that now — that from 1 July next year there will be no application fees in place in Victoria. This will also mean that Victoria will be the only mainland state where this is the case.

Again, if you look at all the reforms we have made in terms of openness and accessibility — what we have done with the Ombudsman; what we have done in terms of Parliament and questions and private members business; what we have done with financial reporting; what we have done with the Auditor-General; what we have done with the whistleblowers legislation; and what we have done with the human rights and equal opportunity acts — you will see that all these things make for more accessible government. This is a record which could never, ever be matched by the Liberal Party.

Water: desalination plant

Mr RYAN (Leader of The Nationals) — My question is to the Premier. I refer to comments made by Professor Barry Hart on the ABC *Statewide Drive* radio program on 14 November — the professor being the director of the Monash University water studies centre, the government-appointed chair of the Yarra Coordinating Committee, and the government-appointed chair of the Gippsland Lakes task force — when he said:

The situation with desalination plants is that as the price of energy goes up, if it doubles, triples, as is very likely to occur if you take a 50-year time perspective, these are going to be prohibitively expensive, and if we don't keep up the pressure to get smarter about our reuse in capital cities, I don't think it will be sustainable in five years time.

I ask: does the Premier agree with this eminent gentleman, Professor Hart?

Mr BRUMBY (Premier) — The Leader of The Nationals has sought my views in relation to desalination. The reality is that every capital city in mainland Australia is building desalination plants. The reality is now that most countries overseas — whether

you go to Israel, whether you go to other countries in the Middle East, whether you go to Singapore or whether in fact you go to the United Kingdom — are putting in place desalination plants. The fact of the matter is that increasingly around the world people are looking for options that are climate proof and that are drought proof, and they are looking for ways in which you can guarantee the supply of high-quality water.

I am surprised by the Leader of The Nationals' question today, because it leads me to the conclusion, obviously, that The Nationals are irrevocably opposed to any form of desalination in our state. That would be quite inconsistent — —

Mr Ryan — On a point of order, Speaker, the Premier is debating the issue as to what the policy of The Nationals might be. Laudable though it is, that is not the subject of this question. I have asked the Premier a question about the comments made by Professor Hart, and I ask you to have him respond.

The SPEAKER — Order! I uphold the point of order.

Mr BRUMBY — As I am explaining, clearly I do not agree with the assertion that has been put by the Leader of The Nationals, and I do not agree with the assertion as I have heard it put today — I have not read the full comments — by Professor Hart. As I have said, the fact is that around the world governments of all political persuasions are investing in desalination. If my memory is correct, the federal Treasurer said in a recent interview that every capital city in Australia should have a desalination plant. If I remember, both sides of politics federally — —

The SPEAKER — Order! I bring the Premier back to answering the question.

Mr BRUMBY — I am answering the question. Both sides of politics federally have said that they support desalination. The Leader of The Nationals has asked a question about the cost. I think the question for the Leader of The Nationals is: what is the cost of doing nothing? What is the cost of having water resources at 40 per cent of capacity?

The reality is that, again, Australians of all political persuasions and all political parties now recognise that climate change is a fact of life and that with climate change the world is getting drier, rainfall is less reliable and the run-off into dams is less reliable, so you do need some climate-proof sources of water.

Mr R. Smith interjected.

The SPEAKER — Order! The member for Warrandyte will contain himself.

Mr Ryan — On a point of order, Speaker, the Premier is again debating the question, and I would ask you to ask him to answer the question that I have asked him.

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

Mr BRUMBY — On the matter of energy and energy supply which the Leader of The Nationals has raised, we made very clear that all of the energy which is required for the operation of the plant and the pumping of the water to Melbourne will be from green power. What this — —

Mr K. Smith interjected.

The SPEAKER — Order! I ask the member for Bass to stop interjecting in that manner.

Mr BRUMBY — What our decision means is that an additional 100 megawatts of renewable energy will come onto the market to power the desalination plant and the pumps that bring this water to Melbourne. Far from having an impact on the environment in terms of energy consumption, the environmental footprint of this plant is minuscule. The environmental benefits that will come from new green energy are significant benefits for our state. It would have been open to the government to make a decision to power this from conventional energy. We did not do that. We made the announcement at the time of this decision that this is all renewable energy. It will bring forward 100 megawatts of power in addition to the target that is set under the Victorian renewable energy target, and that means that we will see more plants in the future.

We will see more wind power, more solar energy and more hydro plants of the type that the Minister for Energy and Resources and I inspected at Mount Bogong last week.

Freedom of information: government performance

Mr HERBERT (Eltham) — My question is to the Attorney-General. Can the Attorney-General inform the house of how Victoria is leading the way on FOI legislation, particularly compared to other regimes — —

Honourable members interjecting.

The SPEAKER — Order! Would the member repeat the last part of the question.

Mr HERBERT — I will repeat the question, Speaker. Can the Attorney-General inform the house of how Victoria is leading the way on FOI legislation, particularly compared to other regimes in Australia?

Mr HULLS (Attorney-General) — I thank the honourable member for his question. As the Premier said, this government is very proud to be introducing further reforms to FOI, reforms that will strengthen our democracy and make it easier for people to apply for documents held by government agencies. These reforms do implement the key recommendations of the Ombudsman's report, but we are actually going further than the Ombudsman's recommendations. As the Premier said, we will be abolishing application fees for FOI. Those fees, of course, were introduced by the Kennett regime, and indeed by doing this we will certainly be putting 'free' back into 'freedom of information'.

Honourable members interjecting.

Mr HULLS — I was asked to compare other regimes. I do not take up interjections, but we all remember the headlines in relation to previous attempts to neuter FOI. I refer to an article in March 1993 where the state government was set to tighten its control over FOI by broadening the definition of cabinet documents and exempting them from disclosure. We all remember trucks and trucks and trucks that used to pull up outside cabinet on a Monday morning, and you would have people carting documents up into the cabinet room and they would sit around the walls of the cabinet room. We all remember that, don't we, Speaker?

Honourable members interjecting.

The SPEAKER — Order! Government members! The Minister for Health!

Mr Clark — On a point of order, Speaker, the Attorney-General is debating the question. I ask you to bring him back to answering it.

The SPEAKER — Order! I uphold the point of order. The Attorney-General is to direct his answer to the question.

Mr HULLS — I will leave the truckloads alone for the time being. We do remember there were changes to FOI in the past. We also recall that a former Premier said he was introducing new restrictions to FOI because 'There is too much law in our society'. That was the reason given. 'Too much law in our society' was one of the reasons for introducing restrictions.

We also recall that the former government intended to scrap FOI. Why? Because it wanted to provide better security for public servants. I know you are asking, Speaker, whether these changes will make a difference.

Honourable members interjecting.

The SPEAKER — Order! The member for Bulleen! I ask for some cooperation from the Deputy Leader of the Opposition. The constant interjection across the table is not welcome. The Attorney-General will confine his comments to the question.

Mr HULLS — Certainly. We are removing fees. When fees were introduced there was a substantial reduction in the number of applications made and indeed less documents were released.

Honourable members interjecting.

The SPEAKER — Order! I ask for some cooperation from the member for Kew. The member for Kew's constant interjections are not welcome today. I ask the members for Warrandyte, Ferntree Gully, Hastings and Kilsyth — I will not mention the member for Bulleen again — for some cooperation, as I particularly ask the members for Kew and Scoresby.

Mr HULLS — With these reforms, as well as putting the 'free' back into freedom of information, we will also be putting more government information onto the internet and we will be expanding the lodgement of online FOI applications, making it much easier for people to apply. More information will be available to more people more often. These are great reforms.

As I said, we are going further than the Ombudsman's recommendations. We will be meeting our election commitment. That commitment was to abolish conclusive certificates for cabinet documents, except in cases of national security. This means that we will be leaving it to the independent umpire, the Victorian Civil and Administrative Tribunal and the courts, to decide whether a document is really a cabinet document rather than the departmental secretary having the ability to simply sign a conclusive certificate.

Honourable members interjecting.

The SPEAKER — Order! The members for Ferntree Gully and Bass!

Mr HULLS — As the Premier said, having that provision can certainly act as a threat in relation to cabinet documents, and we will be removing that provision. The independent umpire will decide if the cabinet exemption claim is appropriate.

I was asked to compare that with other regimes, and we need to look no further than today's *Age*, where we see that the federal government used the conclusive certificate exemption to block information in relation to WorkChoices. Why? Because it has further grubby changes coming.

Mr Ryan — On a point of order, Speaker, the Attorney-General is clearly debating the question. I ask you to confine his commentary to Victorian legislation. I also ask the Attorney-General whether these changes are retrospective.

The SPEAKER — Order! The Leader of The Nationals knows very well when questions can be asked. The question was clearly in regard to FOI legislation in other regimes, and in that sense I do not believe the Attorney-General was debating the question. I believe the Attorney-General has concluded his answer.

Mr HULLS — Speaker — —

The SPEAKER — Order! The Attorney-General has been speaking for 6 minutes, and I ask him to conclude his answer.

Mr HULLS — Speaker, if you compare what we are doing in Victoria — openness, transparency, opening up freedom of information, getting rid of conclusive — —

Honourable members interjecting.

Dr Sykes — On a point of order, Speaker, I would ask you to give a ruling on whether the answer given by the Attorney-General has in fact been misleading in that, as I understand it, the question related to transparency. Part of the answer focused on decreased cost — or zero cost — of accessing freedom of information and by inference, suggested that that increases transparency, whereas decreasing the cost but then refusing to provide the information — —

Honourable members interjecting.

The SPEAKER — Order! Government members know that I will listen to points of order in silence.

Dr Sykes — I am asking for a ruling on whether a misleading of the Parliament is going on. The inference is that reducing the cost of an application for freedom of information to zero results in improved transparency, whereas I think the track record would show that many of the freedom of information requests are refused on dubious grounds.

The SPEAKER — Order! I have heard enough on the point of order. There is no point of order. I direct the member to review *Daily Hansard* tomorrow himself. He will clearly see that the question has been answered in a wide-ranging manner concerning a number of initiatives in the process that the government has announced today. The Attorney-General, to conclude his answer.

Mr HULLS — We are further opening up FOI. If you compare that to what the federal government is doing and has done in relation to conclusive certificates, it is a stark contrast.

I conclude on this note: we do not and will not treat the public's right to know with contempt. In fact since coming to office the number of FOI requests has increased by some 50 per cent under this government to over 20 000 per year, and 97 per cent of applicants receive documents in full or part. We already have one of the most accessible FOI regimes in the country. The reforms that were announced today by the Premier will make our regime even better. As I said, it will lead to more information being provided to more people more often.

Mr Eren interjected.

The SPEAKER — Order! The member for Lara is not helping with the smooth running of question time. I ask him to stop his interjections.

Police: telephone tapping

Mr BAILLIEU (Leader of the Opposition) — My question is to the Minister for Police and Emergency Services. Is it a fact that the minister must and does receive a copy of all telecommunication intercept warrants under section 9C of the Telecommunications (Interception) (State Provisions) Act?

Mr CAMERON (Minister for Police and Emergency Services) — Yes.

Regional and rural Victoria: infrastructure

Ms OVERINGTON (Ballarat West) — My question is to the Minister for Regional and Rural Development. Can the minister advise the house how record levels of infrastructure investment are making all of Victoria's regions a great place to live, work, invest and raise a family and how Victoria's approach compares to other jurisdictions?

Ms ALLAN (Minister for Regional and Rural Development) — I thank the member for Ballarat West for her question. Members on this side of the house

might like to mark a bit of an anniversary. It is eight years and one month to the day since the Labor government was elected on the back of a promise to govern for all of Victoria.

The very first piece of legislation that we introduced into the Parliament that symbolised that commitment was Australia's first Regional Infrastructure Development Fund, which was introduced by the then Minister for State and Regional Development. At the time the minister told the Parliament that this legislation and this fund would come to embody a symbolic and practical commitment of this government to regional Victoria after seven long years of neglect.

Today — eight years later — to say that this fund has been a success is an understatement. For example, last week the Premier and I were in Chiltern to announce a \$200 000 upgrade that will revitalise Chiltern's historic town precinct under the Regional Infrastructure Development Fund. Whilst this announcement in Chiltern was important and remarkable for the residents of Chiltern, it also represented a major milestone for the Regional Infrastructure Development Fund — that is, the achievement of \$1 billion in infrastructure investment which is flowing into Victorian regions and which has been levered as a result of the Regional Infrastructure Development Fund projects.

We have only to look at the diversity of the projects that have been funded under RIDF to see what it means: it is responding to all of the needs across regional and rural Victoria. It includes natural gas connection to 34 towns across the state, upgrades to airports and ports, redeveloped industrial estates, upgraded rural showgrounds and upgrades to hundreds of cattle underpasses across Victoria.

Every single local government area in regional and rural Victoria that is eligible for this funding has received RIDF funding worth \$370 million across 154 projects. This means that any member representing a regional and rural constituency on this side of the house or on that side of the house can proudly point to a project in their electorate that has been funded from this fund.

It is worth reflecting on the debate at the time, because it is a shame that the Leader of The Nationals did not have more faith when he told the house during the debate on this legislation eight years ago:

... the legislation is a sham and is flawed because it does not have the capacity to deliver to country Victoria the expectations the government has created.

One billion dollars of investment later, 154 projects and thousands and thousands of new jobs makes an absolute mockery of the Leader of The Nationals' bitter words during that debate.

It is also worth noting that during the debate the member for Brighton raised some concerns — misplaced concerns — about the financial management of the Regional Infrastructure Development Fund. I was asked how this fund compares and how the approach of Victoria compares to those of other jurisdictions. Perhaps the member is now best placed to direct her concerns to her federal colleagues, who have recently been exposed by a damning commonwealth Auditor-General's report for blatant bias in projects under their regional partnerships program. What a surprise, Speaker, that their bias is directed towards Liberal and National party electorates.

The difference in approaches could not be more stark. As opposed to the blatant pork-barrelling approach of the federal coalition government, here in Victoria the Brumby government will govern for all of Victoria — every electorate, every local government area — as evidenced by the \$1 billion of investment under Victoria's Regional Infrastructure Development Fund.

Police: telephone tapping

Mr BAILLIEU (Leader of the Opposition) — My question is to the Minister for Police and Emergency Services. When did the minister first receive copies of the warrants authorising the tapping of the phones of the secretary of the Police Association, Assistant Commissioner Noel Ashby and Victoria Police media director Stephen Linnell under section 9C of the Telecommunications (Interception) (State Provisions) Act?

Mr CAMERON (Minister for Police and Emergency Services) — Under the telecommunications intercept laws that apply across Australia, I am required to receive warrants and to then forward them on to the relevant federal minister, which in this case is the federal Attorney-General, and that is exactly what I do. There is a process in place, and as a matter of law I cannot comment beyond that.

Mr Baillieu — On a point of order, Speaker, under section 22 of the Telecommunications (Interception) (State Provisions) Act, the minister has an obligation, in discharging his function under this act or any other act, by which he can provide information. He has responsibilities to this Parliament under the Constitution Act, and he can report to this Parliament.

He has just told this Parliament he cannot. He can, and he should.

The SPEAKER — Order! I do not uphold the point of order. The minister has given his answer. Has he concluded his answer?

Mr CAMERON — That is the advice of my department.

Honourable members interjecting.

The SPEAKER — Order! Can I suggest that the Deputy Premier and Leader of the Opposition go outside to have their holiday discussion.

Water: food bowl modernisation project

Mr TREZISE (Geelong) — My question is to the Minister for Water. Now that the food bowl modernisation steering committee has submitted its report and recommendations to the government, can the minister detail to the house how the government intends to proceed with this vital project?

Mr HOLDING (Minister for Water) — I thank the member for Geelong for his question. It is an opportunity, firstly, to reflect on the fact that the food bowl modernisation steering committee has now delivered to the state government the final report of its deliberations on the best way to go forward in delivering this vitally important project for regional Victoria.

I want to start by acknowledging the work, firstly, that the chair of the steering committee, John Corboy, and all 15 members of the food bowl modernisation steering committee have done. They have done a great job in drawing on the concerns and perspectives of people across the affected region, collecting submissions from a broad range of people. One hundred and forty different submissions were received from a whole range of different organisations and individuals that have views about this particular project — —

Mr Ryan interjected.

Mr HOLDING — And also differing views, as the Leader of The Nationals interjects. They also conducted 70 formal and informal sessions across the region to elaborate on those submissions and to provide more information to people on this important project.

The 45 recommendations that the steering committee has given to the government have provided us with a huge amount of perspectives and steps to progress this important project. It has provided us with, firstly,

information about the appropriate governance framework to put in place; secondly, information about the best way of sharing the water savings that will accrue from this project; and thirdly and very importantly, significant recommendations on the best way of delivering this vitally important project. So we thank it for its work.

Dr Sykes interjected.

Mr HOLDING — The member for Benalla interjects and says that the savings are not there. The important thing about the steering committee's report that has been delivered to government is that it indicates very clearly that the savings are there.

Dr Sykes interjected.

Mr HOLDING — This is very important, because we know there are 900 gigalitres — 900 billion litres — in system losses occurring at the moment, and we can capture, just through stage 1 of this, at least 225 gigalitres — —

Dr Sykes interjected.

The SPEAKER — Order! The member for Benalla knows better than that. I warn the member for Benalla.

Mr HOLDING — Two hundred and twenty-five gigalitres at least — 225 billion litres — of savings will accrue to Victorians from the implementation of this very important project. The first step is to recognise that the steering committee has engaged in a very constructive and positive process of community consultation. This stands in stark contrast to the misinformation, the rumours and the innuendos being spread in the region by those who are opposed to this project. The first thing that I can say is that we will not be dissuaded by people like the two-times failed Liberal candidate for Seymour, Mike Dalmau, who has been spreading misinformation through the region, telling lies, spreading innuendo and trying to suggest that the savings are not able to be accrued. We will not be dissuaded by those things.

We are also committed to following due process. We will not be tricked into going down the path endorsed and advocated by Sharman Stone, the federal member for Murray, of suspending due process and trampling over the proper legislative requirements of environmental checks and balances. She wants to simply short-circuit that process, and it is appropriate that she has been dressed down by the Minister for the Environment and Water Resources at the national level, Malcolm Turnbull, who has made it clear that the commonwealth will follow due process. We welcome

that commitment from the commonwealth government, and we look forward to seeing due process followed, not the path endorsed by Sharman Stone, the member for Murray.

What we will also be doing is continuing to engage constructively in consultation with local communities in the Goulburn-Murray area. What we will not be doing is spreading the sort of inflammatory and dangerous material that Mike Dalmau has been spreading through the region, calling on people, in the name of public protest, to undertake dangerous acts, which he has now been forced to publicly repudiate. Many of these protesters have no credibility in terms of the perspectives that they have been putting.

We saw them last week in Bright, all 25 of them, who were there with Sophie Mirabella, the federal member for Indi, with Wendy Lovell from the other place and with Mike Dalmau, trying to draw up some community opposition. We know that communities around Victoria support the important measures that this government is taking to secure Victoria's water future. We will be continuing with our food bowl modernisation project because we know this \$1 billion investment will secure this vitally important economic region for the state. Just as the investment for this important project will be shared —

Mrs Fyffe interjected.

The SPEAKER — Order! The member for Evelyn is warned.

Mr HOLDING — so too will the benefits of this project be shared one-third, one-third and one-third between Melbourne, irrigators and the environment. We look forward to taking the next steps in implementing this vitally important project for all Victoria.

Police: telephone tapping

Mr BAILLIEU (Leader of the Opposition) — My question is to the Minister for Police and Emergency Services, and I ask: will the minister advise the house if the minister's former chief of staff, now the member for Albert Park, or any other member of the minister's staff was aware of the content of warrants issued under the Telecommunications (Interception) (State Provisions) Act?

Mr CAMERON (Minister for Police and Emergency Services) — The process in the act is for me to receive and forward on to the federal government, and the objective is — —

Mr Baillieu — Who has access?

Mr CAMERON — Who has access? I will tell you who has access: it is I — myself — and an officer from the OPI (Office of Police Integrity) or, in the case of the chief commissioner — —

Mr Holding interjected.

Mr CAMERON — That is exactly how it works — as the former police minister says. And I sign it. The only person who sees that is the person who hands it to me — and myself. No other person knows the details.

Regional and rural Victoria: sports funding

Ms DUNCAN (Macedon) — My question is for the Minister for Sport, Recreation and Youth Affairs. Can the minister inform the house how announcements made during last week's community cabinets in the Alpine, Indigo and Towong shires reflect the Brumby government's commitment to grassroots country sport?

Mr MERLINO (Minister for Sport, Recreation and Youth Affairs) — I thank the member for Macedon for her question and her strong advocacy of rural and regional Victoria. Unlike The Nationals, who oppose everything, and the Liberal Party, which simply ignores country Victoria, the member for Macedon and the Brumby Labor government are committed to investing and strengthening our country communities. Community cabinet is one very important way this government engages with rural and regional Victoria; indeed locals often remark about bringing Spring Street to the bush.

During last week's community cabinet in Alpine, Indigo and Towong shires, I visited three key local sporting facilities. Firstly, at Mount Beauty I announced \$50 000 for the upgrade of the outdoor pool, which included the purchase of a solar blanket; at Beechworth I announced \$60 000 for two new netball courts at the Beechworth football and netball club; and at Tallangatta I opened four new tennis courts which had just been converted to a synthetic surface, thanks to a \$50 000 Brumby government grant. Each of these communities is home to only a few thousand people, yet each of these events brought local families together to celebrate the funding of these projects which were driven by local volunteers. This is why the Brumby Labor government has invested so heavily to ensure sport remains an integral part of country life.

Our record cannot be questioned. No government has invested more in sporting facilities in country Victoria than this Labor government. No government has even

come close. In fact it gives me great pleasure to inform the house —

Mr R. Smith interjected.

The SPEAKER — Order! The member for Warrandyte looks to see if I am watching him and then continues to interject. The member for Warrandyte will have standing orders applied to him if he does not learn that he needs to contain himself during question time. This is not an opportunity for him to comment on every sentence uttered by every minister.

Mr MERLINO — It actually gives me great pleasure to inform the house that this capital investment has just soared past \$100 million. This is a day for milestones in investment in regional Victoria. Over \$100 million has been spent on drought proofing our sporting fields, restoring our vital country football and netball facilities, developing new facilities and strengthening our current ones. With this level of investment it is no wonder that last week's community cabinet was responsible for front page articles like that in the *Ovens and Murray Advertiser* of 14 November which was headed 'Ministers deliver — new plan, funding to help boost local community'.

It is no wonder that councils such as Horsham Rural City Council have written to me in regard to the Brumby government grants. That council said it would 'ensure the ongoing viability of our sporting grounds'. It is no wonder that state sporting association leaders such as Sue Crow from Netball Victoria have said that the Brumby government's regional funding:

... will result in more effective delivery of our sport at the grassroots level. Not only will it assist in building membership, creating new partnerships, it will also connect more Victorians to the wonderful sport of netball.

With all this in mind, it is no wonder that at the Towong community reception, which was held in Tallangatta last week, several hundred members of the Towong community gave the Premier a rousing three cheers for this government's commitment to rural Victoria. Three cheers were led by none other than the mayor of Towong shire, John Mitchell.

These reactions from sporting clubs, councils and the community are a clear vindication of the work the Labor government has done in promoting, growing and strengthening regional Victoria. It is work that this government will continue to do and is proud to do as we further reinforce Victoria's status as the best place to live, work, raise a family and play sport.

The SPEAKER — Order! The time set aside for questions has expired.

CRIMINAL PROCEDURE LEGISLATION AMENDMENT BILL

Introduction and first reading

Mr HULLS (Attorney-General) — I move:

That I have leave to bring in a bill for an act to amend the Children, Youth and Families Act 2005, the County Court Act 1958, the Crimes Act 1958, the Crimes (Criminal Trials) Act 1999, the Magistrates' Court Act 1989, the Sentencing Act 1991, the Summary Offences Act 1966 and the Supreme Court Act 1986 and for other purposes.

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

Mr HULLS (Attorney-General) — I am happy to do that. This bill is very important; it will implement reforms to the criminal justice system in line with the justice statement that I released some years ago. It enables the courts to give sentence indications and also to identify specific sentence discounts. It also abolishes reserved pleas. It also provides a maximum penalty for the common-law offence of wilful exposure. It amends the summary offence of wilful damage, and it makes a number of other minor amendments to legislation.

Motion agreed to.

Read first time.

CLASSIFICATION (PUBLICATIONS, FILMS AND COMPUTER GAMES) (ENFORCEMENT) AMENDMENT BILL

Introduction and first reading

Mr HULLS (Attorney-General) introduced a bill for an act to amend the Classification (Publications, Films and Computer Games) (Enforcement) Act 1995 consequential on the Classification (Publications, Films and Computer Games) Amendment Act 2007 of the commonwealth and for other purposes.

Read first time.

FREEDOM OF INFORMATION AMENDMENT BILL

Introduction and first reading

Mr HULLS (Attorney-General) introduced a bill for an act to amend the Freedom of Information Act 1982, the Ombudsman Act 1973, the Victorian Civil

and Administrative Tribunal Act 1998 and for other purposes.

Read first time.

BUSINESS OF THE HOUSE

Notices of motion: removal

The SPEAKER — Order! Before calling notices, I wish to advise the house that under standing order 144, notices of motion 55 to 63 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

Water: desalination plant

To the Legislative Assembly of Victoria:

The petition of residents of Victoria points out to the house that, given the lack of information and consultation with the public, we are totally opposed to the proposed desalination plant on the following grounds:

Desalination is an energy-intensive and unnecessarily costly means of addressing water shortages. Any renewable energy offsets need first to be directed to reducing the impact of current levels of energy use.

The construction of the plant poses potential risks to marine and marine park environments.

Aboriginal heritage sites are also at risk. Detailed environmental effects studies have not been undertaken.

Inappropriate siting of the plant has potential detrimental effects on coastal space, with the likelihood of destroying the very values which attract visitors and residents to Bass Coast.

The development is at conflict with state and local government policies, especially marine protection, Victorian coastal strategy, Victorian coastal spaces study and Bass Coast strategic coastal framework.

The petitioners therefore request that the Legislative Assembly of Victoria directs immediate consultation between government and the local community's representative committee to address the issues as listed above.

By Mr K. SMITH (Bass) (96 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) (463 signatures)

Green and Dock lakes: recreational water

To the Legislative Assembly of Victoria:

The petition of certain citizens of Victoria, particularly those resident in the division of Lowan, points out to the house that GWMWater has proposed that Green Lake and Dock Lake, south-east of Horsham, will be designated as low-priority water storages when the federal, state and locally funded Wimmera-Mallee pipeline is completed. The importance of environmental values has been recognised; however, the GWM proposal fails to recognise the social value of safe recreational waters to inland country communities and families.

Your petitioners therefore request the Victorian state government, together with the federal government, ensures that GWMWater and other relevant authorities acknowledge the enormous social value of safe recreational water to country communities. Considering the huge community financial investment in the pipeline project to create water savings, we ask that permanent water be guaranteed for recreational purposes, in particular Green Lake and Dock Lake. This water must be allocated by the state government as a community service obligation when the Wimmera-Mallee pipeline water savings are available.

By Mr DELAHUNTY (Lowan) (3277 signatures)

Natimuk Lake: recreational water

To the Legislative Assembly of Victoria:

The petition of certain citizens of Victoria, particularly those resident in the division of Lowan, points out to the house that Grampians Wimmera Mallee Water has proposed that Natimuk Lake, 2.5 kilometres from the township of Natimuk, will not be required when the federal, state and locally funded Wimmera-Mallee pipeline is completed. The importance of environmental values has been recognised; however, the GWM proposal fails to recognise the social value of safe recreational waters to inland country communities and families, especially those which do not have a town pool.

Your petitioners therefore request that the Victorian state government, together with the federal government, ensures GWMWater and other relevant authorities acknowledge the enormous social value of safe recreation water to country communities. Considering the huge community financial

investment in the pipeline project to create water savings, we ask that permanent water be guaranteed for recreation purposes, in particular Natimuk Lake. This water must be allocated by the state government as a community service obligation when the Wimmera–Mallee pipeline water savings are available.

By Mr DELAHUNTY (Lowan) (299 signatures)

Emergency services: south-western Victoria helicopter

To the Legislative Assembly of Victoria:

The petition of the citizens of Western Victoria draws to the attention of the house the lack of a multifunction emergency helicopter rescue service based in Warrnambool. The petitioners therefore request that the Legislative Assembly of Victoria immediately provide a rescue helicopter for the region, as western Victoria remains the only area of the state not covered by an emergency helicopter service. Our desired helicopter service would include air ambulance, firefighting capabilities, day and night search-and-rescue facilities, and would be available for onshore, coastal and offshore operations. We seek a speedy establishment of such a helicopter to cover all of western Victoria.

By Mr DELAHUNTY (Lowan) (268 signatures)

Tabled.

Ordered that petition presented by honourable member for Bass be considered next day on motion of Mr K. SMITH (Bass).

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

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

SCRUTINY OF ACTS AND REGULATIONS COMMITTEE

Alert Digest No. 15

Mr CARLI (Brunswick) presented *Alert Digest No. 15 of 2007* on:

**Children’s Services and Education Legislation Amendment (Anaphylaxis Management) Bill
Fair Trading and Consumer Acts Further Amendment Bill
Gambling Legislation Amendment (Problem Gambling and Other Measures) Bill
Health (Fluoridation) Amendment Bill
Legislation Reform (Repeals No. 1) Bill
Liquor Control Reform Amendment Bill**

**Motor Car Traders Amendment Bill
National Electricity (Victoria) Amendment Bill
Police Regulation Amendment Bill
Road Legislation Further Amendment Bill
State Taxation and Accident Compensation Acts Amendment Bill
Transport Accident and Accident Compensation Acts Amendment Bill
Transport Legislation Amendment Bill
Victorian Energy Efficiency Target Bill**

together with appendices.

Tabled.

Ordered to be printed.

DOCUMENTS

Tabled by Clerk:

Child Safety Commissioner — Report 2006–07

Consumer Affairs Victoria — Report 2006–07 — Ordered to be printed

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

Coulson Reserve

Albert Park Reserve

Financial Management Act 1994 — 2007–08 Quarterly Financial Report for the State of Victoria for the period ended 30 September 2007

Members of Parliament (Register of Interests) Act 1978 — Summary of Primary Returns — November 2007 and Summary of Variations notified between 9 October 2007 and 19 November 2007 — Ordered to be printed

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

Casey — C103

Darebin — C74

Frankston — C49

Greater Dandenong — C82

Hobsons Bay — C31 Part 2

Hume — C72, C79

Mansfield — C13

Melbourne — C136, C137

Mildura — C42

Pyrenees — C16

Strathbogie — C24

Surf Coast — C35

Warmambool — C50

Yarra Ranges — C45

Statutory Rules under the following Acts:

County Court Act 1958 — SR 120

Professional Standards Act 2003 — SR 122

Subdivision Act 1988 — SR 123

Supreme Court Act 1986 — SR 121

Victorian Civil and Administrative Tribunal Act 1998 — SR 124

Subordinate Legislation Act 1994:

Minister's exception certificates in relation to Statutory Rules 119, 120, 121, 124

Minister's exemption certificate in relation to Statutory Rule 122.

The following proclamations fixing operative dates were 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 — Part 1 and ss 9 and 10 — 8 November 2007 (*Gazette G45*, 8 November 2007)

Justice Legislation Amendment Act 2007 — Remaining provisions of Parts 2 and 4 — 8 November 2007 (*Gazette G45*, 8 November 2007)

Royal Children's Hospital (Land) Act 2007 — Whole Act — 5 November 2007 (*Gazette G44*, 1 November 2007).

ROYAL ASSENT

Message read advising royal assent on 7 November to:

Building Amendment Bill

Energy Legislation Further Amendment Bill

Working with Children Amendment Bill

APPROPRIATION MESSAGES

Messages read recommending appropriations for:

Liquor Control Reform Amendment Bill

Police Regulation Amendment Bill

Road Legislation Further Amendment Bill

State Taxation and Accident Compensation Acts Amendment Bill

Victorian Energy Efficiency Target Bill

PARLIAMENTARY COMMITTEES

Reporting dates

Mr BATCHELOR (Minister for Community Development) — By leave, I move:

That —

- (1) The resolution of the House of 1 March 2007 providing the Law Reform Committee be required to present its report on the inquiry into vexatious litigants to the Parliament no later than 30 September 2008 be amended so far as to require the report to be presented to the Parliament no later than 4 December 2008; and
- (2) The resolution of the House of 1 March 2007 providing that the Economic Development and Infrastructure Committee be required to present its report on the inquiry into key competitive advantages in Victoria's financial services sector to the Parliament no later than 31 December 2007 be amended so far as to require the report to be presented to the Parliament no later than 31 July 2008.

Motion agreed to.

BUSINESS OF THE HOUSE

Program

Mr BATCHELOR (Minister for Community Development) — I move:

That, under standing orders 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, 22 November 2007:

Gambling Legislation Amendment (Problem Gambling and Other Measures) Bill

Liquor Control Reform Amendment Bill

National Electricity (Victoria) Amendment Bill

Police Regulation Amendment Bill

Road Legislation Further Amendment Bill

State Taxation and Accident Compensation Acts Amendment Bill

Victorian Energy Efficiency Target Bill.

The government business program motion sets out the legislative requirements for this parliamentary sitting week. There is a suite of bills, some of which will get general support and some of which will be the subject of vigorous debate. I have been informed that there are a number of them on which members would like to make contributions. The meshing together of these two types of bills should see this program easily accommodated during the parliamentary week.

I have also had requests from the parties opposite to reschedule debate on certain bills to later in the week — I think one relates to state taxation and the other is the gambling legislation — to accommodate the absence of their lead speakers. The government is prepared to do that. That will not only assist members on the other side to carry out their parliamentary duties but also enable those bills to progress through this chamber. In that context I would imagine that it should not unduly complicate the flow of bills through the chamber. One hopes that is acknowledged by the other parties. I support the government business program and recommend it to the house.

Mr McINTOSH (Kew) — I say from the outset that I am very grateful to the Leader of the House for agreeing to postpone the debate on the state taxation bill until later this week to accommodate the opposition. I also note my gratitude to the government and the Leader of the House for their communication last Thursday evening of the proposed government business program. That facilitated the opposition's ability to meet its requirements to brief shadow cabinet and ultimately the party room on the legislation to be dealt with in the forthcoming week. Past practice in that regard has been less than regular.

I have expressed concern about this, asking why it could not be addressed at an earlier stage, given the example of the United Kingdom Parliament, where on the Thursday two weeks before its adoption the government business program is debated as the last item before the house moves on to the adjournment debate. One would expect these bills to have gone before and been accepted by cabinet. The government must therefore have some ability to predict which bills are likely to be dealt with in the forthcoming week. I entreat the government to look at that issue. While the current practice is not wonderful, it is certainly a great advance on what I have experienced in previous years. I am very grateful for the regular communication on a Thursday evening of the government business program.

I do not share the Leader of the House's enthusiasm about our being able to complete the program. This is the third sitting week in a row where we have had seven bills. The programs for the previous sitting weeks in this session had far fewer bills — some four or five — and members of the house will know that we completed debate on those bills by 4.00 p.m. on the Thursday. As I said, this is the third week in a row where we have had seven bills on the government business program, and my concern is that we will again not give every member of the chamber the opportunity to raise matters that concern them and their constituencies.

It should not be a matter of dismissing people's concerns by saying that these things are irrelevant. As we know, on previous occasions we have discussed an industrial relations matter and a port services matter relating to channel deepening — and although that was originally denied by the government, that is certainly what it evolved into. These sorts of things are clearly of concern to the community, and neither of those matters was completed to the satisfaction of the opposition. It is not a question of saying, 'We will ram this through in the time available'. This is a chamber where people have the right to express their concerns about government legislation in relation to their constituencies.

As I know very well, our upper house colleagues read the debates on these matters and look to members contributions to get an understanding about the bills and the various amendments. Indeed only at lunchtime today I had a meeting with the Greens underneath a tree about one of my contributions to the debate on the emergency services legislation. These matters are important, not just to party members but to constituents, fellow members of Parliament and members of the community.

I do not share the optimism of the Leader of the House that we will complete debate on these seven bills. It is a disgrace that this is the third week in which we have had seven bills to debate. We have not completed debate on seven bills on those previous occasions. This is a case of the government doing what it does all the time, which is to ram bills through at the end of the government business program at 4.00 p.m. on Thursday. The opposition will be opposing the government business program.

Mr DELAHUNTY (Lowan) — On behalf of The Nationals I rise to talk on the government business program. Firstly, I would also like to express my gratitude to the Leader of the House for assisting the Leader of The Nationals by delaying the debate on the gambling legislation amendment bill. We Nationals appreciate that. Even though we are small in number, we punch well above our weight. It is important that our lead speakers are able to put forward the views of The Nationals right across rural and regional Victoria on these important bills.

I have to say that there are again seven bills, as the member for Kew has said. Looking at the list of seven bills we went through in the last sitting week, there were two bills we were strongly opposed to, yet members of our party were not given the opportunity to explain why they were opposed to them. Some of the other critical bills of importance to country Victoria

included the Port Services Amendment Bill. We had numerous members who missed out on the opportunity to debate it and put forward the views of their electorates. The other one was the Animals Legislation Amendment (Animal Care) Bill, to which amendments were proposed by the opposition. We were interested to see how they would go, but we were denied that opportunity.

Again looking back to the last couple of weeks, and in particular to the last sitting week, where we again had seven bills, we did not get through the list of speakers, and members were therefore denied the opportunity to contribute before the guillotine at 4.00 p.m. on the Thursday — although we appreciate that in the last sitting week the second readings were done after 4.00 p.m., which gave us more debating time.

When I look at this week's government business program I see that we are again ducking debate on the Water Amendment (Critical Water Infrastructure Projects) Bill and ducking the issue of ensuring scrutiny, transparency, openness and accountability in government. When the bill was brought into the Parliament we were told it had a high priority, but this week it sits as low as item 14 on the government business program. It is getting pushed further down the list every week.

With the north-south pipeline — and today we heard the Minister for Water talk about the so-called food bowl modernisation project — from my understanding after talking to my colleagues there has been very little change in approach from the first report that was written before the government conducted all its consultation meetings. There is a major concern across country Victoria, and particularly in northern Victoria, that the government is taking water from stressed areas to service the insatiable needs of Melbourne people. The shortage of water is having an enormous impact on the health and wellbeing of country communities. I do not believe the government understands well enough the importance of water to country communities.

I come back to the reason why we are concerned about this government business program. I refer to four bills in particular, the Gambling Legislation Amendment (Problem Gambling and Other Measures) Bill, the Liquor Control Reform Amendment Bill, the Police Regulation Amendment Bill — I am sure there will be a lot of debate about that, and members of our party will be talking about it — and the Road Legislation Further Amendment Bill. I know the road amendment bill is an omnibus bill and that many issues will need to be raised.

There will be time limits, of course, with only 10 minutes given to each member, but there are members of our party who are very keen to speak. Roads are critical infrastructure to our country communities, and there are many things we want to raise in this house, given the opportunity. A recent Road Safety Committee report highlights the concerns of country communities, particularly about vegetation and obstacles on the sides of roads. I am sure that report will get a bit of a run in the debate on the Road Legislation Further Amendment Bill.

I want to finish by saying that I also appreciate the assistance of the Leader of the House and his staff in notifying us late on Thursday of the government business program. My staff were able to stay until 6.00 p.m. to get that notification to my colleagues to give them the best opportunity to prepare for this week. I again thank the Leader of the House for his assistance in delaying debate on one of the bills. But we have major concerns about having seven bills on the government business program, realising that many members will again not get the opportunity to speak. We particularly note our disappointment that the Water Amendment (Critical Water Infrastructure Projects) Bill is still at the bottom of the list.

Mr LUPTON (Pahran) — I am pleased to rise in support of the government business program moved by the Leader of the House. In this sitting week of three days having seven pieces of legislation to debate gives us a manageable program of work to complete. Debating seven pieces of legislation over the next three days means that we will have to debate just two and one-third bills each sitting day. That is entirely manageable, given the sitting hours and the other business before the chamber.

The number of bills is not necessarily the only consideration that applies in deciding how long debates should be expected to take. Some bills are of the type that need more debate than others. Some bills are opposed more broadly and some are supported by both sides of the house. This week is no different from any of the other weeks in which legislation has come before the chamber. Some of these pieces of legislation will be supported across the chamber, and with some amendments will be moved or proposed. In an ordinary sitting week of three days it is not out of order or inappropriate for seven bills of the nature of those before us to be dealt with.

I want to take up some of the comments made by the opposition and The Nationals. This government has been proactive in making sure that the opposition and The Nationals are apprised of the business program

earlier than has historically been the case, and speakers from the Liberal Party and The Nationals have acknowledged that. It is important to acknowledge the way in which the government brings its program before the Legislative Assembly in an orderly fashion so that it is conveyed to the other parties at an appropriate time and so they are able to discharge their obligations in a proper manner. The government is to be congratulated on the way in which it orders the business program, making sure that all members of the Legislative Assembly are given the opportunity, much earlier than previous governments have done, to know what will come before the house in the next sitting week.

I also want to take up a couple of points that were made by the member for Lowan, because often in these sorts of debates The Nationals want to have their cake and eat it too. The member for Lowan was again right on the mark in that regard on this occasion! On the one hand he believes that there are too many pieces of legislation on the government business program for the house to deal with this week, but on the other hand he wants an extra piece of legislation brought onto the program as well — at least, I assume he must have wanted an extra piece of legislation, an eighth piece of legislation, brought on because he was not prepared to nominate which of the other very important pieces of legislation he would prefer us not to deal with this week and not pass through this chamber.

Was it the National Electricity (Victoria) Amendment Bill, for instance, that he does not want us to debate and pass this week; was it the Victorian Energy Efficiency Target Bill, the Police Regulation Amendment Bill or one that is important to me, the Liquor Control Reform Amendment Bill; or was it any of these other pieces of legislation? The member for Lowan thinks either that it should have been eight or that it should have been seven — but maybe not this seven. We just do not quite know.

I suspect that if the house does what it is charged with the responsibility of doing and gets on with the job of debating these pieces of legislation, we will find that by 4 o'clock on Thursday afternoon we will have properly, adequately and appropriately dealt with these important pieces of legislation, and that will be for the benefit of this Parliament and for the betterment of the people of Victoria. I commend the government business program motion, as moved by the Leader of the House, to the house.

Mrs FYFFE (Evelyn) — I am opposed to the government's business program. The manager of government business in the house, as did the member for Prahran, said there would be ample opportunity to

debate these bills. We have seven pieces of legislation listed in the motion before us — the same as in the last sitting week. In the last sitting week there were four bills that I wanted to speak on and represent my constituents' concerns. They were the Victorian Wages Protection Bill, the Agent-General and Commissioners for Victoria Bill, the Melbourne and Olympic Parks Amendment Bill, and the Animals Legislation Amendment (Animal Care) Bill, but I was not given the opportunity. I was only able to speak on the Equal Opportunity Amendment (Family Responsibilities) Bill; I was gagged on all of the rest.

On the list of bills we have before us in this motion are five which my constituents have issues with and which I want to raise — that is, the police regulation bill, the road legislation bill, the liquor control reform bill, the gambling legislation bill, the children's services bill, the motor car traders bill and the fair trading and consumers act bill. If things run like they did during the last sitting week, if I am lucky I will have the opportunity to speak for 10 minutes on one bill. That is not what we were elected for.

It is very apt that I have been given the opportunity to speak on this motion today, as it is 12 months since I was re-elected to this Parliament. I cannot remember having to fight so hard in the previous term to be given a place to speak on just one piece of legislation. There was ample opportunity to speak on bills that were of concern to my electorate. I was elected here to represent my constituents, but what we have is a government that is ramming through bills and not giving us time to debate them. I oppose the government business program.

Ms GREEN (Yan Yean) — I rise to speak in support of the government business program motion moved by the Leader of the House. It contains seven bills, and I think most people in the community would think that that was quite reasonable and that we should earn our keep by debating seven bills. They are very important bills, and I think it is disappointing that both the opposition parties are opposing this business program motion — maybe they are just afraid of hard work.

As the member for Prahran said, the member for Lowan, speaking on behalf of The Nationals, nominated an additional piece of legislation but did not say which one he would like to take off the business program. We know we have got the climate change nay-sayers across the other side of the room, so we could speculate that it might be the Victorian Energy Efficiency Target Bill, or it might well have something

to do with the National Electricity (Victoria) Amendment Bill, but we do not know.

In her short contribution the member for Evelyn talked about bills that were on the notice paper, but they are not bills for debate this week. I think her opposition to the government's business program was quite curious in that she referred to bills that are not even listed in the government business program for this week.

It is good to see that both The Nationals and the Liberal Party have acknowledged that they have been well briefed and that they have been given ample time in terms of notice of the bills that are to be debated this week. I am sure that if opposition members bother to come out of their offices and put their names on the speaking list, they will have the opportunity to speak. Certainly if anyone looks at my record of speaking in this house, they will see that I never have any problem in getting up when I want to speak and making a contribution on a bill, and I think that is pretty much the same for any member in this place.

Mr Stensholt interjected.

Ms GREEN — The member for Burwood agrees. I think it is a well-thought-out and well-prepared government business program, and I commend the motion to the house.

House divided on motion:

Ayes, 51

Allan, Ms	Kosky, Ms
Andrews, Mr	Langdon, Mr
Barker, Ms	Languiller, Mr
Batchelor, Mr	Lim, Mr
Brooks, Mr	Lobato, Ms
Brumby, Mr	Lupton, Mr
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
Graley, Ms	Pandazopoulos, Mr
Green, Ms	Perera, Mr
Haermeyer, Mr	Pike, Ms
Hardman, Mr	Richardson, Ms
Harkness, Dr	Robinson, Mr
Helper, Mr	Scott, Mr
Herbert, Mr	Seitz, Mr
Holding, Mr	Stensholt, Mr
Howard, Mr	Thomson, Mr
Hudson, Mr	Wynne, Mr
Hulls, Mr	

Noes, 33

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

Motion agreed to.

MEMBERS STATEMENTS

Panmure Primary School: speed zone

Dr NAPTHINE (South-West Coast) — The Princes Highway in front of the Panmure Primary School is a tragic accident waiting to happen, yet calls from the Panmure community to put in place a 40-kilometre-an-hour speed zone have been ignored by the Brumby government. Panmure school has 54 students who walk, ride or are driven to school.

The school is situated on the Princes Highway 25 kilometres east of Warrnambool, but there is no 40-kilometre-an-hour school zone. There is no school crossing despite many children crossing this very busy highway to get to and from school. The current speed zone outside the school is 70 kilometres an hour. The school is very near the start of that zone on the eastern side of the town and hence vehicles, including heavy vehicles, often travel over the 70-kilometre-an-hour limit as they are still slowing down.

It is very dangerous and something must be done before there is a tragic accident. What needs to be done is there needs to be a 40 kilometre school zone. There also needs to be electronic signage so that people know that it is a 40 kilometre school zone. In the Warrnambool *Standard* of 9 November the Minister for Roads and Ports said that electronic signs:

... will be installed outside schools on roads with a speed limit of 70 kilometres per hour ...

That is exactly the case at Panmure. Action is needed now at Panmure. A meeting earlier this year with VicRoads representative, Mr Vin Elliott, expressed support for a 40 kilometre speed zone at the Panmure

school. What we need as well as this support is real action. We need real action to put in a 40 kilometre an hour school zone outside Panmure on the Princes Highway and we need electronic signage — —

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

Mining: investment

Mr BATCHELOR (Minister for Energy and Resources) — In recent times Victoria has shown its value as a resource-rich state and has attracted substantial investments. The Australian Bureau of Statistics reported in May of this year that mining in Victoria accounted for 10 800 jobs and a total production value of \$5.14 billion. Many of these job opportunities have been in the most drought-affected areas of Victoria offering relief to communities who are doing it tough.

Recently we have seen Iluka Resources Ltd move its operations into Victoria with plans well under way to develop the Murray Basin. This development is occurring through two projects. The Douglas project represents a \$270 million investment and has created up to 500 jobs in drought-affected regional Victoria during the construction phase, with 150 of those jobs being ongoing. The mine was officially opened last year and is demonstrating some very positive production levels. If successful, the second project, the Murray Basin stage 2 proposal, will create a further 300 jobs in the north-west of Victoria. This would provide an enormous boost for the region in what is undoubtedly a very tough time. The value of this kind of investment in Victoria cannot be underestimated. In regional Victoria the jobs created in the mining industry have been a welcome relief and kept drought-ravaged communities alive. We thank those people from regional Victoria who continue to work in our mining industry boosting local opportunities and jobs.

St Arnaud Primary School: multipurpose room

Mr WALSH (Swan Hill) — I share the dismay and anger of the people of St Arnaud that their primary school is going to lose a multipurpose classroom. It will be removed by the Department of Education and Early Childhood Development over the Christmas holidays. Although the department says this room is in excess of the allocated teacher space, it is in constant use by the school for valuable extension programs. It is pivotal to the school delivering programs such as the national chaplaincy program, the national reading assistance voucher program, the Lang disorder program, the French program and the success for boys program.

When the multipurpose room is taken the programs will be pushed into one classroom and one small office. The coordinator of one of the programs is preparing to get her umbrella and is adapting next year's program to be held under a tree. I commend the school for the assistance these programs give to those children with learning and personal challenges and I am perplexed as to why the department wants to make it difficult for the school to help those most needing help in the education system, especially as this latest notification comes only weeks after another classroom was taken from that school.

Diamond Creek: multipurpose stadium

Ms GREEN (Yan Yean) — Fran Bailey's usual pink election propaganda should now be coloured red with embarrassment. There is a distinct smell of pork in my home town of Diamond Creek as the regional rorts scandal has spread there. Fran Bailey has been badly caught out trying to fool the electorate over \$3.5 million for a promise to build the Diamond Creek multipurpose stadium. Fran Bailey claims the money has already been set aside by the Howard government to fund this stadium. This claim is just not true.

In a supposed fact sheet distributed around the electorate, including to my letterbox, Ms Bailey stated this actual funding — cold hard cash — to be delivered after the election as we are now in caretaker mode is not an election promise cobbled together on the run. The bad news for Fran Bailey is that it is just such a promise and probably cobbled together. I have a copy of a letter from the federal Department of Transport and Regional Services to the Nillumbik council which says that 'no decisions on funding requests under the regional partnerships program will be made until a new government is formed'.

Fran Bailey's cold hard cash claim is in fact a cold-hearted bribe. Her false claims have also caused embarrassment to those she has used to peddle this funding. Cr Bo Bendtsen appears to have been used by Ms Bailey to endorse her in her campaign material and on her website. Kevin Rudd will stop the blame game, get this stadium done and will not tell lies to the community. I urge people to elect Rob Mitchell on Saturday.

Water: desalination plant

Mr K. SMITH (Bass) — Is it not appalling how the Premier, who came to office without the popular support of the people, has treated the people of Victoria with absolute contempt by forcing his will on the people on water issues that the Bracks government said

no to at the last election? These sorts of projects are important, but the area that concerns me is the area of Wonthaggi. It was selected for the desalination plant with no consultation with the local community on site selection or environmental issues. There was no consultation at all.

Premier Brumby has gone to the local area and treated the locals with utter contempt. He will not answer questions on the siting of this enormous industrial development on our pristine coastline or whether there will be an environment effects statement. What type of person is this Premier when it just appears that he does not care about the local community or the environmental damage his government may do to this magnificent coastline on the Bass Coast? Members should recall that we have had six wind towers forced onto us under the Labor government which have been an eyesore on our doorstep, and now we have a desalination plant which is a bigger industrial energy-consuming eyesore. I ask the Premier: what damage will this do to our Victorian coastline or do you not care because it is not in your backyard and it does not really matter? What contempt he shows for the people of Victoria will come back to bite him on the bum at the next election!

Betty McLaren

Mr ROBINSON (Minister for Gaming) — I want to place on record an acknowledgement of the life of Betty McLaren, who died recently in West Brunswick, aged 84.

Mary Elizabeth McLaren grew up in Ascot Vale and left school at about the age of 13. In 1943 she joined the Australian Women's Army Service, stationed in the signal training division at Ivanhoe, Bonegilla near Wodonga, and Grosvenor Barracks in Melbourne. Later on, in 1953, Betty became the first recruit in the Citizens Military Forces, Women's Royal Australian Army Corp. She served two terms, the first until 1958 and then again from 1966 until 1974. Through this period, although she enlisted as a private, she was promoted rapidly through the ranks, ending up as a captain.

Betty went on to achieve something else very notable: she was the first female board member of a public company in Australia in 1972, assuming the position of director of GUD Holdings, which position she held for five years. After rendering great service to the business and the Australian military, she retired and in her later years enjoyed punting at the races, playing poker machines, donating money to her favourite causes and looking after her BMW. According to a recent obituary

in the *Herald Sun*, she drove that car until the day she died.

Betty McLaren made a great contribution to this state in a number of roles, not the least of which was her service to the military and her support to veterans beyond that time.

Rail: service reliability

Mr THOMPSON (Sandringham) — Sandringham commuters are angry at the lack of planning that has led to stiflingly crowded carriages on the overstretched suburban train network. A passenger boom, which the government should be encouraging, has not been matched with forward planning. Recently the minister announced increases which would equate to one additional train on each of Melbourne's 15 lines each way during the peak hour on weekdays. The Sandringham line cancellations more than doubled, from 40 in September to 86 in October, and the Frankston line had 57 trains failing to operate, up from 21 in September. We are paying more, we are getting less, and we are going slower. We need to get infrastructure right if we are to grow Melbourne as a major city.

Sandringham and District Memorial Hospital: waiting lists

Mr THOMPSON — Waiting lists have become extended at the Sandringham hospital. The system cannot cope, and the Labor government refuses to listen to the doctors, nurses and paramedics, who are forced to speak out publicly about the issues they are confronted with on a daily basis.

There are 562 patients on elective surgery waiting lists, representing an increase of 56 patients in six months. There were 2353 patients who waited more than 4 hours in the emergency department waiting room before being discharged, an increase of 233 patients in six months. And there has been a 28 per cent increase in the number of patients on waiting lists for semi-elective surgery for more than 90 days.

Government: advertising

Mr THOMPSON — Taxpayers will part with more than \$50 million to bankroll state government communication, advertising and promotion over the year.

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

Rotary Eltham Town Festival

Mr HERBERT (Eltham) — I rise to congratulate the Rotary Club of Eltham for the fantastic community festival it put on over the weekend. The Rotary Eltham Town Festival is a yearly event that is much loved by people in our area. This year's was no exception. Saturday's fireworks were bigger and better than ever. Children and those young at heart gazed on in excitement as the night sky was lit with brilliant colours.

Sunday got off to quite a rainy start, but people setting up tents in the early morning braved the wet and were rewarded when the sunshine eventually broke through. There were stalls and exhibitions run by a large variety of local groups, including political parties — of course, with the federal election approaching! — environmental groups and community groups. Local performing arts were big. There were displays of art, bands and acting. A whole range of talents was on display over the two-day festival.

All of this, of course, would not have been possible if it were not for the hard work and dedication shown by the Rotary Club of Eltham. It works tirelessly to put on this terrific event every year. This year's festival was well supervised and well attended over the two days. Rotary volunteers put in long hours to make sure that everything went off without a hitch.

I would like to make special mention of Rob Kilcullen, the festival director, and the executive of Rotary for the fantastic contribution they have made not just to this festival but to our wider community. I enjoyed the festival and look forward very much to next year's event.

Drought: government assistance

Dr SYKES (Benalla) — I wish to raise two issues in relation to financial assistance measures for people affected by drought and equine influenza.

In relation to drought assistance, four people have recently contacted my office expressing their disappointment that they do not qualify for the recently announced \$3000 on-farm productivity improvement grants because either the shire they live in is not classified as one of the 20 most severely affected shires in Victoria, even though it is EC (exceptional circumstances) declared by the commonwealth government, or they earn too much off-farm income — that is, they are being penalised for trying to earn additional off-farm income to meet massive drought-related farm debts. I request that the

government re-examine the eligibility criteria for drought assistance to ensure that all people suffering the financial and emotional stress of drought are being treated equitably and that those trying to help themselves are not disadvantaged.

Equine influenza: government assistance

Dr SYKES — In relation to equine influenza, I have previously raised the issue of assistance for agricultural shows and horse event organisers needing to be extended to include events scheduled for early 2008. I am now advised that the process recently put in place to bring back horses held in New South Wales because of the lock-down involves four weeks quarantine at a cost of over \$3000 per horse. This is a hefty additional cost to horse owners, and I request that the government review the cost structure for the quarantine process to make it affordable, especially for those grappling with the double whammy of drought and equine influenza.

Howard Whittaker

Mr NOONAN (Williamstown) — I rise to pay tribute to Howard Whittaker, who passed away on 23 October 2007. Howard was born and raised in Williamstown and took an early interest in the local sea scouts. At the outbreak of World War II he joined the Royal Australian Navy, serving aboard HMAS *Australia* and then HMAS *Arunta*.

After returning from active service Howard commenced his lifelong commitment to community service. Some of the beneficiaries of Howard's work include the Apex Club of Williamstown; the Lions Club; the Lionsville Elderly People's Homes, now Winteringham; the Williamstown Historical Society; the Williamstown Cemetery and Altona Memorial Park; the Probus Club; and Legacy. He was also a justice of the peace for 40 years. Howard served as a Williamstown city councillor for nine years and was mayor in 1967–68. He enjoyed a close friendship with former Williamstown MLAs Larry Floyd and Gordon Stirling. For his many contributions Howard was made a fellow of the Royal Historical Society of Victoria in 1985. In 1990 he was named Williamstown Citizen of the Year, and in 1993 he was made a Member of the Order of Australia.

Perhaps Howard's most important achievement and his legacy to Williamstown was the restoration of the Bluestone Time Ball Tower at Gellibrand's Point. In addition to raising the thousands of dollars necessary for the restoration, Howard spent many hours in the garage making parts for the ball. The restoration was an enormous task and was finally completed in 1990.

Maroondah Highway–Killara Road, Coldstream: traffic lights

Mrs FYFFE (Evelyn) — I want to bring to the attention of the house, and in particular to the attention of the Minister for Roads and Ports, a tragedy in waiting. Coldstream Country Fire Authority (CFA) members are deeply concerned that they cannot safely access Maroondah Highway when responding to emergency calls. Their inability to safely exit the fire station and turn onto Maroondah Highway delays their response time by several minutes.

Traffic volumes on Maroondah Highway cause long delays in exiting out of Killara Road onto the highway. In responding quickly to emergencies, the CFA trucks are frequently at risk from cars cutting in front and behind as they try to negotiate a right-hand turn. In 2001 I tabled a petition in this house regarding the need for lights to be installed at this intersection. This need is now more urgent.

There is general consensus among Coldstream residents that traffic lights are desperately needed where Maroondah Highway and Killara Road intersect. There was a Liberal Party commitment during the election campaign to fund the installation of these lights. The Labor government belatedly announced that it would fund the lights on Maroondah Highway if re-elected; however, it said it would install them at the Melba Highway and Maroondah Highway intersection.

Once again I urge the minister to reconsider the location of the promised traffic signals in Coldstream. Installing them at the Killara Road intersection would benefit the large bulk of Coldstream residents. I also ask the minister to make the lights responsive to the control of the CFA to facilitate a swift and quick exit for these dedicated volunteers, and also to have flashing emergency lights installed there.

Installing the lights was an election promise in October 2006, and I urge the government to do so without further delay. The local paper reports that VicRoads is aware of the issue. When is it going to install the lights?

Preschools: Frankston electorate

Dr HARKNESS (Frankston) — Last week residents and kindergartens in my electorate of Frankston were absolutely delighted to learn about the \$4 million IT upgrade for Victorian kindergartens. I acknowledge the efforts of the Minister for Children and Early Childhood Development for this fantastic initiative. This funding will benefit Victoria's 1300 community and not-for-profit kindergartens, providing

subsidised internet and email access, as well as a range of modern IT (information technology) equipment. The program also recognises that kindergartens increasingly require a sophisticated technological environment.

All the research into early childhood development suggests that a child's early years are crucial in giving them the best chance at success in life. It is absolutely fantastic to see this being recognised by the Brumby government, with investments like this ensuring the wellbeing of future generations of Victorians.

Frankston electorate: Premier's reading challenge

Dr HARKNESS — I have again visited many schools in the Frankston electorate over the last couple of weeks to present certificates to students who successfully completed the Premier's reading challenge. I spoke earlier this year about the importance of literacy in the education of our students and the important role that initiatives such as this challenge play in our schools. I am delighted that so many students across the state and across my electorate of Frankston participated in and successfully completed the challenge.

I would particularly like to thank the students at Ballam Park Primary School, Frankston East Primary School, Frankston Heights Primary School, Karingal Primary School, Kingsley Park Primary School, Overport Primary School, St Augustine's Primary School and St John's Primary School in my electorate. These students did a fantastic job of reading many, many books.

Roads: Ringwood North

Mr R. SMITH (Warrandyte) — Throughout this year I have continued to raise the issue of road safety both in this Parliament and through my local media. Like others on this side of the house I have had little joy in terms of receiving satisfactory responses from VicRoads or from the minister. It is disappointing but by no means surprising that the same government that harps about road safety when it comes to speeding cameras seems not to be interested in dealing with road safety at a grassroots level. It makes its rhetoric about road safety sound hollow and meaningless.

One such road safety issue pertains to Melview Drive in Ringwood North. Some 208 residents voiced their concerns regarding this dangerous intersection by signing a petition which was tabled in this Parliament. However, VicRoads has told the residents, who have requested a keep-clear zone at the intersection of

Melview Drive and Warrandyte Road, that such marking is inappropriate. The approximate cost for the line marking is \$300. It is mind boggling to think that the government is unable to spend that kind of small change to make this intersection safer.

The intersection of Milne Road and Ringwood-Warrandyte Road is another case in point. The City of Manningham has recently applied to VicRoads for funding to tackle this dangerous intersection. This is the third time the council has applied for funding, and it indicates the council's commitment to dealing with this issue. I commend the council for its ongoing efforts, and I support its application to VicRoads. Let us hope that this will be a case of third time lucky. Will it take a road fatality before this government takes seriously the concerns of my constituents and deals with the dangers these roads pose to road users in my electorate?

Rail: Ringwood station

Mr R. SMITH — I would like to commend the efforts of the federal member for Deakin, Phil Barresi, on securing funding for security cameras at Ringwood railway station, thereby filling another of the many gaps left by the Brumby government.

Mordialloc electorate: Rotary clubs

Ms MUNT (Mordialloc) — I would like to highlight the wonderful work of the Rotary clubs in my electorate and the support they give to many worthwhile community projects — in particular, in our local schools.

I was recently invited to attend a meeting of the Dingley Village Rotary Club, whose members are investigating ways in which they can further help their local community. In particular they wish to remain in tune with the needs of the local area and focus their efforts on projects that deliver significant benefits for their community. The Dingley Village Rotary Club is a group of very dedicated individuals who freely give their time and expertise to help others. It has over the past few years made significant contributions to projects at Dingley Primary School and Kingswood Primary School, among others.

After I attended the meeting I received further evidence of Rotary's great work in our local area. The Mordialloc Rotary Club is working closely with Parkdale Secondary College to support its students with innovative programs, with students sponsored to attend leadership camps and the national youth science forum. Rotary members also take part in practice interview

panels. Aspendale Rotary is supporting Parkdale's Secondary College with its fashion parade at Doyles Bridge Hotel in Mordialloc, with all the proceeds going to support our local schools. As the principal of Parkdale Secondary College, Greg McMahon, said:

This is a great way for our community to support Rotary initiatives and at the same time support our local schools.

Congratulations to our local schools and our local Rotary clubs for all their wonderful work in the local community.

Nepean Highway–Oakbank Road, Mornington: safety

Mr MORRIS (Mornington) — In March this year I spoke in this house about the notorious, uncontrolled intersection of Nepean Highway and Oakbank Road in Mornington. Still nothing has been done. The intersection was identified as a problem in the Mornington Peninsula road safety strategy in 2003. In 2004 the RACV (Royal Automobile Club of Victoria) called it one of the 10 worst intersections in Melbourne. Three years on it is becoming more dangerous with every month that passes. More and more buses, pedestrians and cars compete twice a day in a contest which can only end in tears and possibly death. When are the members of this government going to stop talking up their imagined achievements, get off their backsides and fulfil the basic responsibility of providing a safe driving environment?

Peninsula Community Health Service: future

Mr MORRIS — Last Thursday I attended the annual general meeting of the Peninsula Community Health Service. I am delighted to report to the house that PCHS is now operating firmly in the black and has repaid entirely the debt to the Department of Human Services caused by the actions of a former employee. This is a great achievement, one on which I congratulate the new management and the staff. It underscores the desirability of keeping the service separate from the Frankston service. Until that decision is made, uncertainty will remain for both clients and the staff. The annual general meeting resolved unanimously to press the minister to make his decision soon. I again urge the Minister for Health to make the right decision — for an independent PCHS — and to make that decision quickly.

Barbara Morton's Christmas cake

Mr STENSHOLT (Burwood) — I would like to share with the house today the famous Christmas cake

recipe of Barbara Morton, the living legend from the Ashburton community centre.

You take a kilogram of mixed fruit, 125 grams of glacé cherries, 125 grams of butter, three-quarters of a cup of brown sugar, one teaspoon of mixed spice, half a cup of water and half a cup of sherry — they like their sherry in Ashburton — as well as two eggs, two tablespoons of marmalade, a cup of self-raising flour and a cup of plain flour. You line a 20-centimetre round cake tin with two thicknesses of baking paper. You then combine the mixed fruit, halved cherries, butter, sugar, spice and water in a pan. You stir it until the butter melts and bring it to the boil, uncovered, for 3 minutes. You allow to become cold, then add the sherry, eggs and marmalade. Mixing well, you add sifted flour and again mix well. You bake it in a moderate slow oven for about 2 hours, then cover it with foil and let it cool in the tin. You then leave the lining paper intact and refrigerate it in plastic food wrap for up to a month.

Let me tell you, that cake is absolutely delicious! I had some of it at the Christmas-in-July celebration at the Ashburton community centre on one of the centre's anniversaries. We all enjoyed it — it is an absolutely fantastic cake — and I said to the people there that night that I thought it was such a good cake that I should share it with the whole of Victoria. I am living up to that promise today by sharing it with the house. I urge all members of Parliament and all their constituents to use this famous Christmas cake recipe of Barbara Morton this Christmas. There is about a month to go, so get out there and bake it on the weekend. I hope members all enjoy a marvellous Christmas with Christmas cake from Barbara Morton.

Racing: Wangaratta racecourse

Mr JASPER (Murray Valley) — I wish to express my extreme concern at the continued opposition by Harness Racing Victoria to the redevelopment of the Avian Park Raceway at Wangaratta to service north-eastern Victoria. Members would be aware that under the earlier V3 recommendations, Wangaratta's harness racing meetings were relocated to Shepparton with a suggestion that a new track could be developed at Wodonga.

Following the strongest opposition from the Rural City of Wangaratta, Wangaratta Unlimited, local harness racing people and me, we were included in a feasibility study into harness racing in country Victoria. Whilst the study did not support Wangaratta's redevelopment, it also did not support a new track at Wodonga as there was a recognised lack of local support for such a facility.

Logic says that the most practical option is to redevelop Wangaratta's Avian Park Raceway to service north-eastern Victoria. Added to this is that Avian Park is the home of Wangaratta's greyhound racing club, and Avian Park has traditionally been run as a joint facility. I am informed that Greyhound Racing Victoria is looking to spend millions of dollars in redeveloping the Avian Park complex and is keen for joint usage of this facility and support.

My firm belief is that there is a need for a major harness racing facility to service north-eastern Victoria and that Wangaratta is the place for that to be. I call on the racing minister and Harness Racing Victoria to immediately review the alternatives for Wangaratta, to join in a genuine consultation with the Greyhound Racing Board — —

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

Alphington Primary School: art display

Ms RICHARDSON (Northcote) — I rise to congratulate Alphington Primary School students who recently displayed art works in my office window on High Street, Northcote. Prep students Zak Rockman and Lucia Sakovic; grade 1 students Isaac Roberts, Kelly Wilkinson and Ella Marsich; grade 2 students Abbey Creamer, Danny Loats and Katharine McInnes; grade 3 students James McInnes and Tessa Jones; and grade 5 students Isabella Briant, Sonija Bohnn, Aidan Moriarty, Tara Harrison, Angelique Green, Elena Jensen Marini, Sienna Nguyen and Alexandra Harmer-Ross all provided wonderful and inspiring works of display that have caused many a passer-by on busy High Street to stop and regard the talents of our young people.

Alphington Primary School has a wonderful and proud record in the arts. The school holds an annual art exhibition showcasing local artists, and I was privileged to attend this year's event along with other parents, teachers and the principal, Cheryl McCashney. Local artist and long-time supporter of Alphington Primary School, Kate Herd, opened the event, and she inspired us all to appreciate the wonderful community and environment in which we live through art.

The Alphington art exhibition provided us with a unique opportunity to appreciate and purchase works from local artists — an opportunity, I must confess, I could not resist. The lynchpin for this successful event and the teacher who inspired students to succeed in the arts is Virginia Harding, and I wish to take this opportunity to thank her and congratulate her for the

work she does. I look forward to displaying more works from students from this wonderful school and feel sure many students from Alphington Primary School can look forward to a professional career in the arts.

Disability services: youth accommodation

Mrs VICTORIA (Bayswater) — I am concerned about those younger Victorians with various disabilities who do not have an appropriate place to live. I have several local families and specialised support groups who are distraught at the lack of facilities in the east. There are many who require assistance with their daily living skills, whether they have acquired brain injuries or physical inabilities due to diseases such as motor neurone disease — or ALS (amyotrophic lateral sclerosis). There have been minor movements in this area, thankfully aided by joint funding with the Howard government. However, the disbursement of that funding to a facility in Alphington is hardly going to benefit people living in Knox or Maroondah. We need solutions now.

The Brumby Labor government appears content to have us wait for the outcome of another review before offering solutions in the outer east. Saying that a younger person's residential facility will be built out our way is terrific but give us a time frame. There are those in their 40s, 50s or even younger whose only option is to move into nursing homes for the elderly or supported residential services. It is not an acceptable situation. I implore those who hold the purse strings to immediately begin rectifying the situation.

Motor neurone disease: outer eastern metropolitan support group

Mrs VICTORIA — I congratulate the outer eastern metropolitan support group of the Motor Neurone Disease Association of Victoria. I commend them for their tireless efforts in creating community awareness of this terminal disease. They provide a much-needed service.

John-Michael Howson

Mrs VICTORIA — I want to note in this place the tireless work in the arts of our national living arts treasure, John-Michael Howson, and thank him for all the joy he brings to theatre patrons.

Water: goldfields super-pipe

Mr HOWARD (Ballarat East) — With Ballarat's water storages presently down to 12.7 per cent, Ballarat water users continue to be concerned about our ongoing water security. Fortunately the visionary decision taken

by this government and Central Highlands Water to undertake the construction of the goldfields super-pipe has assured Ballarat water users of ongoing water supply through next year and into the future.

I note that ahead of the last state election neither the Liberal Party nor the then Nationals candidate Sam McIntosh supported this project. They did not provide any alternatives. It is just as well the Bracks government was re-elected so that Ballarat has a sound water future. We know that at that time the government committed \$70 million to this project on the understanding that the federal government would make a 50 per cent contribution as they have for so many other projects of similar nature around this country. But unbelievably they have offered nothing. The Prime Minister shows no interest in Ballarat, having not visited in this last term of office and — —

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

NATIONAL ELECTRICITY (VICTORIA) AMENDMENT BILL

Second reading

Debate resumed from 1 November; motion of Mr BATCHELOR (Minister for Energy and Resources).

Government amendments circulated by Mr BATCHELOR (Minister for Energy and Resources) pursuant to standing orders.

Mr CLARK (Box Hill) — The National Electricity (Victoria) Amendment Bill 2007 will amend the National Electricity (Victoria) Act 2005 to transfer responsibility for economic regulation of electricity distribution from the Essential Services Commission (ESC) to the Australian Energy Regulator (AER).

There are two main operative provisions of the bill. The first is to transfer administration of the regulation of electricity distributors from the ESC to the AER from a date to be determined but which is currently, we understand, to be from 1 January 2009; that transfer of administration will include the AER undertaking the next price determination to be carried out for electricity distributors in Victoria. The second main provision is to preserve the existing state-based regulatory regime for distributors until the end of the current price determination as at 31 December 2010 — that is, maintaining the current state-based rules, albeit administered by the AER. This will include a discretion for the minister to exclude the application of various

aspects of the national regulatory regime until the end of the current price determination.

There are some amendments that were distributed a few moments ago by the minister, and I thank the minister and his office for the advance notice of those amendments. On a quick inspection it appears that the amendments as distributed are in the same, or close to the same, format as the advance copies provided to me and, on that basis, they appear to be technical and supportive of the main aims of the legislation.

The opposition supports the bill. There is a great irony in this bill, as indeed in a number of bills that come before the house these days in relation to the energy market — the irony of course being that these bills are to facilitate, extend and build upon the energy reforms that were pioneered in Victoria by the Kennett government. It hardly needs me to tell you, Acting Speaker, that those reforms were at the time opposed tooth and nail by the then Labor opposition.

Time and again in this house the then member for Lara, Mr Peter Loney, stood up as energy spokesman and opposed the Kennett government's legislation, on much of which I was assisting Treasurer of the day Alan Stockdale in my capacity as his parliamentary secretary. We were subjected to long diatribes about the ills and the woes that were predicted to flow from those reforms. I think the now Minister for Industry and Trade, the Honourable Theo Theophanous in another place, delivered even longer addresses — you may well recall them, Acting Speaker — to similar effect about the woes of the world, perhaps backed up by the gentleman who is now the honourable member for Melton!

Of course the members who fought these reforms tooth and nail have now seen the light, and indeed even the minister, a leading light in the Socialist Left faction of the Labor Party, is standing up and singing the praises of free market reform and the efficiencies and gains to be achieved from a smoothly operating market mechanism. He is pleased, as we are, that Victoria is pioneering the further opening up of the market here in Victoria and carrying forward the reform path that was started by Jeff Kennett and Alan Stockdale. We welcome the road-to-Damascus conversion of the minister and the support of the Socialist Left of the Labor Party for free market reforms. We have the irony that while the minister from the Socialist Left is an enthusiastic supporter of free market reform, we see others such as the Attorney-General, who is supposedly from the right faction, driving through this house some of the most damaging socialist and radical social

legislation that Victoria has been subjected to for some time.

On our side of the house the Liberal Party has been very consistent in its support for the reform of the gas and electricity sectors, and it undertook that reform process when in government. It yielded enormous benefits to the state, both in terms of the sale proceeds that were achieved, which were applied to reduce the enormous levels of debt we inherited from the Cain and Kirner governments, but also in providing a very cost-competitive energy regime in Victoria. We have said all along that we supported the progressive transfer of the regulation of the gas and electricity sectors to a national level, as and when national institutions were developed that could undertake that regulation.

In any instance where there is a debate about whether or not regulation should best be carried out at a state or a federal level, there are competing considerations that need to be weighed. In particular it can be said that dynamic efficiency — that is, the ability to make gains through change, through reform, through experimentation and through progress — may well occur more readily under a state regulatory regime where each state is free to undertake its own reforms and to blaze trails and let others learn from their experience, whether for better or for worse. I think it can well be said that the enormous reforms that have taken place in the national energy market here in Australia would not have occurred had it not been for the Kennett government being willing to go it alone on those reforms, regardless of other states. We proved by doing it here in Victoria that it was achievable and it was beneficial, and other states have to a greater or lesser extent followed suit.

It was a great tragedy that some years ago the New South Wales government, despite the support of the Premier and Treasurer, determined not to proceed with the sale to the private sector of large parts of that state's energy industry. I understand that it may be revisiting that question. In the meantime South Australia has put large parts of its energy sector into the private sector and other states have to a greater or lesser extent allowed an increased level of private sector participation in their energy markets. Within the context of an appropriate regulatory regime that sets clear rules and adequate protections for consumers and ensures that parties honour their contracts, do not engage in misleading and deceptive conduct, meet service standards, do not abuse their monopoly positions and a range of other criteria, the reformed regime is delivering enormous benefits. That is one of the clear arguments in favour of state-based as distinct from national regulation.

On the other side of the ledger, national regulation can be expected to deliver substantially better static efficiency than state-based regulation; in other words, you get efficiencies from uniformity because you do not have entities that are operating in multiple jurisdictions and having to comply with a large number of rules, and you can also hopefully get economies of scale in the regulatory process through having one national regulator rather than a multiplicity of state and territory regulators. That may also assist in attracting the best and the brightest in the regulatory field from around the nation to contribute to the one regulator. So you have these competing considerations. In each particular instance in whatever the field concerned is, be it economic, social or whatever, those considerations will have to be weighed up.

In the case of energy and many other sectors where substantial reform has been undertaken, probably the case for national uniformity increases as those reforms mature, as a degree of stability is achieved in the broad parameters of the regulatory regime, and as a degree of consensus is achieved. When that point is reached, then the remaining differences can impose a cost that is not matched by the benefits that can be gained from those differences between the jurisdictions. As I indicated at the outset, we have consistently expected that as the reform of the energy market matured that process would occur and the balance would tip in favour of national regulation. It is pleasing to see that these national institutions are being established. We have been very consistent in our approach and it is pleasing to see that those on the other side of the house have seen the merits of the policies that we have been holding for some time. Of course that does not mean that the transfer of regulation to a national level is a universal panacea that is going to solve all problems and free the state from all cares.

It will be important that the Australian Energy Regulator (AER) and the Australian Energy Market Commission continue to focus on achieving efficient and effective regulation and to capture those advantages of national uniformity and national regulation that I referred to earlier; and that the regulatory regime that they administer is as light handed as possible and gives scope to energy sector participants undertaking monopoly or quasi-monopoly functions to capture the fruits of innovation and efficiency improvements made ahead of the pack, while at the same time as the pack progresses and those reforms become more commonplace that those benefits accrue through to consumers. That was certainly the objective of what was commonly referred to as the CPI minus X regulatory model that was envisaged under the Kennett government.

The bill that is currently before the house is one step in an ongoing process of transfer of regulation from national to state level. I would particularly commend to members a speech that was delivered just recently, on 13 November this year, by Mr Ed Willett, who is an Australian Competition and Consumer Commission commissioner and member of the AER, to the Energy 21C conference. The speech is entitled 'Energy reform and the Australian Energy Regulator'. Mr Willett provides a very good overview of the process of transfer to the national level that has been under way over recent years. He points out that the central reforms that have kicked off this process began with the establishment of a national electricity market in 1999; and that in 2005 two national bodies were established: the Australian Energy Regulator and the Australian Energy Market Commission, with the Australian Energy Regulator to assume responsibility for the economic regulation of the NEM (national electricity market) energy sector on a staged basis.

The AER has been the regulator of the wholesale market and transmission networks in the NEM since July 2005. The regulation of the electricity distribution, networks, gas pipelines and some retail functions will transfer from the states to the AER over the next 12 to 18 months. The bill before the house will facilitate Victoria's part in the transfer of the regulation of electricity distribution networks. The AER has been set up with the objective of promoting investment in an efficient use of electricity services for the long-term interests of consumers of electricity with respect to price, quality, reliability and security of supply of electricity, and the reliability, safety and security of the national electricity system.

The AER is already undertaking regulation of substantial parts of the national energy market. In the electricity wholesale market it is monitoring the compliance of participants with the national electricity law and rules, as well as undertaking any necessary prosecutions for breaches. It is also regulating electricity transmission networks under a framework that is set out in the national electricity rules. Gas pipelines are being regulated under the national gas code. There are a number of legislative reforms being introduced by various jurisdictions to streamline the national regulatory framework, including a new national gas law and amendments to the national electricity law, and there will be a set of rules sitting beneath each of those laws.

The Ministerial Council on Energy expects that the transfer of energy network regulation to the AER will be completed by late this year, and there is legislation going through the South Australian Parliament to which

the Victorian bill before us is complementary. Further down the track it is intended that there will be a second tranche of legislation that will transfer some retail functions to the AER, covering non-price areas such as consumer protection and issues such as the administration of the retailer-of-last-resort arrangements. However, the regulation of retail prices is going to remain with state and territory jurisdictions, unless they choose to transfer that role.

The AER is already gearing up to undertake the first electricity distribution reviews under the national arrangements, including for New South Wales and the Australian Capital Territory in 2009, and for Victoria it is gearing up to replace the current price determination when it expires at the end of December 2010. The upshot of the reform process is going to be that once the new legislation is in place the AER is going to be responsible for regulating the prices of over 40 nationally significant businesses. At the peak of its review work in 2010, Mr Willett expects that the AER will simultaneously review around 12 network businesses.

There is also a range of further reforms in train at the moment which are attempting to achieve a consistent national approach to energy regulation in order to reduce regulatory costs and an uncertainty to business. A further piece of reform that is going to be put in place — another piece in the jigsaw — is the decision by COAG (Council of Australian Governments) to establish a national energy market operator by 2009, which in addition to taking on the current responsibilities of NEMMCO and various gas market functions is also going to include a national transmission planning function for electricity.

So the pieces of the jigsaw are slowly being put in place for the transfer of regulation to a national level. However, there are a number of challenges that the energy sector is facing and is likely to continue to face under the national regulatory regime of which this legislation forms part. I suppose the overwhelming and dominant issue that is going to be on the agenda over the next few years is the implementation of a national emissions trading scheme and the consequences that is going to have for the energy sector, among many others, but there are already challenges that are being faced.

Although the liberalisation of energy markets has led to substantial new investment in the sector around Australia, there are pressures on the system. As Mr Willett pointed out in his speech on 13 November, there have been sharp rises in wholesale prices due to the effects of drought on hydro-generating capacity and

the on availability of water for cooling in some coal-fired generators.

Mr Willett also referred to flooding in the Hunter Valley which affected some capacity, and I think it has been subsequent to his speech that we have had the recent flooding in Victoria which has caused significant disruption to Victoria's generating capacity. As Mr Willett has pointed out, these various factors are contributing to an extremely tight supply-demand balance and much higher forward prices as well as spot market prices that have put pressure on various retailers. There have been two exits or instances of scaling down the market presence by retailers, including Energy One withdrawing from the market and triggering a retailer-of-last-resort event, and Momentum Energy divesting most of its small customer contracts.

There are some particular factors which have been affecting the supply-demand balance in Victoria, especially on the supply side. Under the Kennett government reforms there was an enormous increase in the efficiency of Victorian generating plant, to the extent that availability factors rose remarkably to levels that had never previously been contemplated as being capable of being achieved. That huge surge in efficiency postponed for a number of years the need for investment in additional power plant, and that in turn saved hundreds of millions of dollars in cost to energy users.

Over time we have had natural growth. We have also had a very strong economy at the national level that has been produced by the Howard government. We have had rising standards of living which have meant that consumers who have become willing and able to afford air conditioners have installed them. That has led to a further demand for extra capacity, due particularly to the fact that air conditioners kick in at peak times on very hot summer days, and that creates a spike in demand.

Victoria has also suffered from industrial relations disruptions at a number of our generation plant projects, particularly those at Somerton and Laverton, and there have been planning delays and complications as well. Those factors have added significantly to the costs of the construction of generating plant in Victoria. It has made companies wary of undertaking investment in further plant. That is not to say that investment does not occur, because there is a point reached where, despite those extra costs and delays that companies have to factor in, nonetheless it would be a positive return for them to invest. But making those decisions is causing delays, because the returns have to be that much higher

to overcome these costs and delays before a decision to invest is triggered.

The situation has also been compounded in Victoria by the mismanagement of the drought and the water supply problems that Victorians have suffered. This has been a consequence of the inadequate response to the drought by the Bracks and Brumby governments. Not only has that caused great grief in relation to water and the lack of water, but it is also putting pressure on prices and reducing capacity in the electricity sector. We are under an increasing risk of power shortages if there are untoward events. Views and assessments differ as to how much capacity there is in the system and how much ahead of demand we are projected to be.

But whatever the projections about capacity are on paper, if some event happens such as the disruptions to the transmission lines that we saw last summer or the recent flooding, then that capacity can be quickly taken offline. That puts Victoria at risk of power shortages and blackouts. We saw uncontrolled blackouts in the 1999–2000 summer, when the Bracks government grossly mishandled the outages that took place at that time and saw Victoria have random, unforeshadowed blackouts across the suburbs. In contrast South Australia was able to manage equal levels of outages in a far better way due to its better capacity to govern and its better understanding of how the energy market works.

Therefore we can have the sorts of problems that Victoria suffered at that time or we can have imposed and regulated power restrictions if there is some forewarning of the problem. Either way it would be a very unsatisfactory situation to be in, and I think both the Bracks and the Brumby governments have been very complacent about some of the power supply threats we face and also about some of the building pressures which are going to drive up power prices in the future.

We need a stable regulatory regime not only in Victoria but nationally. Whatever regulatory capacity the state government retains for the energy sector, we need effective regulation in Victoria. We need to avoid tying up the sector in excessive regulation. In addition we need to ensure that the state has a stable industrial relations regime and that we do not get a repeat of the disruption that has been experienced in power plant construction in the past, which has caused grief and hesitancy for companies investing in the Victorian energy market.

That risk shows the dangers Victoria would face if there were to be a change of federal government, if the

unions were to be back in town with a vengeance with a ‘Get square time’ campaign or other disruption, if the Australian Building and Construction Commission were to be abolished and if we were to head back to the bad old days of the construction industry. We will also suffer if legislation at state government level such as the Equal Opportunity Amendment (Family Responsibilities) Bill is passed and causes enormous difficulties for Victorian employers.

There are many challenges ahead of the energy sector in Victoria. This bill before the house is a worthwhile step towards an effective national regulatory regime. On that basis, the opposition is pleased to support the bill.

Mr CRISP (Mildura) — I rise to speak on the National Electricity (Victoria) Amendment Bill 2007. I would also like to thank the minister for his timely supply of his proposed amendments to the bill. The Nationals are not opposing this bill.

The relevant parties that are a part of the process involved in this legislation — and I will have to go through some lengthy acronyms and explanations concerning this particular bill — are the Essential Services Commission (ESC), the Australian Energy Regulator (AER), the Australian Energy Market Commission, the Ministerial Council on Energy and the Council of Australian Governments. The other resources that are handy in understanding this legislation are the national electricity rules (NER) and the COAG Australian energy market agreement.

The purpose of the bill is to take us into the 21st century in energy regulation. In order to do that, the bill contains a number of inherent technical changes. It inserts a new part 3 into the existing National Electricity (Victoria) Act, which is a pricing determination and which regulates electricity distribution until the end of December 2010 or later — that is, under the VEDPD (Victorian electricity distribution pricing determination). Ministerial powers are extended to the degree that the minister can modify provisions within the NEL (national electricity law) or national energy rules. The effect of such an action may result in the delay of specific application. Previously the NEL and NER did not apply to some other applications.

New part 4 provides for the transfer of responsibility for the VEDPD from the Essential Services Commission to the AER — in particular, the transfer of certain responsibilities that the ESC has been managing. There is also some alignment of definitions. A whole heap of legislation that is cited in this includes the Electricity

Industry Act 2000, the Essential Services Commission Act 2001, the Gas Industry Act 2001, the Interpretation of Legislation Act 1984, the National Electricity (South Australia) Act and the National Electricity (Victoria) Act.

The purpose of this bill is really about the next phase in the national energy market reform agreed to under COAG's Ministerial Council on Energy. It provides for the Australian Energy Regulator to take over from the ESC future distribution price determinations. The Australian Energy Regulator will probably take over as administrator on 1 July 2009 and conduct the next review for the price determinations to apply from 2010.

The issues that this raises mostly build on reforms by previous governments. For those who can remember — and I have been reading about it in *Hansard* — the sky has not fallen in with the privatisation and deregulation of the power industry. There is support here, and I congratulate the Minister for Energy and Resources on his conversion to the free market. I think the previous speaker has already mentioned his long road to Damascus; however, a number of other issues also highlight this.

The east coast of Australia is essentially one market and should have one set of regulations and rules. Three states are linked together. In Victoria, at Mildura, we have the junction between the New South Wales, Victorian and South Australian power grids. You can stand at a substation at Red Cliffs where to the left is South Australia, to the right is Victoria and in the middle is New South Wales. There are three sets of rules for the one lot of electricity. It is a little bit like standing in the Murray River: the water is from New South Wales, Victoria and South Australia, but it is very hard to see the divisions or understand why there should be such significant differences.

With electricity, we are going to pursue some national efficiency due to uniformity in regulation. There are some challenges when you do that. One particular challenge is that, as we move to a national regulatory framework, the states are busily creating emissions programs of their own and preparing their own emissions legislation. We will have to plan to make sure that the states' emissions legislation works with the national legislation in this reform process. That is something to be mindful of.

The Nationals will take this opportunity to raise our concerns about the government's distribution network rebate to retailers outside the metropolitan area. It is an equalisation of the distribution component of someone's electricity bill. In the last three years that has

run at \$33 million per annum. Mostly it is in infrastructure maintenance, but it also takes care of some of the losses associated with transmitting power over long distances. This expires on 31 March 2008.

At this stage the Brumby city-centric government has made no commitment to people in the country that it will continue this rebate. This is important, because if it is not, it will be added to country people's power bills and again rural Victorians will suffer an increase in their energy bills. Due to the drought, these are the people in our community who can least afford this increase at this stage. They are going to have to pay more unless there is a commitment made as soon as possible by the Brumby government to the continuation of that rebate scheme to remove yet another uncertainty in the future for country Victorians.

It is also quite encouraging to see that governments can work together to seek efficiencies in distribution and regulation. However, what is difficult in current times is to see the selectiveness with which this government pursues this regulation. If the government can do it with energy, why can it not do it with water? We need to be able to approach water issues and deal with them within a national framework as we are currently doing with energy and energy regulation.

It is no good trying to work out in the middle of a river whose water belongs to whom and whose rules apply to it. Water is just like energy, and its management is clearly inefficient. Using the national energy framework as a model, we need Victoria to get in there so we can get this national water plan working. It, too, needs a national approach, just like the national approach being taken to energy regulation.

While we are looking at issues of selectiveness, cross-border issues are still bugbears for rural Victorians. All along the borders Victorians are confused by cross-border anomalies. We need to move along and use this greater interest in national markets to get rid off some of those anomalies. We will not go into them, because they just drag on. As I said, water cooperation has stagnated under the aggressive stance taken by Victoria on the national water plan over the last year.

I say to our born-again free marketers that there is still a lot more to do. While they have had their revelation on the road to Damascus, they need to get out there and get on with this process so that our economy can be efficient. We have a national electricity grid and national water distribution, so let us make it all work well together. Government can cooperate when it wants

to, even in complex situations. Having said that, The Nationals commend the bill to the house.

Mr HARDMAN (Seymour) — It is a pleasure to speak in support of the National Electricity (Victoria) Amendment Bill 2007. This legislation provides for a change in the way the national electricity law (NEL) and national electricity rules (NER) are applied for a limited period. Currently distribution pricing is determined by the Essential Services Commission in Victoria, and this bill provides for transitional arrangements to the Australian Energy Regulator. By doing so, the bill will facilitate the implementation of the next phase of the national energy market reform program under the Council of Australian Governments and follows legislation introduced to the South Australian Parliament in September, with South Australia being the lead government in this area.

The amendments in the bill relating to the national electricity rules were consulted on with industry and other stakeholders. A single national regulatory electricity framework will be established for the laws and rules for both distribution and transmission. At present, the effect of Victoria's major electricity generator in the Latrobe Valley not being on line for a day of very high demand shows the importance of having a national electricity grid and national electricity regulation. Current problems in the Latrobe Valley mean that today Victoria will probably have to rely on power from Tasmania, South Australia and New South Wales to ensure that we have a secure power supply. The work being done through this legislation highlights that.

The creation of a national grid also highlights the importance of the state government's actions in regard to having a water grid, so that if one system in one part of the state fails, we can move water from one part of the state to another. That is something that should be kept in mind. The new framework should also benefit consumers by improving energy security and lowering prices. Consistent national regulation will ensure economically efficient arrangements in the supply of energy to end-users through commercial negotiations.

There will be benefits for consumers, because this action will lead to a more reliable and secure energy market, with lower prices for consumers in the longer term. By improving regulatory certainty and reducing costs for network service providers it is envisaged that this will create an environment for increased network investment, a more reliable and secure energy market and in turn, as I said, lower prices for energy users and consumers in the longer term. In response to the lead speaker of The Nationals I point out that the Victorian

government, and indeed the Council of Australian Governments, is making sure that no matter where they live, everyone will reap the benefits of the legislation.

As part of the important first phase of the national energy market reform program, in 2005 the Australian Energy Market Commission and the Australian Energy Regulator were established as rule-maker and regulator respectively. The second phase of the reform program will amend the national electricity law and regulations. Legislation to this effect was enacted by South Australia, the lead legislator. The new framework for revenue and network pricing, the new regulatory disclosure requirements and the new merit review provisions are all very good policy. It is great to see them being enacted. The second phase also introduces national gas rules and laws. That means we can have more secure energy supply right across Australia. I do not need to say too much more on the bill. I commend this bill to the house.

Mr WAKELING (Ferntree Gully) — It gives me pleasure to rise to contribute to the debate on the National Electricity (Victoria) Amendment Bill 2007. The primary purpose of this bill is to transfer responsibility for the economic regulation of electricity distribution in this state from the Essential Services Commission (ESC) to the Australian Energy Regulator (AER), which will effectively see the development of a national system. That is something that is supported by members on this side of the house. It has been a consistent position of members on this side compared to those opposite, who only 10 years ago opposed any form of legislation that allowed for the privatisation of the electricity industry.

With respect to the bill, its main purposes include handing over the administration of the regulation of electricity distribution — this will include undertaking the next pricing determination — from the Essential Services Commission to the Australian Energy Regulator, as I indicated before. That is expected to occur on 1 January 2009. The bill will also preserve the existing state-based regulatory regime for distributors until the end of the current price determination on 31 December 2010, including a discretion for the minister to exclude the application of various aspects of the national regulatory regime until the end of the current price determination.

There are two major components of this bill. Part 3 of the bill will see the enactment of two laws to operate in parallel. This is to avoid conflict during the period of transition, which I mentioned before. More importantly, part 4 deals with the handover to the AER. This is to ensure that the bill will enact legislation that is

complementary to what is already in place in New South Wales, the Australian Capital Territory and Queensland. We understand that similar legislation is currently before the South Australian Parliament. That will leave Tasmania as the only major state jurisdiction that will need to take further action with respect to the development of the national scheme. New section 23 confers on the AER certain functions and powers of the ESC. That will be determined with respect to provisions under the Trade Practices Act, which will allow the AER to accept such functions and powers.

The government's handling of the electricity supply in this state leaves a lot to be desired. One need only look at the blackouts that the Victorian community has had to suffer and the fact that this government has been unable to ensure the guaranteed supply of as fundamental an energy staple as electricity, particularly for people on low incomes who need and rely on having a safe and reliable electricity supply. One need only think of the proverbial possum that the government puts up as the reason for the number of brownouts that the state has to endure. One can assume there is only one possum that has sacrificed itself — the minister, who has failed to ensure that the state has an adequate electricity supply.

This government has been complacent about electricity. It also needs to ensure that appropriate workplace regulations are in place to ensure a safe and harmonious environment in which electricity can be supplied. One can only wonder, if there is a change of federal government on Saturday — and those opposite are relishing the prospect — what this state will be like in terms of its electricity supply. The union movement has already indicated that it will be back in town, so if there is a change of government we will see a return to the bad old days.

The federal government needs to be commended for its work in establishing the Australian Building and Construction Commission to ensure greater harmony in the construction and heavy industry sectors. To realise that one only has to look at the lower levels of strike action in this state, particularly in those sectors, as a consequence of the work of the ABCC. One can only imagine what the likes of Joe McDonald and Kevin Reynolds in Western Australia — and their colleagues in Victoria, including Dean Mighell — will do if a Rudd government is elected. One can only hope that this government will be prepared to stand up to them, but we on this side of the house know only too well that that is unlikely.

We are a little bemused by the pontifications of the minister and his avowed support for the former

government's actions in deregulating the electricity supply. For a Socialist Left minister, he seems to be more conservative than Kevin Rudd, and that is quite astounding when you look at the current political environment. This is a minister who stands up and professes his love for having a decentralised system which should be not only decentralised but also moving towards a national system. One need only look at a former spokesman for the Labor Party when in opposition, Mr Peter Loney. He is not a member of this house anymore: he has suffered the fate of so many people who are members of the Labor Party in Geelong. One only has to look at the current member for — —

The DEPUTY SPEAKER — Order! Those sorts of comments are well off the bill. The member will continue on the bill.

Mr WAKELING — Mr Peter Loney, when commenting on the privatisation of electricity supplies, indicated that the former system that had operated under the State Electricity Commission was, in his words, a Rolls-Royce electricity system. He indicated that as a consequence of privatisation and as a consequence of the Kennett government's enactment of legislation the electricity system in Victoria would be turned into a cheap, second-hand industry and the wheels were about to come off. Nothing could be further from the truth. You do not need to ask the Liberal Party for its position on that, because you only have to ask the energy minister — a member of the Socialist Left faction — what his opinion is of the electricity system in this state, and you will find it certainly is not as described by Peter Loney.

What the government is doing is recognising and supporting good policy that was put in place by the former government. Despite the rhetoric of those opposite when in opposition, when they entered government the rhetoric went out the window because they recognised that good policy and good legislation requires support, and that is what this government has provided. It has not only supported the legislation that was put in place by the Kennett government, despite its opposition at the time, but it has actually moved to improve and enhance that system, and hence we see the implementation of this bill.

The Liberal Party will be supporting this bill because it certainly is a move in the right direction. However, certainly as far as the government's handling of electricity is concerned, a lot more work needs to be done. We need to ensure that we have a strong electricity system and a strong workplace environment in which those who are operating the system can ensure

that a break-out of strikes is not going to occur, particularly if there is a change of government. The Liberal Party will certainly be supporting this bill.

Ms D'AMBROSIO (Mill Park) — I also rise to offer my support for the National Electricity (Victoria) Amendment Bill. The legislation will continue to deliver the benefits of a national electricity system, and the amending bill will also facilitate a new national framework for the regulation of electricity distribution and, of course, the determination of pricing.

We will have a consistent approach and a unitary national approach to the economic regulation of electricity. That will give rise to efficient arrangements for the supply of electricity. It will also lift the certainty of supply and reduce the cost for network service providers through an increased network investment, providing a more reliable and secure energy supply with lower prices for consumers in the longer term.

The bill will facilitate the transfer of the administration of Victoria's electricity distribution and pricing determination to the Australian Energy Regulator from the Essential Services Commission, where it has been for a number of years. The bill and what it will deliver represents the second phase of the national energy market reform program, and that is something the government is very intent on completing. We will go from having a multiple state-based and territory-based group of regulators to a single national unitary regulator.

The Essential Services Commission has done a very good job in setting us up for what this bill provides in terms of the transfer to a national regulatory regime. The Essential Services Commission was established on 1 January 2002 by the Bracks government, and under the commission Victoria has very quickly developed a reputation and a record for being a leader among the most competitive electricity markets in Australia.

The Essential Services Commission has also done a very good job in ensuring that retailers and distributors have provided for their most disadvantaged customers, including having policies which are responsive to the needs of disadvantaged customers in terms of financial hardship and disconnection problems. That is something our government has been very mindful of. Since coming to office we have certainly seen that the Labor Party has kept a very keen eye on ensuring that under the national reform agenda for the electricity sector we have not allowed those most economically disadvantaged to fall behind in terms of their access to electricity supply. I certainly wish to put my very clear support for that on the record.

The bill reflects the government's commitment to ensuring that Victoria's energy consumers do not suffer any weakening of existing consumer protections in the transition to a national framework under the COAG (Council of Australian Governments) reform program. Of course other states are passing similar legislation to what we are discussing today and will hopefully be passing in this house this week.

The government's view is that Victoria has the most competitive energy market in the country. The first draft report of the Australian Energy Market Commission (AEMC) on its review of the effectiveness of competition in the electricity and gas retail markets is a further indication that Victorian consumers are benefiting from competition, but it is competition that has the necessary hallmarks of ensuring protection for consumers, especially, as I said earlier, for those who are the most disadvantaged, economically speaking. There are those checks there that we are very proud of.

Preliminary findings from that first draft report indicate that competition between energy retailers and the exercising of choice by customers have been effective ways to deliver efficient energy prices and services to Victoria's consumers. The majority of energy customers are participating actively in the competitive market by exercising their choice. More than 70 per cent of households and almost 60 per cent of small businesses have switched to market contracts, and they are saying that the changes they have chosen have met their expectations. That is an indication that we are certainly on the right track in terms of choice and effective competition. It was also found that there is a strong rivalry between energy retailers facilitated by the current market structures and industry conditions. I can certainly add, from the experiences of my electorate officers, that many people in my electorate have given us stories of changing energy retailers to their benefit.

The AEMC research reports that domestic users and business users are switching to market contracts to get lower prices. In addition, incumbent retailers are offering competitive deals, of course, to maintain customers. Some 32 per cent of electricity customers — and 16 per cent of gas customers, for that matter — are now supplied by new entrants to the market. What we can see from these figures is that there is a fluid market — one that is not static for existing providers — and one that shows fluidity in changes in choice that are made by customers, whether they be individual household customers or small businesses.

If they are indicators of a competitive environment then I believe they are very indicative of the success of the national reform approach that this government has been

very keen to pursue in recent years. When the report is finalised in February I believe the findings of the review will be a key ingredient — not the only ingredient by any means, but certainly a key ingredient — of further discussions on the most appropriate role that government will play in having an oversight of retail prices into the future.

I believe that is a good indicator of where we are with the national reform agenda in terms of electricity pricing and competition, and new entrants into the retail sector. I also believe the Australian energy market agreement requires that the Australian Energy Market Commission would perform competition reviews and each of the participating jurisdictions — of course that includes Victoria — would report to the Ministerial Council on Energy. Of course the object of those reviews is to determine or to shed a light on the need for future retail energy price regulation, and where a retail energy market in any given jurisdiction is demonstrated to be of adequate competitiveness the AEMC is required to advise the Ministerial Council on Energy on a program to phase out retail price regulation in that jurisdiction. However, there will remain some discretion at the jurisdiction level in how they reflect the review findings in their energy price policies. Certainly Victoria will not give away its ability to model or fashion energy price policies where we believe they are in the interests of Victorians.

I am very keen to see that this bill is passed speedily. I believe it is one that sits squarely and nicely within the national reform framework in terms of energy distribution and pricing, and I commend wholeheartedly the bill to the house.

Mr INGRAM (Gippsland East) — Deputy Speaker, I seek by leave to have an extension of 5 minutes at the end of my normal allocation of 10 minutes.

Leave granted.

Mr INGRAM — This bill is just another stage in the privatisation and nationalisation of our electricity network. As lead speakers have indicated, the bill will have cross-party support in the chamber. Members probably know that in 2005 we had a similar piece of legislation, which likewise was the first stage in transferring some of the responsibilities for the regulation of electricity across to the national system. This bill, like that last bit of legislation, actually is just, if you like, the shell which endorses a piece of legislation which was passed through the South Australian Parliament. That legislation was passed in the last sitting week, as I understand it, through the South Australian Parliament.

Much of the framework and regulations that will guide the regulator will come after this process, and I am sure most members of this Parliament will not have seen the South Australia legislation or the provisions it contains. It is almost irrelevant anyway because this Parliament, even if it found that that legislation did not address the needs of its constituents, would not be able to deal with it. We would not be able to amend it. We would not be able to put protective measures into it. That was the issue we came up against last time when I opposed that piece of legislation on the system of process. I believe it is an appalling process when this Parliament does not have the ability to really scrutinise and debate legislation that we are passing when we are transferring the control and regulation of one of our essential services across to a commonwealth regulator which is more alien and disparate from our constituents.

As I said last time, I object strongly to this process and believe this is not what this Parliament should be doing. If you look at the difference between the national regulator and the Essential Services Commission, the Essential Services Commission (ESC) has very clear statements on its website on its guiding principles and one of those is for the protection of consumers — the protection of those people who do not necessarily have the ability to stand up for themselves, those people like my constituents at the far end of the grids who are at the mercy of the fluctuations in power supply, the blackouts, the brownouts and the poor line clearance. I am sure if we asked some of those distributors — SP AusNet and the other distributors — they would not want those consumers anyway. They actually drain the maintenance costs of the distributors.

When you compare the Essential Services Commission obligation to that of the national regulator, those provisions are not there. It is very clear that there is a different focus and it is about driving an effective and, if you like, a businesslike operation. That is fine for consumers in the metropolitan areas but it is not fine for consumers in the regional areas, and that is why I will be opposing this piece of legislation.

During the last debate it was interesting because I made comments at that time about the transfer of those powers from the Essential Services Commission and NEMMCO (National Electricity Market Management Company), and I was severely criticised by then member for Gippsland Province and now member for Eastern Victoria Region in the other place, Peter Hall, who said I was wrong because the legislation did not provide that avenue for further tranches to be passed from the Essential Services Commission to the national regulator. We now find that this is only the second stage. There is a third stage, which will pass those real

protective measures and quality and supply measures across to the national regulator.

I am sure that most metro MPs are wondering what is the problem with this bill. Many people — and I have discussed this with members of this place — would argue that privatisation has improved the quality of supply. I am sure that metro MPs' offices would have complaint-driven hernias if the electricity grid went down for a couple of hours, like it did during last summer's fires. That is a regular occurrence for the people at the end of the grid, in places like Mallacoota, Cann River, Orbost, Omeo and Swifts Creek. They have regular downtimes.

The quality of supply in those areas is still so appalling that they cannot leave electrical equipment on overnight because it could be destroyed. I know on days like today we are told to turn all equipment off, but the quality of supply is so poor that those people cannot keep sensitive electronic equipment on at all times or even run sensitive electronic equipment at all. It is a similar situation for most dairy farmers across the state. As they move to more sensitive equipment for the regulation of their vats and milking equipment the supply is not up to a standard to meet their needs. This is an issue which is predominantly in rural areas.

Competition has not moved out into those wider grids. There is no competition in the market for retail or for new connections. As I said, in my electorate we will have major problems with connections to the electricity grid. From my experience rural voters were sold a pup when electricity privatisation was passed. The only thing that has held the line over those years is the power payment, the grant the government has been giving to the generators to hold that distribution difference, and the Essential Service Commission. The question I ask of this Parliament, which the minister must answer, is: will NEMMCO have the same desire and the same ability to control the service and price of the power in those remote, lengthy distribution lines, like those at Mallacoota, Cann River and Orbost? Based on feedback to my office and the annual ESC reports, my area is the worst in the state for power supply and quality.

On top of that we are also paying a higher price for distribution costs and the line loss. That is due to the way the distribution network was carved up. Clearly when the Kennett government carved it up it believed Melbourne should not be paying for the maintenance of all those pesky distribution lines out there in regional Victoria. Clearly it believed we should ring fence Melbourne from those costs. I have a large amount of correspondence on this, and 'ring fence' is the technical

term for protecting Melbourne from the distribution costs out there in regional areas. Both the Essential Services Commission and the government use that term. It refers to protecting the businesses in metropolitan areas from the costs of those distribution lines. I would like to support The Nationals' comment about the special power payment. That will expire next year, and it is essential that we get a guarantee that it will continue.

I would like to go on with some examples of some of the inequities. Businesses and residents in the Latrobe Valley within sight of the power generators pay more for power costs, and they pay more for the distribution costs and line loss. We then subsidise the water use of the generators, which get enormous volumes of water more cheaply than do the irrigators in the same area or the urban water users. This is not fair. It should not have happened when the privatisation occurred. I am sure the members for Morwell and Narracan would agree with me on that.

The Kennett government did another thing at the same time. There was an enormous cost relating to rates paid to councils. As I understand it, the government provided a subsidy to the generators so they only have to pay about 10 per cent of what they would have otherwise paid in rates to the councils. So the other ratepayers within the Latrobe city are subsidising the power generators. Victorians in other parts of the state who benefit from the brown coal generation in the Latrobe Valley are getting off scot-free while ratepayers in that local area are getting screwed to the wall by the generators. As I understand it, it involves about \$40 million in rates a year. I am sure the Latrobe Valley communities feel duded.

On top of that the water subsidies are also quite disgraceful. Gippsland Water provides water to over 60 000 customers and wastewater services to over 50 000 customers. Seventy per cent of the water and 65 per cent of the wastewater services go to the seven large customers, which are the power generators. The revenue from those seven generators is only 25 per cent of Gippsland Water's revenue. Rates are set to double over the next few years because the Gippsland Water Factory is coming online, so Gippsland water ratepayers will be paying a large part of the cost to further subsidise the power generators. The Gippsland Water Factory is costing about \$180 million, and it will be continuing. The technology is not required to treat domestic waste; it will only treat the paper mill's and power station's water. The state government is putting in only \$50 million, and the ratepayers from Sale to Warragul will be subsidising the power companies and Amcor for that.

This is a statewide issue that needs to be addressed before we pass off the distribution costs as they are to the national regulator. It is extremely inequitable, and we need to address it. I would like to go back to what the Labor Party said in opposition on this issue. There are a couple of promises from the Labor Party's 1999 election campaign that it has not delivered. In 1999 the Labor Party said it would deliver a maximum uniform tariff to rural electricity users. That commitment has never been delivered. It will probably argue that it has offset that by the power payment, which runs out next year. That still does not address the issue, because when that power payment runs out rural consumers will be left paying more for their distribution costs and power. It is important that this Parliament debates these issues and does not pass off its responsibility to the South Australian Parliament to debate the legislation. I would include amendments in the legislation to make sure that rural consumers will be protected under the legislation.

A press release was issued by the now Premier in 1998 or 1999. He was criticising The Nationals about a confidential report showing discrimination between rural and urban consumers, which he said would contribute to the creation of an underclass and heavy penalties for not living in the city. That report comments that a maximum uniform tariff is needed. The problem with the current network is that some areas in remote communities are not considered productive and profitable, and I explained that earlier. These grids have extremely poor reliability, and we need to address that. When looking at this legislation I do not see anything that will guarantee the protection of those connections.

Privatisation and competition were supposed to bring electricity prices down, but every dairy farmer in the state can tell you that the price of off-peak electricity has skyrocketed. I see nothing in this legislation that will protect my consumers. In fact this bill will ultimately mean that my constituents will be worse off. I see a dark future for many people living on those remote rural lines — —

An honourable member interjected.

Mr INGRAM — I know I should not take up interjections, but we would not be in this situation if it were not for Pat and his flyblown sheep selling out country electricity consumers by splitting up electricity generation and not listening to that report, which clearly highlighted that the way it was being done was going to discriminate against country Victorians. The only thing I can see that has gone some way towards protecting the consumers in my electorate over the last few years is the Essential Services Commission. I do not see that

moving those powers across to the commonwealth will ultimately give my consumers the protection they need and allow me to support this legislation. With those words, I indicate that I will be opposing the bill.

Mr DONNELLAN (Narre Warren North) — I will make my contribution very brief. I just want to correct a couple of things on the record. First and foremost, a couple of members of the opposition have claimed ownership of competition policy, as if it were going on in Victoria in isolation. I would like to look at the historical context of that. It was actually the Keating Labor government that established the National Competition Council, the Keating government that introduced competition payments and the Keating government that encouraged the states to address deregulation and the introduction of competition in the provision of government services. That is a simple fact — it is not something which is arguable.

To suggest that this opposition owns competition policy and that the federal Labor government did not encourage it and support it by bringing in competition payments to get the states to the table to deregulate their markets and introduce competition is totally incorrect. I think the memories of those members are incredibly selective. It was the Keating government that encouraged this. If you compare what the Keating government did to what the current federal Treasurer has done, you see that we have had very little reform, deregulation and introduction of competition over the last 11 years. We have had 11 years of the Liberal government. What has it done? It has bashed up the union movement — that is its great reform — —

The DEPUTY SPEAKER — Order! I ask the member to relate his comments to the bill.

Mr DONNELLAN — In summarising I say, as a matter of public record, that this bill continues the economic reform agenda. But let us be very clear who put forward that reform agenda: it was the Keating government, not the Liberal Party. We are the people who grow, not diminish, the economy.

Mr BATCHELOR (Minister for Energy and Resources) — I would like to thank the members who have spoken on this bill — the members for Box Hill, Mildura, Seymour, Ferntree Gully, Mill Park, Gippsland East and Narre Warren North. As has been indicated in the debate today, the bill will facilitate the introduction in Victoria of the new national framework for the economic regulation of electricity distribution as part of the next phase of the national energy market reform program. Victoria has been an early adopter of this national reform. The reform has bipartisan support

within the state and accordingly progresses quickly here. With that bipartisan support, we remain a leader in the national energy market reform process, which is a good process that continues to proceed.

This bill will streamline and improve the quality of regulation in the national electricity market. In doing so it will lower the cost and complexity of regulation that investors face, lower barriers to competition and increase regulatory certainty — all factors that are important to making sure that the national electricity reforms continue to look after the interests of consumers and users of electricity, just as our reforms in Victoria continue to do.

The member for Gippsland East has queried whether service levels for customers in regional Victoria will be maintained under the national framework and whether they will be affected by this move to a national regulator. It is important to understand that the national electricity objective is:

... to promote efficient investment in, and efficient use of, electricity services for the long-term interests of consumers of electricity with respect to price, quality, reliability and security of supply of electricity and the reliability, safety and security of the national electricity system.

You can see that this is a composite objective that talks about price, quality, security of supply and the long-term interests of consumers. That objective is just as important to people in country Victoria as it is to city folk in the metropolitan area. It is being promoted in the context of a competitive electricity model — one which is truly national in scope and scale, which delivers the same sort of competition nationally as is experienced here in Victoria and which exists in parallel with the high consumer protection mechanisms available here. We would like to see those mechanisms translate to the national system when it is their turn to be developed on the national scale. Victoria not only has a competitive electricity market, it also has a framework in which the disadvantaged members of our community — those suffering hardship — are provided for. The structure here in Victoria, which deals with both those elements, is the envy of other jurisdictions. Accordingly, I commend the bill to the house.

House divided on motion.

The DEPUTY SPEAKER — Order! The question is:

That this bill be now read a second time.

All of that opinion say aye.

Honourable members — Aye.

The DEPUTY SPEAKER — Order! To the contrary, no.

Mr Ingram — No.

The DEPUTY SPEAKER — Order! I think the ayes have it. A division is required. Ring the bells.

Bells rung.

The DEPUTY SPEAKER — Order! I ask members to take their allocated seats in the house, and I ask the Clerk to record the votes.

The Clerk — The member for Gippsland East?

Mr Ingram — No.

The Clerk — The Nationals Whip?

Mr Delahunty — Nine ayes.

The Clerk — The Opposition Whip?

Mr Kotsiras — Twenty-two individual ayes.

The Clerk — The Government Whip?

Mr Langdon — Forty-six ayes.

The DEPUTY SPEAKER — Order! Under standing order 165(7) where it is obvious that there is only one member voting no, I immediately declare that the question is now carried. I ask the member for Gippsland East if he wishes to have his dissent recorded in the *Votes and Proceedings*?

Question agreed to.

Read second time.

Mr Ingram — I wish to have my dissent recorded, but I would also on a point of order —

The DEPUTY SPEAKER — Order! I will deal with this first. The member has requested that his dissent be recorded. I ask the Clerk to record that dissent.

Mr Ingram — On a point of order, Deputy Speaker, under the standing orders we have changed to the process of a party vote. Under chapter 19 on divisions there is a procedure for a division and we have changed the standing orders to include the party vote. There is a separate section in relation to when no two tellers can be found under a normal procedural vote. I would argue that because we have already taken the division, as the division has been called, and basically the division has been arguably recorded, and the Chair did not

immediately determine that there was only one person voting yes or no because the house was not assembled, it is inappropriate to still have that provision in there.

I can understand why there would be a provision in the standing orders for when a formal division takes place, but the procedure for when one member wishes to vote either yes or no is no longer relevant in the party vote because the division has already been called, the bells have been rung and the house has assembled. One person has voted no and everyone else has voted yes on this occasion and that should be recorded in *Hansard*.

Mr Batchelor — On the point of order, Deputy Speaker, I think what the member for Gippsland East is seeking to do is to have advice on how to change the standing orders and, accordingly, it is not a point of order and should be ruled out.

The DEPUTY SPEAKER — Order! I do not uphold the point of order. The question has been resolved.

Consideration in detail

Clauses 1 and 2 agreed to.

Clause 3

Mr BATCHELOR (Minister for Energy and Resources) — I move:

1. Clause 3, line 17 omit “means”.
2. Clause 3, line 18, before “the determination” insert “means”.

By way of brief introductory comments, these amendments have come before the house following some discussions with the federal government department to make amendments to clarify certain procedural or technical issues that it believes improve the clarity of this bill. Accordingly, whilst we do not agree that it is unclear, we are happy to accept its advice that these and the following amendments clarify it in its terms and are happy to put them before the house.

Mr CLARK (Box Hill) — As I indicated previously, I appreciate the fact that these amendments have been made available to the opposition by the government in advance. On our reading they do seem to make a number of useful clarifications and at least in the instance of amendments 1 and 2 they correct a slight problem in the drafting. The opposition is happy to accept these amendments and the other amendments that the minister intends to move.

Amendments agreed to; amended clause agreed to.

Clause 4

Mr BATCHELOR — I move:

3. Clause 4, page 7, lines 5 to 7, omit all words and expressions on these lines and insert —

“16 Role of National Electricity Law and Rules in relation to distribution determinations and Victorian distribution pricing determinations

- (1) To avoid doubt, nothing in this Part is to be taken as preventing the making of a distribution determination under —
 - (a) the NEL as it applies as a law of Victoria under this Act; and
 - (b) the National Electricity Rules as they have the force of law in Victoria under this Act —

that takes effect after the Victorian distribution pricing determination end date.

- (2) To avoid doubt, nothing in this Part is to be taken as preventing the AER (before, on or after the Victorian distribution pricing determination end date) performing a function or duty, or exercising a power, for the purposes of making a distribution determination under —
 - (a) the NEL as it applies as a law of Victoria under this Act; and
 - (b) the National Electricity Rules as they have the force of law in Victoria under this Act —

that takes effect after the Victorian distribution pricing determination end date.”.

4. Clause 4, page 7, line 8, omit “(1)” and insert “(3)”.
5. Clause 4, page 7, line 15, omit “(2)” and insert “(4)”.
6. Clause 4, page 7, line 29, omit “(3)” and insert “(5)”.

Amendments agreed to; amended clause agreed to.

Clause 5

Mr BATCHELOR (Minister for Energy and Resources) — I move:

7. Clause 5, page 18, lines 27 to 33 and page 19, lines 1 to 21, omit all words and expressions on these lines and insert —

“29 Appeals against certain decisions or actions of the AER

- (1) This section applies if the AER, in exercise or performance, or purported exercise or performance, of a relevant regulatory function or power conferred on it under section 23, makes —

- (a) a requirement under section 37 of the **Essential Services Commission Act 2001**; or
- (b) a decision to disclose information or the contents of a document given to the AER by a person under a notice given by the AER under section 38(2)(c) or 38(2)(d) of the **Essential Services Commission Act 2001**; or
- (c) a determination that —
- (i) revokes and substitutes the 2006–2010 distribution pricing determination or a subsequent determination applying to charges for connection to, and the use of, distribution systems in Victoria; or
- (ii) amends —
- (A) the 2006–2010 distribution pricing determination; or
- (B) a subsequent determination applying to charges for connection to, and the use of, distribution systems in Victoria.
- (2) A person who is aggrieved by the requirement, decision or determination may appeal to the Tribunal against the making of the requirement, decision or determination.
- (3) Sections 55 and 56 of the **Essential Services Commission Act 2001** apply to an appeal under this section as if —
- (a) a reference in those sections to section 55(1) were a reference to subsection (1) of this section; and
- (b) in section 55(3) for “the Registrar” there were substituted “the Tribunal”; and
- (c) section 56(1) to (3) and (5) were omitted; and
- (d) a reference in those sections to the Commission were a reference to the AER; and
- (e) a reference in those sections to an appeal panel were a reference to the Tribunal.
- (4) Part 3 of the Essential Services Commission Regulations 2001 applies to an appeal under this section as if —
- (a) regulations 10 and 11 of that Part were omitted; and
- (b) a reference in that Part to the Commission were a reference to the AER; and
- (c) a reference in that Part to an appeal panel were a reference to the Tribunal; and
- (d) a reference in that Part to the Registrar were a reference to the Tribunal.

(5) In this section —

Tribunal means the Australian Competition Tribunal referred to in the Trade Practices Act 1974 of the Commonwealth and includes a member of the Tribunal or a Division of the Tribunal performing functions of the Tribunal.”.

Amendment agreed to; amended clause agreed to; clauses 6 and 7 agreed to.

Bill agreed to with amendments.

Third reading

The DEPUTY SPEAKER — Order! The question is:

That this bill be now read a third time.

Those of that opinion say aye.

Honourable members — Aye.

The DEPUTY SPEAKER — Order! To the contrary, no.

Mr Ingram — No.

The DEPUTY SPEAKER — Order! I think the ayes have it. A division is required. Ring the bells.

Bells rung.

The DEPUTY SPEAKER — Order! I ask members to take their allocated seats in the house, and I ask the Clerk to record the votes.

The Clerk — The member for Gippsland East?

Mr Ingram — No.

The Clerk — The Nationals Whip?

Mr Delahunty — Nine ayes.

The Clerk — The Opposition Whip?

Mr Kotsiras — Twenty-two individual ayes.

The Clerk — The Government Whip?

Mr Langdon — Forty-nine ayes.

The DEPUTY SPEAKER — Order! Under standing order 165(7), as per the last division and as there is only one member saying no, I declare the question resolved in the affirmative. I ask the member for Gippsland East whether he wishes to have his dissent recorded in the *Votes and Proceedings*.

Mr Ingram — I wish to have my dissent recorded.

Question agreed to.

Read third time.

VICTORIAN ENERGY EFFICIENCY TARGET BILL

Second reading

Debate resumed from 1 November; motion of Mr BATCHELOR (Minister for Energy and Resources).

The Nationals amendment circulated by Mr CRISP (Mildura) pursuant to standing orders.

Mr CLARK (Box Hill) — The Victorian Energy Efficiency Target Bill 2007 is a bill to put in place a regime which in effect is to subsidise the purchase of energy-efficient appliances and other energy-efficient improvements using funds raised from the prices that are paid by consumers of gas and electricity. The provisions of the bill and the mechanism created by the bill are quite detailed.

The bill will enable accredited persons to create energy efficiency certificates for what are referred to as prescribed activities. Accredited persons who are consumers will be able to create their own certificates. Non-accredited consumers will be able to assign to an accredited person the right to create certificates based on the consumer's prescribed activities.

As we understand from the very helpful briefing that was provided to the opposition by the department and from what the minister has said in the second-reading speech, the government intends that initially the scheme will apply only to the residential sector and that prescribed activities will be the purchase of energy-efficient residential appliances, the improvement in the energy efficiency of homes, and the conversion of hot water systems and other home installations to more energy-efficient installations.

The purchase of energy-efficient appliances will entitle the creation of one certificate for every tonne of greenhouse gas that the appliance is expected to save over a specified lifetime compared with appliances of the same type with average energy efficiency. Home improvements and conversions will entitle the creation of one certificate for every tonne of greenhouse gas that the improvement or conversion is expected to save over a specified lifetime compared with the status quo. The installer of the improvement or conversion will be

required to certify both the work done and the previous situation so that the relevant saving quantity can be determined.

Any person will be able to apply to become an accredited person subject to the payment of the applicable fee, which is expected to be several hundred dollars. The government expects that appliance retailers and specialist certificate brokers will be among those who become accredited persons, and possibly also energy retailers.

The certificates will need to be registered with the Essential Services Commission, and once registered they will be able to be freely bought or sold. All energy retailers with more than 5000 Victorian customers will be required to purchase and surrender each year a specified number of certificates or else pay a specified penalty for each certificate by which they fall short.

The government intends to specify each year greenhouse gas reduction rates at which energy retailers must purchase certificates for each unit of electricity and gas that they purchase for sale to prescribed customers. Although the bill does not embody the linkage, it appears that the government's intention is that it will specify the greenhouse gas reduction rate in such a way that the total number of certificates that are required to be surrendered each year will approximate the scheme target number of certificates for that year, which is initially intended to be 2.7 million a year. That number of certificates for each of the first three years of the scheme commencing on 1 January 2009 will be for that number of tonnes of carbon dioxide equivalent saving over the defined lifetime of the prescribed activity — the lifetime being defined, as with so many other aspects of the scheme, under the regulations.

The government expects that the scheme is going to result in lower costs for prescribed activities for consumers, because the value of the certificates being created as a result of the prescribed activities will lead to appliance retailers or the suppliers of home improvements or conversions offering discounts to consumers for the purchase of the appliances or for undertaking the improvements or conversions on condition that the certificate creation rights in relation to those activities are assigned by the consumers. Of course the persons who create the certificates will be able to realise a value from those certificates through selling them to energy retailers, and the retailers will be in the market to buy those certificates because they will be obliged to do so under the operation of the scheme.

The energy retailers can be expected to recoup the cost of purchasing the required certificates through the

higher-than-otherwise prices of gas and electricity charged to prescribed customers, and it will be logical for them to proceed in that way because the marginal cost to them of the electricity or gas that they buy in order to sell to those prescribed consumers will be increased because the greenhouse gas reduction rates will be applied per unit of the electricity or gas that they buy for sale to prescribed customers.

There are provisions that will enable authorised officers to enter premises, inspect documents, require answers to questions and various other things, either with the consent of the occupiers of premises or with warrants, and there are also mechanisms for various audits and the provision of information and documentation to the Essential Services Commission. There are also extensive regulation-making powers, because it is the government's intention that much of the mechanics of the legislation will be implemented by regulation.

This bill comes in the context of the challenge posed to humanity by the scientific assessments of the threat of climate change over coming years. Responding to the scientific assessments of the threats of climate change is, in my view, likely to be one of the single biggest public policy and economic issues in Australia over the next few years. The changes required and the costs involved are going to be very high indeed. In dollar terms the prices that are likely to be put on emissions will run into billions of dollars a year, and in economic and social terms we are likely to face massive changes in production and consumption in order to achieve the sorts of emission reductions that are going to be required.

Despite the challenges that we face in this scenario, humans have shown great inventiveness and resourcefulness to date in our time on Earth in responding to various challenges and threats, so we have good grounds for confidence that humanity can overcome these latest challenges, provided that governments set the right parameters and then give business, community organisations and individuals both the scope and the capacity to rise to the challenge.

The extent of the impact on costs and standards of living from a response to climate change is going to be crucially dependent on the extent to which we can develop new low emission technologies. There are going to be many different roles for government in relation to emission reductions, including setting the rules; helping businesses, households and the rest of the community make the changes required as effectively and at as low a cost as possible, particularly through the provision of detailed practical and authoritative information; supporting research and development;

setting an example in the way they manage their own emissions; regulating products and building standards; and assisting the most vulnerable in the community to cope with the effects of rising energy costs. For its part the Liberal Party supports measures that will achieve these many different aspects of humanity's response to the scientifically assessed risks of climate change in the most effective ways possible.

The measure that is before the house is claimed by the government to arise out of a promise that was made during the 2006 election campaign, but this measure is a long way from that promise. Labor's election policy document entitled *Meeting Victoria's Energy Challenges* says at paragraph 17:

Labor will introduce a new Victorian energy efficiency target (VEET) scheme that will require energy retailers to help families cut their power bills through measures such as providing energy-efficient light globes, insulation and efficient shower roses.

Later it says:

Energy retailers will have an incentive to offer to retrofit Victoria households and businesses with improvements such as lower energy lighting and other energy-saving devices for little or no cost. Families will be able to cut their energy bills and save greenhouse gases.

Although there is a reference in the policy to using a market-based scheme, what was set out in the policy seems to be far narrower than the scheme that has arrived in the house. You have to conclude either that the government was not prepared to be frank with the electorate as to how it was intending to fund this scheme through an impost on gas or electricity prices or else that the scheme has been evolving rapidly and the government has been making up its intentions as it goes along.

It is interesting that, as with the previous bill we considered, the government is embracing markets as a way to implement policy. I quote in particular from page 13 of a stakeholder forum presentation that was made by Mr John Krbaleski, the director, energy investment and sustainability, energy and resources policy division, on 31 October 2007: 'Competitive markets are the most efficient means of directing funding to least-cost solutions'. That is yet another example of the fact that on the economic front the Liberal Party has won the battle of ideas over the last 20 years and the Labor Party is now espousing the virtues of the free market.

But it is one thing to accept and adopt the theory of free markets and it is another to be an effective and successful practitioner who has practical common sense and experience and gets it right. We have seen the

current Premier, who was the former Treasurer, struggle to demonstrate, show and account to the public that PPPs (public-private partnerships), on the terms that he has negotiated them, have achieved value for money for the public. He has fought tooth and nail to stop the public getting access to the public sector comparator documents which would have shown what a bad deal he negotiated for Victorian motorists in relation to EastLink.

In the case of the current bill we have had some think-tank brainstorming and a born-again minister come up with a very elaborate scheme, but there are significant questions about how it is going to work in practice. The opposition does not oppose the bill, but we have many concerns about it both in the way the scheme is going to be initially deployed and in its ongoing operation. We seek the government's response to those concerns during the course of this debate and, if necessary, beyond.

The first aspect of our concern is that this bill, if passed, will be implemented in a national context. We discussed the desirability of a move to national regulation in relation to the previous bill. My understanding is that this scheme is going to bring the number of separate state-based greenhouse-related regulatory schemes being introduced by various Australian jurisdictions to a total of eight. There is a very important question about how this latest scheme will operate in conjunction with a national emissions trading scheme.

We certainly support, as I indicated in relation to the previous bill, the rights of states to go it alone on reform measures that make good policy sense, as was the case with the Kennett government reforms. If they cannot do that on appropriate occasions, you would have to ask why we bother having states at all. But in this context we are on the verge of a national emissions trading scheme; we need to know how it is intended that this scheme is going to mesh in with such a national scheme and why we are proceeding with this legislation at this point in time when both sides of federal politics are committed to a national emissions trading scheme in their potential next terms in government.

The Labor Party certainly had its opportunity to introduce its own emissions trading scheme; it huffed and puffed about doing it, but in the end it blew it, when premiers Carpenter and Beattie refused to support the state-based model discussion paper when it was released in August 2006. Then Premier Beattie said:

I refuse to support projects which sound good but deliver buggers all.

Mr Carpenter said he:

... would not commit Western Australia to any form of national greenhouse gas emissions trading until there was more evidence that WA interests would not be adversely affected.

That brought the move by the states and territories to introduce an emissions trading scheme to a complete halt. It has been up to the Howard government to become the first government in Australia to commit to the introduction of an emissions trading scheme. One of the things on which there is agreement between the Prime Minister's task force and the assessment of the national emissions trading task force of the states and territories is the merits and benefits of having technology-neutral reform measures. The statements on both page 41 of the Prime Minister's task force report and page 11 of the state and territory governments' national emissions trading task force discussion paper bear that out.

There will be difficulties coordinating this state scheme with a national scheme. I am looking forward to government speakers explaining how it is intended that they will fit the two schemes together. In the course of the briefing that was provided to the opposition, a number of statements were made that implied that somehow the dollars-per-tonne price that was going to be set under the VEET (Victorian energy efficiency target) scheme would be set to be competitive with the dollars-per-tonne price which would be set under an emissions trading scheme. But it seems to me that this is like comparing apples with oranges.

The VEET tonnage figures are tonnes of CO₂ emissions which are avoided, measured over the lifetime of an appliance or home improvement, whereas the dollars-per-tonne price that is paid under an emissions trading scheme is an annual figure that is being paid for the right to make an emission rather than to save an emission. Given all of those considerations, the two do not seem to be interchangeable.

Some years ago there was considerable investigation done of the possibility of introducing a national energy efficiency target, called NEET. Research work on that was undertaken by the national framework for energy efficiency which included commonwealth, state and territory agencies. That work was then reviewed along with various other issues by the federal Productivity Commission in report 36 of 31 August 2005 entitled *The Private Cost Effectiveness of Improving Energy Efficiency*. Chapter 13 of that report assessed and reported on proposed national energy efficiency target options in some detail. It needs to be stressed that the commission was reporting on a model which had not

been as fully developed as the Victorian model and a model which was potentially far broader than the Victorian model, which, at least initially, is addressed to households alone.

Nonetheless, the Productivity Commission report made a number of observations that need to be responded to by the government in the course of consideration of what the government is now proposing. At page 301 of the report, in the key points, the Productivity Commission said:

Modelling for the NFEE —

that is, the national framework for energy efficiency —

suggests that a NEET —

that is, a national energy efficiency target —

would have substantial economy-wide benefits. The commission's view is that it would not be possible to design a NEET scheme that would have the effects assumed by the modelling.

That is a very significant reservation expressed by the Productivity Commission, upon which it elaborates in its report. For example, at page 308 the report states:

While the idea of a NEET seemingly draws on well-established principles for creating tradeable permits, the commission considers that the proposal has significant flaws — including its failure to address the policy-relevant market failures preventing the uptake of privately cost-effective energy efficiency. Furthermore, as discussed later in this section, difficulties with measuring and verifying efficiency-related energy savings would result in property rights being poorly defined. Consequently, markets in white certificates —

and I interpose that that is the term they have given to energy efficiency certificates —

would not operate efficiently and so would not result in the most cost-effective energy efficiency investments being made.

They comment specifically on the modelling by the Allen Consulting Group that has been cited by government in numerous documents in relation to the VEET (Victorian energy efficiency target) scheme, and they say:

... the Commission would be concerned if this modelling was to be used to justify the desirability of introducing a NEET scheme (and indeed no claim of this type is made in Allen Consulting Group ... or MMA —

that is, McLennan Magasanik Associates —

... by the consulting firms that undertook the modelling).

Later on they say:

In effect, the modelling assumed that many privately cost-effective energy efficiency investment opportunities exist but have not yet been taken up, and that targets would be successfully met solely through the widespread uptake of these investments. As discussed in the remainder of this chapter, the commission's assessment is that this would not occur.

Later on the commission confirms what I referred to earlier, namely at page 310:

The retailers would seek to pass the costs of meeting energy efficiency targets to their customers (through increased retail energy prices) and to energy suppliers (through decreased wholesale energy prices). In this situation, a NEET would be equivalent to a tax on energy that is imposed on retailers, the proceeds of which are used to subsidise energy efficiency improvements.

At page 311 the commission says:

For a NEET to work effectively, property rights need to be assigned to parties that undertake energy efficiency measures that result in energy savings that are additional to that which would have occurred without a NEET. This requires:

determining what would have happened without a NEET (by establishing BAU —

that is, business-as-usual —

baselines);

measuring energy savings resulting from energy efficiency measures; and

verifying that eligible energy savings have occurred.

Further on, the commission says, at page 315:

The administration costs faced by regulators of, and participants in, a NEET could be significant.

...

The task of regulating a NEET would involve setting targets, determining eligibility of energy-savings measures, verifying energy savings and administering the issue and surrender of certificates. Verification would likely be the most costly component. The verification task has been distributed earlier — to maintain even a moderate level of system integrity would require considerable resources and expense. The costs associated with performing the other tasks would also be significant.

In addition to the costs of purchasing white certificates, paying penalties, undertaking energy efficiency improvements and the opportunity cost of forgoing more profitable uses of capital, a NEET would impose a range of administrative costs on designated participants. These costs would be associated with demonstrating compliance with targets, such as the administrative costs involved with obtaining and trading certificates.

Later on, at pages 317–18, the Productivity Commission reported:

As a policy to address greenhouse gas abatement, a NEET would target energy efficiency improvements rather than emissions themselves. It would not be the most directly targeted instrument and is therefore unlikely to be the most efficient or cost-effective option.

They compare a NEET scheme with a cap-and-trade emissions trading scheme, and conclude that the advantages of emissions trading included more comprehensive inclusion of greenhouse gas abatement options, better functioning markets, potentially lower administration costs and greater certainty of meeting a greenhouse gas abatement objective.

They also say at page 318:

There is also doubt as to whether a NEET can be integrated with an emissions trading scheme without threatening the credibility of the latter —

and they elaborate on that at page 319.

So we have a very credible and respected body raising a range of very important issues that need to be addressed in our consideration of this proposal. The model before the house is certainly narrower than the sort of NEET that was addressed by the commission, but many of the concerns expressed by the commission seem to apply to it, and I hope the government will respond to them during the course of this debate.

I want to say a few words about two specific aspects, namely costs and carbon reduction effects, and then something about some of the mechanics and other consequences. The government has claimed that this bill will not result in higher prices, but it is clear that at least the first-round impact of the measures to be implemented under this bill will be to raise the costs of electricity and gas to families, and that will be on top of the increases that are soon to be imposed by national emissions trading and as a result of rising market prices for electricity due to drought, industrial disputes and other factors.

In the presentation of 31 October that I referred to earlier, the document states that there is expected to be what it refers to as a \$210 million investment in certificates among 2.1 million Victorian households, which implies that there will be a \$100 per household starting point for increases in household energy bills over the first three years of the scheme. However, at page 28 of the same document the government claims that there will be a 2.2 per cent average reduction per annum in the wholesale market price of electricity compared with business as usual. Strangely, however, the same document states that the average retail price increase will only be 0.09 per cent compared with business as usual. Of course one has to ask what the

difference is between the two, and presumably it is because the difference is due to the retailer making up the cost of the certificates that they are going to have to purchase.

There also needs to be an explanation of the fact sheet from the Department of Primary Industries headed 'Estimated impacts of Victorian energy efficiency target scheme', which sets out a claim that the scheme is going to cut average household power bills by \$45 per annum. If that \$45 equates to 0.09 per cent, that would imply a household power bill of around \$50 000 per annum. I think — even with the effects of the introduction of an emissions trading scheme — that is a very high figure. It would seem either that there is an inconsistency between the two documents or possibly that the claimed \$45 reduction is not actually a reduction for the average household but only a reduction for those households that generate certificates. Again, I hope that some explanation of those figures can be provided by government speakers in the debate.

In relation to carbon reduction effects, by definition if the abatement factors that are set by the government cause the scheme to hit the target, we are going to get 2.7 million tonnes per annum — or 8.1 million tonnes in the first three years — measured in terms of abatement over the defined lifetimes of the activities that are undertaken. The expected annual abatement over the first three years is 0.192 tonnes in 2009, 0.468 tonnes in 2010 and 0.675 tonnes in 2011. That would imply around a 10-to-15-year average period to realise the abatement effects. Again I would be interested if the government could confirm that conclusion.

There are going to be some practical difficulties in defining the regime and administering it in order to prevent abuse. Some of those were alluded to by the Productivity Commission report. What is the extent of the powers of inspectors to enter premises? How widely will they need to be exercised? When you are getting installers of insulation or other home improvements certifying, they have to certify both the starting situation and the gains of their product. There is going to be an enormous incentive to make those figures as generous as possible. Verifying that is going to be a lot more complex than the gas or electricity safety audits that are currently undertaken.

This scheme is not targeted to low-income consumers. Wealthy families who have the money to invest in energy efficiency improvements are going to be subsidised by low-income consumers who cannot afford such improvements for themselves. The

government's claim at page 29 of the document I referred to about the benefits for low-income consumers is wrong. They are not going to benefit a great deal through the VEET take-up, because many of them will not be able to afford the necessary improvements, even with the subsidy built into the scheme.

They are the many concerns we have about how the scheme is going to operate in practice. So far these concerns are unresolved. We look forward to the government's responding to them during the course of the debate. If they cannot be resolved, we urge the government to think very carefully before it proceeds to put this bill into operation.

Mr CRISP (Mildura) — I rise to speak on the Victorian Energy Efficiency Target Bill. The Nationals do not oppose the bill but have moved an amendment to enable the disallowance of the regulations by either house.

The bill will establish a system to promote the reduction of greenhouse gas emissions. In looking at that I will also look at some of the emissions targets that are around. The purpose of the bill is to promote the reduction of greenhouse gas emissions by establishing the VEET (Victorian energy efficiency target) scheme, which provides for the creation and acquisition of energy efficiency certificates and requires the surrender of energy efficiency certificates by retailers. It also aims to encourage investment, employment and the development of technology in industries that supply goods or services which reduce the use of electricity and gas by consumers.

The VEET scheme is about preparing our economy for a carbon-constrained future. It aims to push government, businesses and households to reduce their greenhouse gas emissions, with an overall target of reducing these emissions by 60 per cent compared to 2000 levels by 2050. The scheme will place an obligation on energy retailers to meet specific energy conservation targets, and they will be obliged to help householders cut their power bills through such measures as the purchase or installation of energy-efficient appliances and products in order to modify their homes and make them more energy efficient.

The bill refers to a number of acts, including the Financial Management Act 1994, the Essential Services Commission Act 2001 and the Interpretation of Legislation Act 1994.

I now move to the details of how this is going to work. Certificates can be created for prescribed activities that result in the reduction in greenhouse gas emissions, such as the purchase or installation of energy-efficient appliances or the making of structural changes to buildings. The value of a certificate will be determined by regulations. Certificates can only be created by persons accredited to do so by the Essential Services Commission. The VEET will be 2.7 million tonnes of CO₂ equivalent for each of the three years commencing from 1 January 2009. Future targets will be set by regulation. The scheme is designed to expire at the end of December 2029.

Energy retailers with 5000 or more customers will have set annual targets proportional to the energy they sell. They will be required to acquire energy efficiency certificates and surrender the targeted amounts to the ESC each year. Failure to meet the targets will result in fines determined by the prescribed shortfall penalty rate.

Accredited persons can create certificates. An accredited person may be an energy retailer or an entrepreneur. They will, for example, offer a rebate or discount to a customer to undertake a prescribed activity in return for the certificate to be assigned to the accredited person. Certificates will be traded so that the energy retailer ends up with the number of certificates required. Excess certificates will be able to be banked for up to six years, but no debt will be allowed. That is how it will work.

It is useful to discuss some of the broader issues that might be considered when looking at the regulations. There are three main forms of emissions trading. There is cap and trade, the simplest system, in which a cap is placed on emissions and sources are allowed to trade among themselves. It has the advantage of limiting emissions, but the price is dictated by market forces. This is also a ceiling system, meaning that a ceiling has been placed on the total emissions allowed that is not influenced by a growing market. This is the preferred system of most businesses and governments and the preferred option of the Business Council of Australia, according to some recent documents. Then there is the baseline and credit system. This is a system whereby polluters that reduce emissions below certain levels can produce credits and sell them for a profit. This system would encourage polluters to reduce their emissions. There is also a hybrid system, which is an effort to offset the disadvantages of those systems by blending the two types together.

Emissions trading can be categorised in terms of who is trading. There is the upstream system, where producers

and importers of energy are required to hold certificates or credits. There is the midstream system, where energy traders — the middle men — are required to hold certificates and can therefore trade them. Then there is the downstream system, where users of energy can trade emissions — for example, householders can hold certificates — which is what is being proposed. There are also different methods of initiating a system — grandfathering, auctioning or using the system that is currently in place.

Elsewhere in the world, everybody is getting into carbon trading. The world leaders in emissions trading are Europe and the United States of America. The United States currently has a trading system for pollutants other than carbon dioxide, such as sulphur dioxide, which is the pollutant that causes acid rain. A system that incorporates other volatile compounds is also in effect in the United States. The European Union has the largest greenhouse gas emissions trading system in the world. It was developed in conjunction with the Kyoto protocol. When it comes to other states in Australia, New South Wales is setting up a greenhouse gas abatement scheme which issues certificates and which has aided in the rollout of energy-efficient light bulbs.

Some environmental groups dislike emissions trading because it makes pollution a commodity. Some groups have gone as far as purchasing credits and then refusing to sell them. We will need to be careful that green groups do not enter the market and hold those certificates in Australia. There are also offset credits, which is another system. The proposed system would include offset credits and these credits can be earned by offsetting the carbon emissions produced. This may have problems in monitoring and assessment, depending on what the available offset is, and this is where this legislation is obviously path finding because it is going to lead into other areas of carbon offsetting with forms other than these certificates. We have a long way to go.

Certainly on this level we have to be extremely careful in Victoria to make sure our legislation meshes with other states and with the globe. Otherwise, if it is extended beyond residential to business, which I am sure is the plan, we may well find that border hopping occurs or that we will be back trying to change our scheme to be consistent nationally and internationally. This is important for those who frame the regulations to look widely beyond Victoria's border to make sure we are not setting ourselves up to be doing extensive amendments into the future and undoing something that is not going to work for us.

There are some other issues too, and this is a measure for residential users. We know that you can get these efficiency certificates for more efficient appliances, insulation and double glazing. These will be assessed by persons to be accredited to issue these certificates. How will these persons be accredited and how will they operate in the market? It is always a concern out there, particularly with a new commodity that is being created, that people will set themselves up. What will they charge if they are independent of the energy retailers? Will they charge people to issue certificates? In establishing the framework we need to be aware of that.

The Nationals are also concerned about how this will affect those in the community who are most vulnerable. The aim of this exercise, from our briefings, is to be cost neutral and demand suppressing, thus preventing rises in power prices. However, the Victorian east coast power grid has a fixed baseload generating capacity and growing demand from population growth. We are told that Victoria is growing at a rate of 1000 people a week. That growth will put any savings generated under this scheme under pressure. Initially it was hoped it would lower the demand and therefore take away some of the high-cost peak power generation that is necessary to allow retailers to offer these incentives. I think that will only be short lived, particularly as we use up our spinning capacity within our generation. The savings will be eroded. Our spinning capacity is only limited, and that is being dearly tested at this moment with the problems in the Latrobe River in the Latrobe Valley. The hot days are very demanding and any reduction in generation anywhere on the east coast on a hot day is of great concern.

Energy is now a basic in our life, and those whom we should care most about will not be able to afford the efficient appliances or the building works to offset any rises in energy. The UK scheme is worth considering in this area, where the scheme has a weighting for the vulnerable. When your fridge breaks down — and this will segregate the market — the efficient fridges will be more expensive; the less efficient will be cheaper. Someone who is not well off in our community will be tempted to buy the less efficient fridge and will never pick up those certificates. There is also a concern that if your efficient fridge has gone and you buy a cheaper, less efficient one, how will that impact on the system? You will have a negative certificate or negative purchase occurring. We are going to have to consider this. Many of the state's vulnerable live in rural and regional Victoria, so we have concerns over the effect that that will have on our country constituents.

We also have a concern about the investment in renewable energies, particularly for off-peak power. There are a lot of renewables going in that chase and require a higher cost for peak power and a higher cost for green power. With those being considered to augment base power, if we move the baseload down will that cause some of the investment to pause? If we pause that investment and leave the market to catch up, will we be caught in the far more difficult situation of being short of power?

I cannot go past an energy-efficient scheme without looking at what we are hoping to save when we go off to country Victoria and pump 75 gegalitres of water over the mountains with a considerable greenhouse gas effect. I note that even in this house today the Premier went to great lengths to explain, and so did the water minister, that there would be renewables used in the desalination plant. We hear no talk of renewables being used to pump the water over the mountains. Much of this work will be lost almost immediately by the pumping costs of Melbourne's water. Can we find the green energy to offset Melbourne's water, not can we do without that water in the country? We cannot. This is a doomed scheme that is bad for energy, bad for environment, bad for water and bad for country Victoria. It should be rejected and Melbourne should go back to seeking its water from ways where it came from — stormwater or recycling — and there are sources of efficiency in Melbourne to do this.

Similarly I would like to touch for a brief period on biofuels. Biofuels are another way of reducing our CO₂. The biofuels industry, too, is now struggling for some legs. If Victoria is serious about reducing its CO₂ then perhaps this scheme can look across at the biofuels industry; maybe it is applicable there to give biofuels a leg up. At present biofuels are struggling with the ethanol plant — a major employer in country Victoria — going on hold and biodiesel is being provided by our small country producers without a great deal of volume. If we are serious about the environment, we have to get serious about how we are going to get out of the biofuels conundrum. I am aware that there is an inquiry running regarding advice to government on that issue, but if this renewable certificate is good and if the government is genuine about CO₂ trading, perhaps this model should be considered for biofuels.

I now move on to the amendment we have put up and the reasons for it. To allow regulation to occur beyond parliamentary scrutiny is a huge risk. For example, despite two years of planning, the unbundling of water rights has turned into an absolute fiasco under regulations. If those regulations could have been

disallowed in this house, we could have got on and tidied up what has become an absolute mess in the country and what is driving water users to distraction.

Having learnt that, clause 75 is of great concern to us. Although regulations can be reviewed, it is not the same as having them disallowed by the house. The bill aims to have the regulations completed in one year, and yet, as I said, two years of work on unbundling water rights has turned into a mess. If we start to get these regulations wrong, I believe that the only way we can correct them is to have that accountability within the house to correct any problems that occur. Again, if we get out of sync with our regulations and with what is happening either with other states or nationally or internationally, then we need to ensure that we can come back and overcome the bureaucratic inertia, because if we do not keep up to date, our economy will suffer.

We need to be working together for the best system, not only for Victoria but for the nation, and it can only happen effectively with that parliamentary oversight. As I said, we cannot afford other fiascos. Also, we cannot afford a lengthy dispute with the commonwealth if we are out of sync with our regulations.

We have had problems with the national water plan. We are trying to move forward with the commonwealth and the states to address a difficult issue, but it has got bogged down in argument after argument. We need a way to resolve that, and if those regulations put us on a collision course with other governments, we need to make sure that we can resolve that and resolve it effectively within the house. That is the reason for the amendment. We will be pursuing that, and we think it is of vital importance for us to raise it.

We have here a sound principle that the Victorian government has set up to begin our path to a carbon-constrained economy. However, we must make sure that, every step of the way with a carbon-constrained economy, we do not harm our economy. This must work as a positive for everybody. With that moving forward and with the knowledge that we have to manage this carbon-constrained economy, we must make sure that those regulations are sound.

Our amendment will strengthen the bill, and it will allow the house to correct poor regulation or bureaucratic inertia. We are just at the beginning, and we will need to work through this. We have these concerns about this bill, but given our proposed amendment, The Nationals will be commending the bill to the house, but we will be giving the issue great scrutiny within the house because of the risks and the

downside — that is, that carbon trading will not only harm our economy but will harm country people. That being said, we are not opposing the bill.

Sitting suspended 6.29 p.m. until 8.02 p.m.

Mr HARDMAN (Seymour) — I rise to contribute to debate on the Victorian Energy Efficiency Target Bill 2007. I am very proud to speak on this bill, which is another example of the Brumby government's commitment to reducing the effects of greenhouse gases and to addressing climate change and the effect it has on our country and, of course, the world. It is an important piece of legislation, and it goes towards implementing the Victorian government's election commitment to reducing greenhouse gas emissions.

The bill promotes the reduction of greenhouse gas emissions by establishing the Victorian energy efficiency target scheme, and it confers scheme administrative functions on the Essential Services Commission. The bill provides for the creation and acquisition of energy efficiency certificates, and it also requires the surrender of energy efficiency certificates. It recognises that over a third of Victoria's energy use actually occurs in the home, and it provides the opportunity to reduce householders' energy bills and cut greenhouse gas emissions at the same time, which is a great policy.

I am pleased to hear that the Liberal Party is not opposing this bill. Given the consistency of its scepticism about climate change, this is very good news. I certainly support a bipartisan approach to reducing greenhouse gases, and I look forward to the Liberal Party supporting further measures that we will take in the future.

Regarding The Nationals' proposed amendment, I am sure the minister will respond appropriately later, but The Nationals are a little confused about the Sugarloaf interconnector and Melbourne Water's aim to become carbon neutral. I suggest they read the Sugarloaf interconnect fact sheets which are available on the Our Water Our Future website. If you just type that into a search engine, it will pop up, and it will tell you exactly what we are doing in Victoria to make sure that the Sugarloaf interconnector project is carbon neutral.

This bill will see average households save \$45 a year when they participate in this scheme. We live in a time when costs are very high, and they are rising all the time, so that cost saving is good for families, it is good for the environment, and it is good for our economy, because what it actually does is give people a little bit

back so that they can help pay other bills and spend money on other things as well, which is great.

The bill recognises that reducing household energy use is the quickest and cheapest way of reducing greenhouse gas emissions in the short term. I also think people really want to feel empowered and feel that they, too, can be a part of the world's efforts to reduce greenhouse gases. This bill provides people with that knowledge and with the incentive to actually go out there and do their bit, which is what we really have to be about. There are a lot of people out there who want to save on greenhouse gas emissions, but by the same token they also need to work within their own financial constraints.

The Victorian energy efficiency target scheme strengthens the Brumby government's response to climate change. Actions it has already taken include using clean coal technologies, increasing the use of renewable energy and, importantly, generating renewable energy. The Victorian renewable energy target has helped to support that response, and we are also supporting a national emissions trading scheme.

The first phase of the scheme will save 8.1 million tonnes of greenhouse gas, which is the equivalent of making around 675 000 households carbon neutral for a year. The Brumby government is leading the way with this legislation. This is the first Australian state to introduce laws to create a mandatory efficiency target. I think that is a great policy from our government, and I know that the other states will follow suit. I know that even the federal government, whichever way the election goes, will also come to the table — albeit kicking and screaming in the Liberal Party's case. It will have to do it because people now understand the importance of climate change and its effect on our economy.

I now want to talk about how this scheme will work. Electricity and gas retailers will provide incentives to Victorian households for undertaking energy efficiency improvements such as installing energy-efficient lighting and appliances, and the installation of ceiling insulation. The Victorian renewable energy target scheme, which will create 2200 jobs — which were threatened by the Liberal Party, whose policy at the last election was to abolish the scheme — will also create new jobs in the energy services industry. It will do that by creating a market for energy auditing and sale, and also a market for the installation of energy-efficient products.

Other programs the Brumby government is implementing at the moment include the \$14 million

rebate program for installing insulation and replacing old fridges, heaters and coolers with energy-efficient models, and a \$2 million fund to retrofit public housing estates with energy-efficient products as well. Many of the people in our public housing estates, of course, are in financial strife, and that is one of the reasons they need to be in those housing estates, so this program will help reduce their bills. It will be good for them, but it will also be good for the environment. In the Seymour neighbourhood renewal project we actually had people going out and doing the retrofitting of houses as part of a workplace program. That created jobs and a bit of pride for the people who really needed that work.

The government is also going to continue the black balloons energy saving campaign to encourage energy conservation. That has been a very successful program, and from what I can gather it has been taken up by other jurisdictions around the country. I congratulate the people who thought up that particular scheme.

I would like to conclude by wishing the Victorian Energy Efficiency Target Bill 2007 a speedy passage and noting that it will make a big difference to Victoria and Australia in the future.

Dr NAPHTHINE (South-West Coast) — I rise to speak on the Victorian Energy Efficiency Target Bill. The bill purports to promote the reduction of greenhouse gas emissions by establishing the Victorian energy efficiency target scheme. This scheme creates energy efficiency certificates and seeks to encourage households and businesses to purchase energy-efficient appliances and hence reduce greenhouse gases. What it also does is force energy prices to go up for households, whether it be gas or electricity, to fund the scheme. It is a laudable aim but I am concerned about the complex administration and bureaucracy — the so-called green tape — which will mean that the scheme is more about show than go. While the Liberal opposition is not opposing this legislation, it does have a number of concerns about the proposal.

Initially the Liberal Party is concerned that this proposal could cut across the operation of national emissions trading schemes. At a time of dealing with climate change and a reduction in greenhouse gas emissions it is absolutely essential that we have a simple, effective, national approach and not a range of state and territory-based schemes where various state and territory governments are trying to see who can appear to be doing the most, even if they are not actually achieving anything, and trying to make some political points rather than actually delivering on a national basis to significantly reduce greenhouse gas emissions. I am worried that this is another start of a

process where we will see a range of differing state schemes, and we will end up with the introduction of broad gauge and standard gauge railways repeated in the 21st century.

I am also concerned that this scheme is a complex, bureaucratised, administratively difficult scheme and it will be funded by households who pay more for gas and electricity. When somebody independently analyses whether it is a cost-effective scheme in terms of getting the maximum reduction of greenhouse gases for the dollars involved, which are provided by the community and consumers, they will see it will not be the most efficient way to go forward. Therefore I express concern. We need to make sure, when we look at addressing climate change and reducing greenhouse gas emissions, that we use the most cost-efficient methods possible to achieve that aim to ensure that we do not put lead in the saddlebags of our economy and potentially cost investments and jobs.

We understand the need to reduce greenhouse gases but it must be done in a cost-effective way. That is why I would argue that a national approach with nationally consistent schemes targeting processes that are about delivering real outcomes in the most effective and cost-efficient way is the way we should go forward, rather than having a range of schemes at various state and territory levels that are more about politics than about producing reductions in greenhouse gases.

This government unfortunately has a track record of a multitude of promises and spin on greenhouse but a failure to deliver. We have had announcements, stunts, rhetoric and taxpayer-funded advertising, but when we look at the actual performance of this government on key issues to do with greenhouse we can see it has been lamentable.

Let us take an example in the electorate of South-West Coast, which is my backyard, where Victoria's only working geothermal energy system was closed down by the state Labor government in mid-2006. The Portland Henty Park bore and geothermal scheme has provided Portland with geothermal, natural, greenhouse-free energy for 25 years. The bore takes water from the Dilwyn aquifer, which is 1400 metres below ground. The water comes out under pressure at 57 to 60 degrees Centigrade, and it is the water that is used to supply the drinking water and the water supplies for Portland and district.

I must say as an aside that the water has natural levels of fluoride, which also provides good dental protection for the people of Portland. That is excellent, because we support the fluoridation of our water supplies.

Mr Batchelor interjected.

Dr NAPHTHINE — I strongly support the fluoridation of our water supplies.

Mr Batchelor interjected.

Dr NAPHTHINE — Yes, we do, and the Liberal Party does. This water comes out at 57 to 60 degrees Celsius. Through the geothermal energy scheme that had been in place for 25 years the water was used to heat the civic centre, the aquatic centre, the Richmond Henty Hotel Motel, the Fawthrop community centre, the State Emergency Service headquarters, the police station, the CEMA Arts Centre, the municipal offices and hospitals. It was an absolutely excellent scheme which was shut down by the state Labor government. Sinclair Knight Merz said the scheme:

... is a flagship for alternative energy use in Victoria —

with —

... huge potential for expanding and further using geothermal resources in Portland ...

The Labor government shut this geothermal scheme down, contrary to all its rhetoric about alternative energy. When the community called for the bore to be reopened there were studies done by Sinclair Knight Merz that said that a new bore with a 50-year life span would cost \$1.4 million, including an annualised capital cost of \$28 000 a year, but would provide annual savings of more than \$300 000. It would be an absolutely fantastic scheme to be involved in if the government were genuinely committed to alternative energy and reducing greenhouse gases. But this government is more interested in rhetoric than action.

Let us look at some more rhetoric. As the Minister for Roads and Ports said, he is more interested in spin than substance, and I thank the minister for his acknowledgement. He used to be the spin king in the Premier's office. In the election campaign of November 2006 the then Premier, the then Deputy Premier and Minister Theophanous from the other place visited the South-West Coast electorate. The local candidate said with respect to jobs in the wind energy industry:

I want to make sure these workers keep their jobs, and I want to make sure that their jobs are secure for years to come.

What do we now find? Less than 12 months later 130 jobs have gone from Vestas, the factory that produces wind blades. In November last year the state Labor Party said, 'Vote Labor and your jobs will be secure'. Less than 12 months later those jobs have gone. Vestas has closed down because voters trusted

the word of the state Labor Party on wind energy. It is absolutely disgraceful.

Minister Theophanous is reported in the *Warrnambool Standard* as saying 'Under the Bracks government south-west Victoria would become an energy hub'. I agree with him: it should be an energy hub. Twelve months later we have had the closure of the geothermal facility and the closure of Vestas when the region should be an energy hub. It is another broken promise of the Labor Party.

There are wind energy constructions at Yambuk, Codrington, Macarthur and Portland, and Keppel Prince is building wind towers. Unfortunately the blade factory is gone. There was the potential to develop a geothermal industry; the facility was closed down by Labor but should be reopened. There is the potential to develop wave energy and tidal energy, and there is the potential to demonstrate, in Portland and in Warrnambool in south-west Victoria, which are on the southern tip of mainland Australia, how effective solar energy is.

The Labor Party said it would make the south-west the wind energy capital, but nothing has been delivered 12 months later. Only recently a proposal to build a model energy-efficient house and garden in Portland had the rug pulled from under it through the lack of support, lack of funding and lack of commitment of the Brumby Labor government. The Brumby government makes promises in election campaigns, like the one to make the south-west an energy hub, but fails to deliver. That is the real concern about this government with respect to greenhouse gases. There is plenty of spin and plenty of hot air but little or no substance. I am concerned that this legislation is a repeat of the same approach.

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

Mr HERBERT (Eltham) — It gives me great pleasure to support this legislation. I will comment on the contribution of the member for South-West Coast. Whilst I am pleased to see him supporting the legislation, I must say it is a bit hard to hear that sort of carping criticism from a member of a party that supports having dirty nuclear power in this state and wants to get rid of the Victorian renewable energy target (VRET) scheme. The opposition cannot have its cake and eat it too. Either it wants to be environmentally conscious and take action to get rid of greenhouse gases or it wants to continue to do what it has been doing and support nuclear power and the

abolition of the VRET. Otherwise it is absolute hypocrisy.

This is an important piece of legislation which will undoubtedly promote reductions in greenhouse gas emissions. The central core is the establishment of the Victorian energy efficiency target scheme. As other speakers have said, this scheme seeks to promote activities that reduce the greenhouse gases emitted from electricity and gas consumption and encourage investment in energy saving services and technology.

Basically consumers who save energy will obtain energy efficiency certificates, which can then be sold to retailers, who will be required to surrender a certain number of certificates to the Essential Services Commission each year. In essence the scheme provides an incentive for entrepreneurial energy service providers to enter the market and provide cost-effective solutions for energy use or make energy use less emission intensive. It is a great scheme. The first phase of the scheme will result in savings of 8.1 million tonnes of CO₂, which is a massive amount. It is probably one of the largest emission-reduction initiatives that we have seen in this state or the rest of the country.

Importantly this initiative will work alongside a whole suite of incentives that this government has put in place to achieve our target of a 10 per cent reduction in household emissions by 2010. We were the first state to do that. It is based on a substantial, straight-out-there 2006 election commitment to reduce those emissions by 2010, and we are making it happen through this legislation. We are also making it happen through a whole gamut of supporting initiatives, like the \$1500 solar hot water heater rebate, the \$14 million new energy efficiency rebate, the minimum energy performance standards for appliances, the 5-star standard for new homes, the rollout of advanced interval meters, the retrofitting of public housing estates, the amendments to the feed-in tariffs, the black balloon energy campaign and the clean coal technology initiatives. There is a range of ongoing initiatives that represent a positive, solid commitment by this government to reduce greenhouse gas emissions.

I will not say a huge amount about the detail of the legislation, because that has been covered, but I say to members that this is a substantial piece of legislation that is one of a suite of initiatives that this government has undertaken — but it is not the be-all and end-all. Those opposite seem to think that this is all the government is going to do. Of course the government is going to do more. There are a lot of other initiatives that can be undertaken. I would like to see a number of

initiatives being investigated — anything from fuel-efficient tyre labelling — —

Dr Sykes interjected.

Mr HERBERT — The opposition makes a good point. If the member cared to go to the parliamentary library, he would see a report I put in which has a range of recommendations on how we can improve environmental outcomes for the state. Some of the initiatives I would like to see include encouraging the use of smaller and more efficient cars in the central business district through variable parking charges based on car size; incorporating solar power generation into new buildings; regulating stand-by power, which is a huge issue right around the world in terms of the number of appliances that have stand-by; and the labelling of fuel-efficient tyres to save energy.

There is a host of measures, and this government has implemented a huge number of them. We continue to investigate, and we are playing our part in the global quest to reduce greenhouse gas emissions. We have targets, we have schemes and we have funded initiatives, and this is another one of those. I commend the legislation to the house, and I hope it is speedily passed.

Mr NORTHE (Morwell) — It gives me great pleasure to speak on the Victorian Energy Efficiency Target Bill 2007. The member for Mildura has an amendment to move on this particular bill, which says:

Clause 75, page 59, after line 24 insert —

“(3) The regulations are subject to disallowance by a House of the Parliament.”.

In his contribution the member for Mildura made reference to the unbundling of water legislation — and we have seen various issues unfortunately occur with regard to that particular piece of legislation. Particular aspects of that are really hurting the regional and rural communities.

The purpose of the bill is to promote the reduction of greenhouse gas emissions by establishing the VEET (Victorian energy efficiency target) scheme, which provides for the creation and acquisition of energy efficiency certificates and requires the surrender of energy efficiency certificates at the same time.

It is important that we have a look at the current demand for energy throughout Victoria. Energy baseload is increasing by somewhere in the vicinity of 2 per cent each year, and peak load is increasing by 3 per cent each year. It is pretty important that we recognise those facts. We really need to have a look at

reducing our demand for electricity, or reducing our energy requirements. Today during question time in an answer he gave to the Leader of The Nationals the Premier in some way responded to the question of the energy that would be required to operate the proposed desalination plant at Wonthaggi. While the Premier said that 100 megawatts of energy would be required to operate that plant, it beggars belief that the government will be able to do this through carbon neutral offsets, to which the Premier alluded.

We also have major projects such as the proposed — and I emphasise ‘proposed’ — north–south pipeline and the goldfields super-pipe and the energy required to operate them. It beggars belief that we are talking about a piece of legislation through which we are hoping to reduce the level of carbon dioxide emitted into the atmosphere at the same time as we are coming up with major projects which will only increase the amount of electricity required throughout Victoria. As the Leader of The Nationals said in his question today, Professor Hart believes the price of energy will double or triple over the next few years. I think that is a relevant aspect of this bill. The second-reading speech refers to the bill’s intention to keep the cost of energy down, but The Nationals have a great deal of concern that that will not be the case. I will refer to that later in my address.

As we know, brown coal currently fuels approximately 85 per cent of Victoria’s energy requirements. We know that we need to look at clean coal technology and so forth. I am sure that all levels of government are looking at ways of improving clean coal technology. We are all together in that respect. I have doubts about whether the bill will achieve some of the goals it sets. As an example, if someone replaces an old fridge with an energy-efficient fridge, but then goes on to install an air conditioner, that may not be so energy efficient after all. He may very well receive a certificate, but at the end of the day will we have the projected outcome? I think not, so I believe we have to look at the types of initiatives that are raised in the bill.

Certainly The Nationals are saying that we should encourage households to convert to using more energy-efficient appliances — there is no doubt about that — but at some stage we would like businesses to be looked at as well. An example would be giving, say, a laundromat, which may consume significant energy in its operation, the opportunity to participate in these types of initiatives.

As I mentioned, I certainly support all forms of government moving towards clean coal technology. Just last week we had the opportunity to have a look at the mechanical thermal expression lignite dewatering

pilot plant down in Latrobe Valley. That demonstration plant not only dewateres the coal and produces a reduction in carbon dioxide emissions but also involves a reduction in the amount of water required to produce energy. These are the types of initiatives we need to look at, and we would like to see them come to fruition on a larger scale.

A recent event demonstrated the delicate situation we are in regarding energy supplies in Victoria — namely, the landslip down at TRUenergy’s Yallourn plant, where energy output was reduced quite significantly. We are hanging by a thread in terms of our energy demands. It is important that we embrace initiatives such as this bill and support the notion that households and businesses should be looking to use more energy-efficient appliances et cetera. It is important that governments recognise that and offer incentives in this respect. The example of the landslip is just one way of demonstrating that.

I referred earlier to the second-reading speech, to the cost of energy and where this will lead. We have certainly seen in recent times the power generators having to go to the market to purchase water. We know this is quite a big impost upon those energy producers and, in turn, that cost will flow down to consumers. We have to be very careful, not only through this particular bill that might be demonstrating ways of reducing costs, to understand that energy producers going to the market to purchase their water in one form or another will have implications for consumers at the end of the chain. The member for South-West Coast spoke about a national approach to this, and I think that is really important.

We have heard the government at various times spreek the wares of having competition. I think it is important that we have a number of retailers now who are able to participate in competition, but we are concerned about the regulations that encompass those retailers through this piece of legislation. What are the implications for them? Are they going to be overburdened by the regulations that come with this? That is certainly a concern of The Nationals.

As I mentioned earlier in my address, obviously homes is one aspect of it. How much difference will having homes embrace this particular legislation? What difference will it make to the end of day? Will it be cost effective? We have our doubts about that. It would be nice to see somewhere along the line — and I know this is only a first step — businesses being involved in these types of processes and be able to participate in this as well.

We have concerns, as I said, about the retailers and the burden being imposed on them through this legislation. That is why The Nationals have proposed the amendment to the bill. We think it is important that this should be subject to a disallowance by a house of this Parliament. Through the experience of unbundling of water and issues surrounding that we feel strongly that this bill should be subject to conditions that would allow a disallowance by this house. We feel it is really important to the community of Victoria and in particular regional Victoria. As a consequence, I hope other parties support the amendment.

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

Mr CRUTCHFIELD (South Barwon) — I rise to speak on the Victorian Energy Efficiency Target Bill 2007. I am certainly enthused about speaking in support of this bill. It has been a particularly topical issue. I know that a few members of the house were at the Victorian Employers Chamber of Commerce and Industry (VECCI) conference last week at Parliament House. Climate change and its effects on communities, government and businesses was front and centre at that conference when VECCI was arguing that the policy-makers — certainly all and sundry in this place and others like it — need to take a leadership role in respect of that.

If people have been keeping an eye on the papers in the last two days, global warming has been front and centre. Yesterday the *Age* talked about global warming, and I will quote from that shortly. The genesis of this bill was in a 2004 position paper when we looked at the greenhouse challenge for our energy sector.

That position paper set out the Victorian government's strategy with respect to reducing greenhouse emissions from the stationary energy sector. That paper, way back in 2004, included a proposal for a national emissions trading scheme. The minister at the table, the Minister for Roads and Ports, when he was chief of staff to the former Premier, is well aware that Premier Bracks took a leadership role in advocating quite strongly for a state-based emissions scheme in the gap that was left by the current federal government. How things have changed!

It also included support for low emissions technologies and also a strong renewable energy target — VRET, as we are well aware — and finally, where this bill comes from, enhanced energy efficiencies. The genesis of this is not just something that came up in the 2000 election campaign. There has been a significant body of work,

both from a policy perspective and from a political perspective, to get to this point.

I noted with some degree of glee that the two new members of The Nationals have certainly spoken in support. They still have not mentioned that climate change is manmade; perhaps we will get to that at some particular stage, but they are certainly not as brown or as in denial as the Deputy Prime Minister has been. He has recently made statements, denying that man has an influence on climate change, so it is encouraging to hear some members of The Nationals who clearly have not had that environmental lobotomy that the Deputy Prime Minister has had and that other parties in this particular house will acknowledge that climate change is front and centre. We are contributing to it as a problem. We need to acknowledge it as a problem, but by acknowledging it as a problem, we are also acknowledging that there is a solution, and we are certainly part of that.

To focus members' attention on the *Age* article of 19 November, it says:

Backed by representatives from 130 countries, the fourth and final report of the intergovernmental panel on climate change found the evidence for man-made climate change over the past century was 'unequivocal', including effects that could be 'abrupt or irreversible'.

The last paragraph talks about launching the report in Spain:

UN Secretary-General Ban Ki-moon said the world's scientists had spoken with one voice —

absolutely one voice! —

and I expect the world's policy makers to do the same.

Certainly that is instructive in the environment of the current federal election. In terms of climate change policies, there is certainly a stark difference between the policies of the federal Nationals and the federal Labor Party.

I want to focus the attention of members on an article in today's *Age*, in which comments were made by a leading opposition shadow minister. It is not hard to work out that it would not be anyone in this state, because there is no opposition individual in this place who has acknowledged clearly or articulated a strong view that we are contributing to climate change as a nation and as a people; it is not just some momentary natural occurrence, it is in fact our doing.

This particular leader said he wished the Australian government had ratified the Kyoto protocol, that nuclear power was not a realistic option for the nation

and that we should be focusing more on solar power. Clearly those comments were not made by anyone in this chamber but by the New South Wales Liberal Party leader, Peter Debnam. There has been some significant publicity of his comments in the national press, which certainly highlight the current federal government's lack of effort in acknowledging and dealing with climate change.

The other instructive point I would like to bring to the house's attention is in a book that most members would have received from the Climate Group. In it there is a letter from Tim Flannery, Australian of the Year; it appears he has the support of the current environment minister, but we might leave that one alone for another time.

Honourable members interjecting.

Mr CRUTCHFIELD — I will not mention that! If I can quote from this book, and hopefully members opposite have it and will again — —

Dr Sykes — Yes.

Mr CRUTCHFIELD — You have?

Dr Sykes — Yes, we have. We've read it from cover to cover.

Mr CRUTCHFIELD — Good. It says that the author would like to acknowledge the world-leading work of our founder members.

It goes through a list of states, of which Victoria is one. There are only about 15. The state of Victoria has been a founding member of the Climate Group. The Climate Group is off to Bali in December, as is ICLEI (International Council for Local Environment Initiatives), the group that works with local government. Victoria is acknowledged as one of the world's leaders, and certainly this particular book acknowledges that, in terms of climate change policy from a policy perspective. That is acknowledged on a more cerebral level than some of the interjectors from the other side of the house could ever enunciate.

We should take some pride in how far we have come in this state, certainly under the Bracks and Brumby governments. We should take some pride about where we are going. The work has not finished in respect of climate change policy initiatives, but it is again instructive — and it should be more than instructive to members opposite — that we have taken the lead. We should have done so, and individual communities and businesses deserve their support and their enunciation of the fact that climate change is induced by man. By

doing that, we actually then acknowledge there are solutions that can be found, and certainly the Victorian Energy Efficiency Target Bill is part of that solution.

Once again, I welcome this bill. It is about conserving energy and making energy-efficient choices for our consumers. Unlike some members of this house, who see a tree and want to chop it down, see a bird and want to shoot it, or see water and want to allocate it, I know other members, particularly in the Liberal Party, are acknowledging that climate change is real. We are part of those solutions. We are leading the world in policy initiatives, and this bill is part of that. I certainly endorse this particular piece of work.

Dr SYKES (Benalla) — It gives me pleasure to rise and speak on behalf of The Nationals on the Victorian Energy Efficiency Target Bill. I understand the previous speaker, the member for Barwon — who talked about the view that if it stands still, you chop it down, and if it moves, you shoot it — last week performed very well in the politicians clay target shoot, obtaining a score of 20 out of 20, so that suggests he shoots a few things that are on the move!

The purpose of this bill is to establish a system which will require energy retailers to acquire and surrender energy efficiency certificates. This is intended to promote the reduction of greenhouse gas emissions. My reading and assessment of the bill is that we appear to have a complex solution to a complex problem. Can I put it to those who have come up with this complex solution that if that is the best they can do, then they do not have their minds around the subject, because people who have their minds around the subject come up with simple solutions for complex problems. I would very much appreciate the Minister for Energy and Resources, in his summing up of the bill, explaining how it works and, in particular, who pays for it.

My interpretation and my analysis of the bill is that at the end of the day it is the consumer who pays. In my electorate, which has the poorest 10 per cent of the population in the state, over 35 per cent of our households are on incomes of below \$25 000 a year. I say to the minister and to the government that if this whoopy-do scheme is going to involve those impoverished people paying for their harebrained idea, which is going to involve massive bureaucratic management costs, then whom do they stand up for? Do they really speak for the Aussie battler as they purport to do, or are they just the masters of developing a bureaucracy built upon a bureaucracy and reams of red tape built upon reams of red tape?

The second question that I would ask the minister — and he is obviously paying attention as he turns his back on you, Acting Speaker — is who has worked out the impact of this proposed legislation on a much-publicised and much-supported renewable energy project at Bogong, just up the valley from Mount Beauty? We heard today the minister, or I think it was actually the Premier, speaking in glowing terms of having made a visit to the Bogong hydro scheme, which is going to deliver substantial amounts of power — I think it is enough for 130 000 houses — from renewable energy; that is, from hydro or from water.

But my understanding of this proposal is that a basis for funding the scheme is that there will be less demand for high-peak, high-cost electricity. I would like to inform those opposite that the fundamental business principle, the basis upon which the Bogong power station has been built, is that it will not operate during normal electricity demand times, that it will switch on only when there is a peak demand. Will this bill and this wonderful scheme negate the profitability of this much-vaunted, much-publicised and highly desirable renewable energy project in the north-east of Victoria? I put that question to the minister, and I ask him to respond during the debate.

The next point I would like to raise is the government's track record. Members on this side of the house have raised it on a number of occasions, but I think it does no harm to repeat the concerns. I have worked out that those on the other side of the house work on the principle that even if you tell a lie, if you repeat it often enough a lie becomes a fact. I am going to tell you a fact or two, but I am going to repeat it often enough that it is going to be a fact. The first is that the government's track record of delivering — —

Mr Batchelor interjected.

Dr SYKES — Did I hear the minister say that we repeat lies often enough that we believe them to be facts? I thought that was what I heard.

Mr Batchelor interjected.

Dr SYKES — Sorry, my hearing aid dropped into the washing machine over the weekend, so the minister will just have to tolerate this.

Mr Batchelor interjected.

Dr SYKES — At great personal expense! The government's track record on project management is appalling. I will stick with a couple of recent examples that have been raised by previous speakers, but one is

the unbundling of water — a great idea, but the implementation has been a disgrace. The impact it has had on citizens in north-eastern Victoria in the electorate of Benalla in relation to property sales and impacts on people attempting to see a way out of the severe financial and emotional impact of the drought has been extremely significant, and this government cannot get its act together to manage what seemed to be a good idea at the time.

The second issue that has caused great consternation north of the Great Dividing Range — and I should say to the minister at the table that this issue will not go away — is the pipeline proposal. I just find unbelievable the suggestion that you can lift water out of water-stressed north-east Victoria, pump it up over the Divide and deliver it to Melbourne at an energy-neutral cost. If you add to that the fact that the water savings that are claimed to be there simply are not there, and if you add that to the fact that the major part of the so-called water savings component of this pipeline proposal is the reconfiguration of the irrigation district in northern Victoria and massive social engineering, that is going to impact on the Aussie battler, the little fella, the little bloke with his wife and family, struggling to get his kids to school each day with food in their bellies, clothes on their backs and shoes on their feet. They are the people it will impact on, and the government tells me it has the ability to manage projects when this is going to absolutely cause havoc among the people it claims to represent.

If you take into account the earlier debate today on electricity, we need to ensure there is social equity for all Victorians. As was suggested today, the equity is not there. I challenge the government to deliver on its commitment to make Victoria a great place to live, work and raise a family — for all Victoria, not just that part of Victoria serviced by the tramlines. If we move on to that, we can look at what Melburnians think about Victoria. They seem to think that water comes from a tap, milk comes from a supermarket and electricity comes from a power point. They fail to appreciate, and members on the other side of this house fail to appreciate, what the impact of proposals such as this will be for country Victorians and what is involved in ensuring that when you flip the switch electricity is available.

The proposal of the member for Mildura, who came here on the back of having led a very effective demonstration against the government in relation to the toxic dump proposal at Mildura, is to ensure that with his amendment there would be increased accountability of this government. It is a government which has declared today in question time that it is moving

towards increased accountability and increased transparency. We say to the government that if that is what it is saying, then it should deliver by supporting the amendment to be moved by the member for Mildura which incorporates the ability to disallow regulations in the event that there is a failure to deliver the desired outcomes that this legislation may be intending to promote.

That is what we seek and that is why we will support this bill. I say to the government, just in case it cannot count — I know it is very good at counting because it is a faction-based party — that it does not have the numbers in the upper house and its legislation does not always get through.

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

Mr BATCHELOR (Minister for Energy and Resources) — I would like to thank members of the chamber who have spoken on this bill tonight, and in particular I thank the members for Box Hill, Mildura, Seymour, South-West Coast, Eltham, Morwell, South Barwon and Benalla. The contributions have been many and varied, and indeed an amendment has been proposed by The Nationals. I will talk about that amendment shortly.

This government is committed to providing an efficient, secure and environmentally sustainable energy system, a system that allows consumers to get access to energy at affordable prices. That is the core of what we see as our policy objectives in working in the energy industry. Introducing the VEET (Victorian energy efficiency target) scheme will provide Victorians with a real opportunity to reduce their energy bills and also cut greenhouse gas emissions at the same time. Our modelling in fact indicates that the average household will save around \$45 a year by participating in the scheme. This is a scheme that has been put in place with the dual objectives of reducing energy bills and greenhouse gas emissions.

At the time of the final report from the United Nations Intergovernmental Panel on Climate Change you can see how important it is for communities to address this issue of climate change in a very deliberate and serious way. As I have said in other settings, this government's response to the climate change challenge is to develop a suite of initiatives that will be available for implementing in the short, medium and longer term. It is a suite of initiatives that does not try to pick winners but allows, through market-based schemes such as the national emissions trading scheme — and as VEET will be — the marketplace and those who are best placed to

make those decisions to make the most efficient and cost-effective decisions in relation to greenhouse gas abatement.

What VEET seeks to do is acknowledge that energy efficiency is, if you like, the low-hanging fruit, the easy-to-gather greenhouse gas abatement activities that are available now, and if we can encourage households to participate in the VEET scheme, we know that we can, over the life of the scheme, but also right from the very beginning of the scheme, begin to achieve those twin objectives of reducing the greenhouse gases that are being emitted into the atmosphere and also save people money by reducing unnecessary household expenditure.

As we know, the Prime Minister, John Howard, has already acknowledged that electricity prices are likely to rise following the implementation of carbon prices through a national emissions trading scheme. Our strategy, in bringing forward the legislative framework for VEET now, is to enable us to use the next calendar year to go through all the design issues around VEET, to complete the consultation process and to develop the regulatory framework to enable it to operate and start at the beginning of the following year — the beginning of 2009 — so that it is well and truly in place, it is operational and people are able to capture those benefits well in advance of the national emissions trading scheme. That is essentially what we will be doing. We will be getting householders in Victoria ready for the national emissions trading scheme through this initiative.

Victoria is the first Australian state to create a mandatory energy efficiency target which, as I said, is designed to help families reduce greenhouse gas emissions and cut their power bills. We are the first state in Australia to do it, and we are proud of it. We expect that the first phase of the scheme will save 8.1 million tonnes of greenhouse gas, which is the equivalent of making about 675 000 households carbon neutral for one year. We know that households right across the state in metropolitan Melbourne and in country Victoria are keen to do their bit in meeting that greenhouse gas challenge. We know that citizens, young and old, metropolitan and country, are keen to take action, and the VEET scheme is designed to reward them for actually taking that action.

The legislation is designed to bring about those reduced greenhouse gas emissions and also to provide a financial reward for doing that in advance of the national emissions trading scheme carbon price coming into operation. I am pleased with the level of support for this bill in the house tonight. I think it will be a

scheme which will grow in success and popularity over the years. As we have indicated, after three years it is our intention to conduct a review to make sure that the design details that we have put in place will meet the requirements of our community going forward.

Lastly, I want to talk about the proposed amendment of The Nationals. The amendment is technical and procedural and deals with parliamentary procedures. It does not address the issues of substance concerning the VEET framework. It deals with how the Parliament will and can deal with regulations which will form the operational substance of the VEET scheme. We have acknowledged in our briefings and in the Parliament tonight that this legislation is designed to establish a framework which will be underpinned by a series of regulations which will be developed during the course of this coming calendar year with the intention of providing us with sufficient time for detailed analysis, modelling and consultation.

In that context we cannot imagine a circumstance where a political party in this house or in the other place would seek to use the powers that are inherent in this proposed amendment to stop households from getting access to energy-efficient measures on the one hand and getting the financial reward that is inherent and explicit in this scheme on the other. In that context we have nothing to hide from the intent of the proposed amendment being put forward by The Nationals. In this way we are prepared to accept that provision in the consideration-in-detail stage.

I have listened to a substantial part of the debate, and many of the reasons which have been put forward by The Nationals are not relevant to this particular piece of legislation or how the VEET scheme will unfold during the course of 2008. They have been largely superfluous, because there are mechanisms in other legislation that effectively provide the same sort of check or examination of regulations. They are contained in the Subordinate Legislation Act, which provides a series of procedures which currently enable regulations to be subject to parliamentary disallowance.

The effect of this proposed amendment of The Nationals is to allow either house of the Victorian Parliament to disallow the subsequent regulations which will flow from the passage of this framework legislation. I think any party in this chamber or the other place which seeks to abuse the provision proposed by The Nationals, which we accept, by denying Victorians and individual households the opportunity to make household efficiencies and undermining the integrity of it, runs the risk of suffering the political consequences in their electorates. We have

seen politically expedient decisions being made in the other chamber which had consequences that the community had to suffer; that has happened in the past and I suspect that will happen in the future. I just hope it does not happen in relation to this proposed amendment.

In that context when The Nationals move their amendment in this chamber, we, the Labor Party, will be supporting it. I understand that the Liberal Party supports it. The real test of it, as I have said, will not be in the other place but rather if either house seeks to abuse this provision and take away from ordinary Victorians the opportunity to gain energy efficiencies, to reduce greenhouse gas emissions and to save on household expenditure. I say this because the nature of the regulations which come forward will be an integrated package. It is likely that it will be very difficult to excise part of those regulations without undermining the rest of the scheme. I flag now that we will not be tolerating that at a later stage. We are always happy to accept amendments as we are with this one, but we have had other experiences in the other place where political grandstanding and expediency have led to the undermining of legislation, the failure of its progress and the ability to bring advantages.

Item 14 on the notice paper, the Water Amendment (Critical Water Infrastructure Projects) Bill, is an important piece of legislation which has been subject to political expediency in the upper house.

Dr Sykes — Bring it on!

The DEPUTY SPEAKER — Order! The member for Benalla!

Mr BATCHELOR — It sits on the notice paper as a constant reminder — and it will remain there as a constant reminder — of the same sort of political expediency that I have been talking about in my contribution tonight.

Mr McIntosh interjected.

The DEPUTY SPEAKER — Order! The member for Kew is out of his place and out of order.

Mr BATCHELOR — With those few words I commend this bill to the house.

Motion agreed to.

Read second time.

Consideration in detail

Clauses 1 to 74 agreed to.

Clause 75

Mr CRISP (Mildura) — I move:

Clause 75, page 59, after line 24 insert —

“(3) The regulations are subject to disallowance by a House of the Parliament.”.

Mr CLARK (Box Hill) — As the Minister for Energy and Resources foreshadowed, the Liberal Party supports this amendment. We welcome the fact that the government is also supporting it. It is particularly appropriate in a case such as this, where the principal act creates a framework for a regime so much of the detail of which depends on regulation, and it should be an accepted part of the democratic framework and the exercise of the authority of this Parliament that where there is legislation that delegates so much to regulation that there is a power within the legislation for either house to disallow it. So, in all sincerity, the government and the minister have done the right thing in accepting this amendment. I think the minister can be assured that the power that is being inserted in the legislation will be exercised responsibly, because, as the minister has alluded to, any house that sought to exercise that power of disallowance would have to exercise political accountability for doing so. The amendment has our support, and the fact that the government is accepting the amendment is most welcome.

Dr SYKES (Benalla) — I would like to endorse the remarks of the member for Box Hill and in particular include my welcoming of the minister’s support of this amendment. It would appear to me that democracy is alive and well and that we have an opportunity to work together in the interests of Victorians, including country Victorians.

Amendment agreed to; amended clause agreed to; clauses 76 to 79 agreed to.

Bill agreed to with amendment.

Third reading

Motion agreed to.

Read third time.

**ROAD LEGISLATION FURTHER
AMENDMENT BILL**

Second reading

Debate resumed from 1 November; motion of Mr PALLAS (Minister for Roads and Ports).

Mr MULDER (Polwarth) — I rise to make a contribution in relation to the Road Legislation Further Amendment Bill, and in doing so I announce that the Liberal Party will move a reasoned amendment to the motion. I therefore move:

That all the words after ‘That’ be omitted with the view of inserting in their place the words ‘this house refuses to read this bill a second time until the minister —

- (a) has advised the house that he has sought assurances from other jurisdictions that the removal, from the national transport council model bill, of the reasonable steps defence for operators and drivers is consistent with the approach taken by those jurisdictions; and
- (b) provides the house with details of which organisations will be approved to access personal information under the proposed changes to section 92 of the Road Safety Act 1986; and
- (c) explains to the house what guidelines will be put in place to protect the privacy of individuals and the type of information that may be disclosed under the proposed changes to section 92 of the Road Safety Act 1986’.

The bill before the house is an omnibus bill. Due to the government’s control of the Parliament I am restricted to 30 minutes to address the issues detailed in this bill.

The bill deals with issues relating to fatigue management for drivers of certain heavy vehicles; the creation of a new offence for drivers who deliberately or recklessly enter level crossings; allowing researchers and community organisations to gain access to VicRoads records for research purposes and for reuniting missing persons and family and friends; allowing VicRoads to delay sending a demerit point suspension notice if a demerit point option notice is returned as undeliverable; enabling the implementation of a staged P-plate and learner driver licence system; clarifying a ministerial order that recognises laws of other states or territories for the purpose of determining a person’s liability for repeat drink-driving and drug-driving offences, which may include offences under laws that have been repealed or expired; amending the Chattel Securities Act to deal with the registration of security interests in motor vehicles; aligning the EastLink Project Act and the Melbourne City Link Act in relation to operator-onus tolling invoicing; amending the Road Management Act to allow for a new set of arrangements for funding and management of street lighting on arterial roads; and expanding the legal defence for road managers to include design, construction, inspection, repair and maintenance provisions of road infrastructure.

There are three major issues in the bill with which the Liberal Party has concerns. These provisions deal with the matters that relate to fatigue management for

operators of certain heavy vehicles, matters that relate to driver behaviour at level crossings and the use of VicRoads records, so I will deal with these matters in detail and, if time allows, pick up some of the other issues I outlined in matters that related to the other issues detailed in the bill.

There is a real concern about the government's moving away from the national model bill regarding fatigue management for drivers of certain heavy vehicles. We have ongoing issues in Victoria — and one of those, in relation to broad-gauge and standard-gauge lines, was commented on by the member for South West Coast. Another example is the previous bill debated in the house, with Victoria setting up energy legislation that may or may not be different from that of other states and with this government picking out of model bills what it considers to suit Victoria and moving away from what was set up as a national approach.

In the case of the bill before the house, there are two respects in which the government has not taken on board the provisions of the model bill. The model bill set a maximum of 16 work hours in a given day, while the provisions in the bill before the house reduce that to 15 hours. The other way in which the government has walked away from the model bill is that it will not allow a reasonable-steps defence for operators and drivers of heavy vehicles that are picked up by this legislation.

In our reasoned amendment we seek assurances from the minister that we will not once again find ourselves in a situation with transport legislation that differs from that of other jurisdictions. I would have thought that given the current situation across Australia, where there are Labor governments in each state, ministers would sit around a table on regular occasions to discuss these model bills and come up with some form of consistency so that we do not have transport companies torn to shreds, working overtime, trying to grapple with the issue of interstate trucks in particular, and trying to educate drivers, keep them in the industry and make sure they are comfortable with the arrangements under which they work.

Yet again we have the situation where this government seems to want to jump the gun. It has an issue about always trying to be first in Victoria. We had the same situation with the rail safety legislation, when the former transport minister decided off his own bat that he would jump the rest of the states, pick what he wanted out of the model bill and apply that to Victoria — hoping, I suppose, that other states would follow him. In Victoria this situation and these anomalies particularly relate to the transport industry.

I do not know how people who run a transport operation up on the border, who find themselves continually switching in and out of states, deal with the absurd situation that we have in some of the transport industries. I know the taxi companies that operate on the border regularly complain to me about the different regulations that apply in New South Wales and Victoria. I have had discussions with bus operators who work along the border. The hazard lights on the front and rear of coaches flash differently in each state, and the operators have to flick a switch when crossing the border from Victoria into New South Wales. You would have thought, as I said, that these issues could be sorted out so that we could have some sort of consistency across the states.

I also understand that the accreditation regime for coaches in New South Wales differs to that of Victoria. Surely the government could sit down and get some sort of consistency with this sort of legislation. It could help the transport industry and make things easier for it.

We now have a Premier who talks about cutting red tape and cutting regulation on business, yet a recent bill I spoke on put in place regulation for the accreditation of horsedrawn carriages in Victoria. Look at the bill before the house and the regulation and red tape it will involve, particularly for the smaller transport operators. The government is slowly drowning them in red tape.

Another provision in the bill talks about the Chattel Securities Act and the security register for vehicles. Once again, it has more regulation-making powers for government to deal with fees associated with that act — more fees, more regulation. You would think the government would start to back off. It almost appears that each time we have a bill of this type before the house, it puts another noose around the neck of business operators, and in this case the noose is around the neck of transport companies.

I go to a couple of clauses of the bill. Clause 191K prohibits certain contracts. It says:

- (1) A person must not enter into a contract with a driver or with a party in the chain of responsibility that the person knows, or reasonably ought to know, would have the effect of causing or permitting a driver to —
 - (a) drive while impaired by fatigue; or
 - (b) drive while in breach of the driver's work/rest hours option; or
 - (c) drive in breach of another law to avoid driving while impaired by fatigue or while in breach of the driver's work/rest hours option.

It goes on to state the penalty that would apply in such a case.

This issue is to do with subcontractors. It is a very common practice in the transport industry to subcontract out a lot of work. I am not sure what this clause is hoping to achieve. Are we looking to have subcontractors of the principal contractor offer protection to the principal contractor by entering into some form of legally binding agreement that they will abide by all the provisions in this legislation? How on earth will this affect a principal contractor who owns a business, for instance, in Colac, where I live, and employs the services of a subcontractor from Albury-Wodonga to move freight on their behalf?

As I say, it is a common practice. Just in looking at this I ask the question: how would you get a principal contractor to make a judgement call on whether or not someone in another part of the state was actually abiding by the act? I just cannot see that that is achievable. I cannot see how it could be enforced, unless there were some form of a legally binding agreement between the two parties in question. If that is going to be the case, then of course you are going to have legally binding agreements stacked up around the state. If they are going to be in place and if they are to be tied in with this legislation, are they going to end up in the hands of VicRoads, as indeed are a number of these accreditation schemes for driver hours?

Another issue I would like to pick up on in this particular bill relates to drivers being required to carry a work diary, which is provided for in proposed section 191S(1), which states:

This section applies to a driver if the driver —

- (a) is engaged in 100+ km work; or
- (b) was engaged in 100+ km work in the last 28 days ...

Proposed section 191T provides for the information that the driver must record in the work diary.

What I am querying in relation to proposed sections 191S and 191T is: what is the situation in other states? I have not picked this up in the bill. Is there a provision that says that other states will accept the diaries over and above logbooks? If other states do not have this legislation in place and have not switched over to diaries, will our operators in Victoria have to carry both a logbook and a diary until that occurs? How is this going to be dealt with? If they are required to, has any consideration been given to how this particular process will dovetail in with what takes place in other states?

I turn to proposed section 191ZS, which relates to AFM accreditation. It states:

- (1) The Corporation must decide an application for AFM accreditation as soon as practicable after the Corporation receives the application.
- (2) The Corporation may grant AFM accreditation to the operator of a regulated heavy vehicle if the corporation is satisfied that —

and then it goes through a number of conditions. The corporation we are talking about in this particular case is VicRoads. I can recall a bill in the hands of the Minister for Roads and Ports — I think it was the Accident Towing Services Bill — that said that VicRoads had a year to make a decision as to whether or not an application for a certain type of towing vehicle would be accepted. Also I recall there were issues in relation to driver accreditation and the removal of licences, whereby a licence could be removed very quickly but an application for a new licence for a driver who was replacing a driver who had been suspended took quite a deal longer. That legislation did not take into consideration normal business practice.

Given all the accredited schemes that are going to land on the doorstep of VicRoads — I imagine there could be thousands of them, given that the AFMs in particular will be taken up by the livestock transport industry — will the resources be there to process all the accreditation applications? Are there going to be audits of the accreditation processes to ensure that the operators are abiding by them? How much money will be required, what resources will be required and how many new bureaucrats will have to be employed to actually monitor, control, run, check and balance this process?

It appears to me that we have three types of work scenarios: one relates to standard hours, and two relate to the application of an accreditation process, which I would suggest is an enormous task. Given, as I say, the amount of time that VicRoads has allowed itself to deal with other administrative matters in terms of licensing and accreditation, I have some real concerns that not enough thought has been given to this and that the minister has not been provided with the resources that are required to make this work.

I will go to another section that relates to the fatigue management provisions. Proposed section 191ZZ, which relates to exemptions for emergency services, states:

- (1) A person who is acting for an emergency service and who has time-critical duties on the way to, or during, an emergency is exempted in the course of carrying out

those duties from the prescribed provisions of this act or the regulations.

- (2) A person who is returning from attending an emergency is not exempted from the prescribed provisions.

That proposed section goes on to give definitions of what emergency services are:

- (a) an ambulance service; and
- (b) an emergency auxiliary; and
- (c) a fire brigade, including a volunteer fire brigade; and
- (d) a police service or force; and
- (e) a disaster or emergency organisation of the Commonwealth or a State or Territory —

and so on. We have had representations from councils that have raised the issue of whether or not they should be considered emergency services, given that in a storm damage disaster response they could find themselves acting as emergency services in their own right. Also I would like the minister to take the following into consideration: we have a number of water carters in our area, and in the bushfire season these operators carry an awful lot of water to fire tankers. This is an integral part of firefighting emergency backup, and I would hate to think that the people who perform this work could find themselves in a position where they are penalised significantly because of their response to a bushfire emergency.

It may be something that has been overlooked, but I would suggest to the Minister for Roads and Ports that that situation be taken into consideration. It is very important, and I am sure the companies and the operators in my area that perform this vital work will take it into consideration. We often hear the government of the day and the ministers of the day talking at length about the value of the Country Fire Authority volunteers. This is a backup emergency service that supports our CFA volunteers, and it needs to be taken into consideration.

I now go to proposed section 68B, which is inserted by clause 9. Under the heading 'Deliberately or recklessly entering a level crossing when a train or tram is approaching' it states:

- (1) A driver of a vehicle must not, deliberately or recklessly, enter a level crossing if —
 - (a) warning lights (for example, twin red lights or rotating red lights) are operating or warning bells are ringing; or

(b) a gate, boom or barrier at the crossing is closed or is opening or closing; or

(c) a train or tram is on or entering the crossing; or

(d) a train or tram approaching the crossing can be seen from the crossing, or is sounding a warning, and there would be a danger of a collision with the train or tram if the driver entered the crossing —

and it goes on. I guess the issue here is whether a train or tram approaching the crossing can be seen. Does that mean that if the sight lines are not good enough and a driver could demonstrate that the sight lines were not good enough for him to have seen a train approaching, there would be some mechanism of defence? Has that already been pointed out and identified in the ALCAM (Australian level crossing assessment model) audits of level crossings here in Victoria?

I have spoken extensively on the issue of level crossing safety over a number of years, probably since I took on my former role of shadow Minister for Transport and then my current role as shadow minister for public transport and roads. The government is very slowly making ground, but the problem we face here in Victoria is that everything the government does is reactive. Everything that happens in relation to level crossing accidents in Victoria is reactive. The government was prepared to accept the single road fatalities that we had, the double fatality that we had at Trawalla and the level crossing fatalities at Winchelsea, Cressy, Buckley and elsewhere around the state.

In reality, and the minister could not deny this, it took the tragic accident on the Swan Hill rail line with its multiple fatalities — it was a catastrophic event — for the government to quickly loosen the purse strings and start to put some serious money into level crossing safety. Up to that point in time it was being dragged kicking, screaming and scratching — as though it was trying to go backwards at 100 miles an hour — because it did not want to get itself into the position of putting serious money into funding level crossing upgrades.

I was able to have a motion put in the upper house to have the Road Safety Committee look at level crossing safety across the state. I am very pleased that that got the support of the upper house. It must have been hard for the government ministers there to support a motion against the then Minister for Public Transport, because the minister indicated that it would be her department and her department alone that would carry out the investigation into level crossing safety. We have problems across the state in relation to level crossing safety. We have a vast number of level crossings that still have only passive protection. I believe there are around 1400 in Victoria, 200 of which are earmarked

for rumble strip upgrades, but that still leaves a significant number of level crossings without upgrades.

We have problems in relation to the livery of the new V/Locity trains, which are green, grey and mauve. I am not sure how they got through a safety audit and were declared safe to travel throughout country Victoria. The fact is that those trains blend in beautifully with the country landscape, and they should not. They should be prominent, and they should stand out. We have trains travelling at high speeds through level crossings. What we are trying to do is avoid the catastrophic event of a significant train crash. We still have a large number of train accidents at level crossings that have bells and flashing light protection. We have to look very closely at the speed at which those trains are travelling and the potential for them to be involved in accidents, even at level crossings that have upgrades.

We had a situation where a number of new services in country Victoria were announced — I believe there were in excess of 400 — but there was no real education program for people in country Victoria to inform them that they were going to have trains turning up in their communities that they were not expecting. People in country areas know that the milk tanker turns up at 8 o'clock, the school bus turns up at 8.30 and the school bus returns at 4 o'clock in the afternoon. But where in the hell did that train come from? None of that was taken into consideration when those new timetables and services were announced, and it should have been.

The fact that we are going to have more trucks on our roads, particularly in regional and rural areas, has to be taken into consideration in setting out an agenda to address level crossing safety. It amazes me still when, for example, I turn up at a level crossing, look around and think: why in the hell has someone not got rid of that mound of earth and cleaned up the grass at the side, both of which are restricting the view of approaching motorists? I was at Buckley Road, Buckley, about a week ago talking to farmers, who pointed out a nearby level crossing where somebody had lost their life in the last 12 months. I drove over it and took photographs of it. I have written a letter to the minister asking for it to be dealt with as a matter of urgency, but it should not be up to me to do that.

Also one of the farmers out there is facing the prospect of having a level crossing closure split his farming property in half. This is because of the cunning bounty that the government has offered to councils. It has not got the guts to do the work itself. What it is saying to councils is this: 'The first four to put up their hands to close four level crossings will receive \$50 000 each'.

There is \$200 000 being put into it. I believe the cost of closing the level crossing I looked at came out at around \$15 000. Bounties are being offered to councils, which perhaps lack funding, giving them the chance to pocket \$35 000 if they are prepared to nominate level crossings in their municipalities that they could shut down.

If this means cutting farming properties in half, and if this is the way the government is going to go about doing its business, walking away from its obligation to put serious money into upgrading level crossings, then it is lousy. This is typical politics: it is actually the way the government goes about doing business.

We have all been waiting on the outcome of the Australian level crossing assessment model audits that have been going on now for a number of years. They are supposed to be completed at the end of this year. What about the information that has been gathered up to this point about the upgrades that are required at level crossings? Why have the road authorities not been called in already? The government should not wait for the interface agreements. Surely the road authorities have obligations in terms of road safety. I have been talking to councils, and they have been waiting for this information. They say they are aware that audits have taken place in their municipalities, but they have never received the information. Maybe it will come out at the end of this year, but as I say, once again it has just taken far too long for this to occur.

There are 2267 of these crossings across the state: 1441 crossings are described as open; 462 have flashing lights; and 362 have automatic boom gates. It was interesting when the government was praising itself in relation to the work it had done on level crossings. I carried out an inspection of the Ballarat line. According to today's costings, there were three brand new level crossings at about \$500 000 a pop. One led to the back gates of the Bacchus Marsh rifle range, one led to a quarry that had been shut for 10 years and one led to a disused water treatment plant just outside Ballan. About \$1.5 million has been completely and utterly wasted at a time when we have level crossings around the state where significant accidents have occurred and people have been killed and which are still waiting for upgrades. The properties to which those level crossings lead — some of them 10 metres the other side of the line — have rusted, locked gates with grass growing through them, yet we cannot get the government to spend money in those parts of the state where we know it should be spent.

In the very short time that is available to me I will move on quickly to clause 16, which deals with the disclosure

of information by VicRoads to organisations, bodies or persons for the purposes of locating missing persons, and also for research and communication. I have real concerns about the security of the demerit point database at VicRoads and about how this information is going to be handed out, particularly to organisations that conduct research or communication work on behalf of the corporation. The thought of having my, yours or any other Victorian's personal details sitting on a server at a university or an organisation that is doing some work for the corporation is concerning.

There is nowhere near enough information in this bill to give us the assurance that this provision will not be used inappropriately. There is nothing in here that tells me that it will be dealt with on a case-by-case basis, particularly in relation to people or bodies that make application on humanitarian grounds to reunite families with missing persons. If there are bodies and organisations out there which genuinely want to track missing persons or unite families, they should be outlined in the bill. We want to know who they are. The minister and his department would know who they are right now. That information should be made available. It should be dealt with on a case-by-case basis, and there should not be open access to the demerit point database or to any other VicRoads information without the permission of the person who provided that information. A licence or registration renewal might simply involve the question: do you agree to have your information released? At this point in time that does not occur.

There are a number of other issues in this bill on which I would have loved to make a contribution, particularly the one relating to the demerit point register and the way notices are being returned undelivered. I trust that will deal with the issue of people deliberately returning a notice so they can wait until the demerit points drop off the back of their licences. I trust it does.

Mr WELLER (Rodney) — It is a privilege to speak on the Road Legislation Further Amendment Bill. Part 2 amends the Road Safety Act 1986 to include provisions dealing with fatigue management for drivers of certain heavy vehicles based on model legislation developed at the National Transport Commission for implementation throughout Australia.

When reading the bill and the second-reading speech I was disturbed to learn that it was not going to be consistent across Australia; that we in Victoria are going to be different. Victoria already has many border anomalies, and this will be another one. Why could we not get it right; why could the minister at the Australian Transport Council not convince the other ministers that

it would make sense to get something consistent right across Australia to reduce red tape and make it simpler for businesses to operate right throughout Australia?

One example we already have is the carting of hay. Here we are in a drought, when it is essential to have fodder supplied cheaply to our farms, yet we have the silly situation where, when a B-double truck with two 9-foot-wide trailers is coming to Echuca, the driver has to release one of the trailers before coming into Victoria, unload the connected trailer in Echuca, then go back and get the other trailer and come back and unload that. That is because in Victoria we can have only one 9-foot-wide trailer not two trailers, which is the B-double configuration.

The bill also introduces a new offence for drivers who deliberately or recklessly enter level crossings when warning devices are operating or a train or tram is approaching. This makes sense. The Nationals obviously support that, but we ask why in Victoria there are still 1400 crossings that have no boom gates or lights. After the Kerang accident we got the package to deal with 53 sets of lights and 200 sets of rumble strips, but we still have 1400 crossings out there that are unattended. I have written on behalf of my electorate to the minister, asking what is going to happen at the crossings in my electorate. Of the many crossings on the Toolamba line that need to be addressed, five will be, but they have not been identified.

The bill also amends section 92 of the act to add further purposes for which information in VicRoads records may be used — namely, to assist in locating missing persons, which is admirable; to facilitate the reunion of families and friends; to facilitate road safety-related research projects; and to assist infrastructure managers to carry out the managers' functions under the Road Management Act 2004. The problem is that nowhere in the bill does it say what groups are going to have access to this information. Will the unions have access to this? Will the Victorian Farmers Federation have access to this?

Mr Pallas interjected.

Mr WELLER — The Victorian Farmers Federation is a very successful union, too. The bodies that will have access to this should be identified in the bill here and now so we can know what we are supporting. Are we saying we support anyone in the community having access to the VicRoads demerit points register? It is not acceptable to expect us as politicians to have to support a bill without the proper knowledge. It would be right for the minister to rectify that before the end of this debate.

The bill will also clarify the operator-onus provisions of part 6AA for the purposes of tolling offences. The tolling offences need to be clarified. I support this good initiative. The bill clarifies that the responsibility for paying the fine is on the driver at the time and not on the owner of the car, and that there has to be a writing back. The bill explains that in depth, and that is a positive thing to do.

The bill also enables VicRoads to delay sending a demerit point suspension notice if a demerit point notice is returned as undeliverable. There are some scams out there. Sometimes people who have reached more than 13 points will not accept the letter and instead send it back. Then they keep sending it back until a few points have dropped off. When they do accept it, they say, 'I have dropped a few points so now I can have my licence back'. Hopefully this bill will take that scam out.

It will mean that when drivers exceed 13 points, the figure will go back to the original number of points every time VicRoads sends them a notice and they will get their three or six months holiday from driving. I hope the minister explains in his summing up that this is how it is going to work and that it will clarify and clean up an anomaly that exists. That is what I thought a road legislation further amendment bill should do.

The bill will also enable regulations to be made in respect of learner drivers, and it makes different provision for drivers of different ages, experience or other factors. We in The Nationals would indeed support this. In fact we went to the last election with a promise that 17-year-olds in country areas could have a licence if they needed one for work purposes. We have a lot of young people doing apprenticeships in country areas where there is no public transport.

We must remember that we govern for all Victorians and not all Victorians have public transport. The 17-year-olds need to have access to training. We should not deny them training just because they do not have a licence and lack transport. When talking about different ages, experience and other factors, I would have thought that with this bill we would have also amended the act to provide that when there is no public transport, a 17-year-old is able to have a licence for educational purposes, albeit a limited licence. That would have been a practical thing to have in this bill.

The bill will also enable regulations to be made providing for VicRoads to grant people under the age of 21 years probationary licences for longer terms than those that apply to older drivers. Statistics show that the younger the driver, the more likely they are to be

involved in an accident, and this obviously reflects that. There should be flexible rules in that respect as well. Older drivers do not have as many accidents as younger drivers, so it makes sense for older drivers to not have to do the same amount of time as those aged under 21. I reiterate that I would have thought it was an opportune time to bring in a provision allowing a 17-year-old to hold a licence for work purposes when there is no public transport available so they can get the best training that the Victorian system can supply.

The bill also clarifies that a ministerial order that recognises laws of other states and territories for the purposes of determining a person's ability to repeat drink-driving and drug-driving offences may include offences under laws that have been repealed or expired. I believe this is another positive in the bill. We cannot have people who have had drink-driving or drug-driving offences in other states coming and flouting the law here when they have a history of endangering people on roads in other states. We do not want those types of people in Victoria, and this bill will hopefully eliminate that problem. We do not want people who have lost their licence in New South Wales or South Australia coming here and driving on a Victorian licence.

Part 3 amends the Chattel Securities Act 1997 to clarify provisions regarding registration of security interests in motor vehicles, including clarification of the power to make regulations imposing fees and the ability to waive or reduce those fees in certain circumstances. This part of the bill clarifies who owns and who will be responsible, which is a good thing as long as those regulations are not abused. We need to make sure that there is proper diligence done when we are declaring who has the security interests in those vehicles.

Part 4 amends the EastLink Project Act 2004 to ensure that the tolling provisions in that act are consistent with recent changes to operator-onus offences and with those that apply under the Melbourne City Link Act 1995. The positive of this is that it reduces red tape, which is in contrast to most of this bill, which increases red tape. This is a provision where the government actually said, 'We are going to reduce red tape', and it has made the relevant operations simpler. That is a positive which should be supported. The Nationals went to the last election with the policy of reducing red tape, so we are happy to support reducing the amount of red tape, where appropriate; we will oppose it when it is not appropriate. Making CityLink compatible with EastLink is indeed a streamlining provision and reduces red tape, so we are fully in support of that.

The bill amends the Road Management Act 2004 to establish a new set of arrangements for the funding and management of street lighting on arterial roads. It clarifies whose responsibility it is and who will be doing the funding when it comes to the lighting on those roads. We would support a situation where everyone knows where they stand, as long as there is no temptation for this government to cost-shift to local governments. We must make sure that that does not happen.

Part 7 amends the Transport Act 1983 to transfer the responsibility for the provisions regarding tow trucks from the director of public transport and the Secretary of the Department of Infrastructure to VicRoads. I believe that was the policy of The Nationals at the last election, and we very much support the government when it takes on The Nationals policies.

There are a few clauses in here we must remember. They are clauses that treat the symptoms, not the cause. We have a terrible road toll here in Victoria, including a rising one in country Victoria. In the seven years to the end of 2006 the road toll in country Victoria rose from 190 to 197. We need to have consistent application of road safety measures right across the state. We have seen it with the automation of level crossings and the rumble strips, although not all crossings have been altered. Many of the crossings in rural Victoria still only have signs. They do not have lights and they do not have gates. They just sit there.

Mr Hudson interjected.

Mr WELLER — Through you, Acting Speaker — a member on the other side is interjecting — we must remember that the Brumby and Bracks governments have been in power for seven years and have sat on their hands when it comes to road safety. They have ignored the 1400 crossings out there that have had nothing installed, even though it would have been appropriate after the accident at Kerang to do it. We need to remember that if you invest money in country roads, you save country lives.

Dr Sykes — Say it again.

Mr WELLER — If you invest in country roads, you save country lives.

We should remember that an independent audit has been done by the RACV (Royal Automobile Club of Victoria), which declared that \$200 million a year for the next 10 years would be needed to bring our roads up to scratch. The situation is an absolute disgrace! The RACV has made that clear, and no-one has listened to it other than The Nationals and the Liberals. This

government is good at treating symptoms, which is what we are doing here — it is all spin — but it is not good at treating the cause. It takes the investment of cold hard money in country roads to save country lives.

Another prime example of this is that in 2006 there was an accident at Donald. Because that road, prior to the accident, did not qualify for black spot funding, after the accident the government brought in what it called grey spot funding of \$15 million over two years. It is a step in the right direction, I must concede, but in reality the whole of that \$15 million could have been spent on grey spots in my electorate of Rodney. That shows how much the government misjudged the magnitude of this problem and insulted country people by putting only \$15 million towards the problem.

Further, the intersection of the Wharparilla and Elmore-Mitamo roads has seen three accidents in the short time I have been in government. Each time I go through the process — —

An honourable member — ‘In Parliament’.

Mr WELLER — In Parliament — I stand corrected. I would not want to be part of a government that ignored problems on country roads.

Business interrupted pursuant to standing orders.

ADJOURNMENT

The DEPUTY SPEAKER — Order! The question is:

That the house do now adjourn.

King Street, Doncaster: upgrade

Ms WOOLDRIDGE (Doncaster) — I raise an issue for the Minister for Roads and Ports and request that he immediately fund the full upgrade of King Street in my Doncaster electorate after a safety audit found that more than 70 remedial actions need to be taken to improve safety for both motorists and residents. The independent audit concluded that a full reconstruction of this arterial road was the logical conclusion to significantly upgrade its safety. There are 71 road safety deficiencies that need to be addressed immediately. The fault lies squarely with the state government as 70 per cent of those are the responsibility of VicRoads.

While the Manningham City Council is working to do what it can, this government has failed Doncaster residents by refusing to pledge the necessary funds for the full upgrading of this major route. Last year the

Liberal Party pledged that if it won the 2006 election it would invest the \$11 million necessary to upgrade this road. I regret that the Labor Party has no such commitment to Doncaster residents. Instead, all the Labor Party has chosen to do is to tinker with funds to make minor improvements to this arterial road. In 2005 it was bus stops; in 2006 it was traffic lights. However, it took 18 months for the lights to be installed and turned on, coincidentally in time for a public relations stunt during a recent community cabinet visit. In 2007 the commitment is some minor resealing works which will be undertaken this week.

Since the 2006 election this Labor government has committed less than 2 per cent of the \$11 million needed to properly upgrade this road. That certainly will not bring the road up to an acceptable standard that Doncaster residents need and expect. With the cost of building roads increasing by about 7 per cent a year, this road's redevelopment costs will continue to rise. The longer the delay, the higher the cost. I can tell the house that the pressure from me, the member for Bulleen, Manningham council, the King Street Residents Action Group and Doncaster residents will persist. Residents should not have the daily pain of navigating their cars away from deep open drains, walking along unmade footpaths and coping with low visibility. Every day 10 000 cars have to cope with these substandard conditions and this Brumby government will not act.

The safety audit identified that there had been 35 casualty accidents reported to police between 2001 and 2005. A high percentage of these had occurred at intersections. It is now time for the government and VicRoads to come to the party. The audit makes it clear that the ideal solution for King Street would be to fully reconstruct the road to current road design standards, yet all we have had from this government is the bestowing of little pots of money like pennies from heaven. What Doncaster residents want and, more importantly, need is a commitment from this government that it is serious about road safety, that it will heed the conclusions of the audit and stop pussy-footing around with minor patch-up works. King Street needs a full upgrade and it needs it now. Nothing less will suffice.

Drought: emergency support volunteers

Mr HARDMAN (Seymour) — I raise a matter for the Minister for Community Development. I call upon the minister to take action and provide practical support to the many organisations in Victoria that provide voluntary emergency relief in communities suffering as a result of the drought. Volunteers and emergency relief

organisations form the backbone of rural farming communities, and never are they more relied upon than in times of great stress such as the drought we are now experiencing. This is the worst drought that much of rural Victoria has faced. It has battered many areas of the state and put at risk the livelihoods of a great number of people.

Community members have pulled together and helped one another to get through very trying times. The survival of many communities has literally depended on the work of volunteers. That is why now more than ever we need to help bolster the capacity of volunteer organisations and actively support the recruitment of new volunteers to share the load. Many volunteers donate a lot of time and money in helping others. The emotional strain and pressures upon them and their families are often overlooked. We do not always sufficiently appreciate the various skills required to carry out the many and varied tasks that sustain small communities in times of hardship.

If weather predictions are accurate, it does not look as though we can expect an end to this drought at any time soon. That is why it is so important that we support the organisations and people that keep our communities strong and healthy well into the future. It is for this reason that I am calling on the minister to take action to support Victorians and local community organisations that service our rural communities to ensure that they emerge from this drought strong and resilient.

From speaking to volunteers in the Seymour electorate but also those around the state more broadly in my role as Parliamentary Secretary for Agriculture, I recognise that there is a feeling of fatigue at the moment by those who have been supporting fellow community members. These volunteers need support too. They need practical support — support which will show volunteers that their role is respected and valued by the wider community. It is important to say that we value their dedication, their time commitment and the work they do, but when the situation is like it is now, more is needed. I urge the minister to recognise in a practical way the work of the emergency support volunteers and their organisations and ask him to do so as soon as possible.

VicRoads: Ballarat call centre

Mrs POWELL (Shepparton) — I raise with the Minister for Roads and Ports the excessive waiting times involved when people call the VicRoads call centre at Ballarat for information and service. The action I seek is for the minister to investigate the reason for these excessive and unacceptable delays. If there is

a staff shortage at that call centre, I urge the minister to increase staff at the centre or to allocate a priority VicRoads contact phone number that only licensed motor car traders can use or allocate a priority phone number for licensed motor car traders to contact their local VicRoads office.

I have had a number of complaints over the last 12 months about motor traders and car yard dealers phoning the call centre at Ballarat when they need information about whether a car in their ownership is registered, or if there is a registration sticker on the window they want to find out whether that sticker has just been put on there or whether it has been paid for. They are saying that they are waiting on hold for a response for an hour to an hour and a half.

I have received a letter from Doug Thompson from Shepparton Autos Pty Ltd, who has owned the business for many years. He said that it has always been an issue when you ring the VicRoads number in Ballarat that you have to wait a while, but he is saying that in the last few months there have been long delays and he has been put on hold for huge amounts of time. He is very angry and frustrated. He said that when you phone the call centre, there is a recording that tells you that you may have to wait more than 20 minutes. He is saying it is bad enough to have to wait more than 20 minutes, but it has got worse in the last three months. He actually documents the times. On Friday, 26 October, Mr Thompson was on hold for over an hour. On Monday, 12 November, a staff member was on hold for an hour and a half and hung up in disgust.

This is outrageous. These people are trying to run a business. It may be acceptable for someone who only phones the call centre once a year or perhaps has infrequent contact, but Mr Thompson and others contact the VicRoads call centre multiple times a day. He has complained to the centre staff, and they have said they cannot do anything because they are short staffed and have asked him to write. They will not give the number of any local VicRoads centre like the one in Shepparton. The reason people need to ring VicRoads, as I said, is that they might need to book a car in for registration or ask for some information. I urge the minister to investigate this matter, to find out the reasons for the delays and to rectify the problem.

Diamond Creek: multipurpose stadium

Ms GREEN (Yan Yean) — I raise a matter for the attention of the Minister for Sport, Recreation and Youth Affairs. The action I seek is for him to reassure my local community of Diamond Creek and district and in fact the Nillumbik Shire Council that his recent

announcement of the maximum grant of \$500 000 from Sport and Recreation Victoria towards the \$10 million Diamond Creek sport stadium can still be delivered in light of the fact and following the revelation that the so-called commitment of \$3.5 million of so-called cold hard cash from Fran Bailey and the federal government is in fact a huge untruth. This huge untruth has now placed this \$10 million much-needed stadium in jeopardy. I urge the minister to make it clear to Nillumbik council that the state government's commitment will still be able to be delivered in the light of this terrible whopper told during the federal election campaign.

Prior to the last state election this issue was raised with me, and I made it clear to my community that a \$10 million project required unprecedented cooperation from all three tiers of government. We all need to contribute to this; otherwise that project cannot be successful. At the time I was asked to make an election commitment. I chose not to do so, because I believed it was important that the proper funding and the proper applications were put before both levels of government and the proper costings were done by the local council. They had not been done prior to the last state election. I could have done the political thing and said I would commit to it, but I did not. I said I was personally committed and would lobby for it, but I did not make an outrageous claim for something that could not be delivered.

But what did we find the day before the federal election was called? Federal minister Fran Bailey hauled 100 members of my community out of bed and told them she had secured \$3.5 million in funding. I was delighted about this. I do not care who funds this project, it needs to occur and we need to cooperate. When I was asked about it and told by local people Ms Bailey had made this announcement, I was delighted. It did not matter that we are from different sides of politics, because we need this facility.

What happened a week later? The federal Department of Transport and Regional Services wrote to Nillumbik council and said that in fact this had not been signed off before the caretaker period and it could not be determined until an incoming federal government took office. My community has been lied to in the most appalling and base way. I am now very concerned that this jeopardises the \$500 000 that should come from Sport and Recreation Victoria.

Honourable members interjecting.

The DEPUTY SPEAKER — Order! The member for Albert Park and the member for Bulleen will cease their interjection across the chamber.

Ms GREEN — I urge the minister to reiterate the state government's commitment, because the federal government has lied to my community in the most shameful way.

Nepean Highway–Bay Road–Karen Street, Cheltenham: traffic infringements

Mr THOMPSON (Sandringham) — I raise a matter for the attention of the Minister for Roads and Ports. In particular I seek the opportunity to lead a deputation of Victorian motorists to meet with the minister to ascertain the answers to a series of questions on notice that have not at this stage been answered.

The matter concerns the important intersection of Nepean Highway, Bay Road and Karen Street in Cheltenham. A number of members of this house would be very familiar with that particular intersection. What has happened is that several hundred motorists who have been fined making right-hand turns at that intersection have formally registered their complaints with my office. In addition to that range of people, there would be many others who have raised their concerns with the offices of other members of Parliament.

I speak on behalf of a Vietnamese bus driver who fears losing his licence and his livelihood, having incurred within a space of three days a couple of fines at that intersection. I speak on behalf of a family that has received four fines in the space of three months, incurring a total of 12 demerit points. That family faces a risk of loss of licence in the household and difficulty in keeping its livelihood. I speak on behalf of the senior drivers who have attempted to make right-hand turns at the intersection, many of whom have never incurred one fine in 40 years of driving. They now confront the circumstances that not only themselves but their friends at the Probus club or the bowling club have also incurred fines at this intersection.

We have sought answers from VicRoads, but no answers have been forthcoming in relation to the number of fines that have been incurred at the intersection and what repairs have been made to the lighting. One person raised a very valid point with my office in relation to light sequencing, which varies in length across metropolitan roads in Melbourne by between 3 and 5 seconds on my understanding. Perhaps there are wider variations. It means that as a motorist confronts an amber light at an intersection they do not know how much time they have on the amber light.

Sometimes the amber light might be obscured by the car in front and a motorist might believe they have the customary time allowed to make the turn safely, without causing any vehicles to stop suddenly and to make their way around the corner with due regard for the law.

Regrettably, however, for hundreds of Victorian motorists and many in my electorate that has not been the case. They face fines, loss of livelihood and concerns about even using the intersection again. A number of questions on notice have been raised in this place and I seek the opportunity to lead a deputation of concerned motorists, concerned Victorians and concerned constituents of the Sandringham electorate to canvass these matters with the minister.

Consumer affairs: internet service providers

Mr SCOTT (Preston) — I wish to raise an issue with the Minister for Consumer Affairs. The action I seek is that the minister investigate the sale of internet access by internet service providers (ISPs) where there is a limiting access to voice over internet protocol (VOIP) services without the knowledge or consent of the user. Internet service providers sell access to the internet. Although broadband services in Australia are pitifully slow, they are often fast enough to run VOIP telephone services. VOIP services use the internet to send voice over the internet. VOIP is often used to communicate between computers, but sometimes it is used to make telephone calls to traditional telephones and mobile phones.

The great advantage of VOIP is that it is low cost. Long distance calls, particularly international calls, can in some circumstances cost nothing, or often next to nothing. Obviously this low pricing is a great threat to existing telecommunication operators and even smaller ISPs that bundle their VOIP services with internet provision. Some ISPs have sought to limit the availability of other VOIP services by blocking a port commonly used by VOIP programs. This has the practical impact of limiting the availability to services commonly used by internet users. In fact I would regard VOIP as a normal part of an internet service. In my view internet access which blocks VOIP can be described as a substandard product — a lemon, if you will.

This is an issue for the Minister for Consumer Affairs because in many cases consumers have not been informed that the internet service they are paying for has been limited in nature without their knowledge. I know the minister is deeply committed and will take seriously the rights of consumers, who should not have

services limited without their consent or knowledge. I urge the minister to investigate the matter to protect consumers.

Mooroolbark Primary School: site

Mr HODGETT (Kilsyth) — I raise a matter for the attention of the Minister for Education regarding the vacant land at the site of the former Mooroolbark Primary School in Mooroolbark. This parcel of land borders Lincoln Road, Manchester Road and Central Avenue, Mooroolbark. The action I seek is for the minister to provide advice as to the status of the ownership of this land. By way of background, when the school closed at the end of 2004, the land remained the property of the education department. I am led to believe that the department declared the land surplus to its needs and offered it for sale to the Yarra Ranges Shire Council. I am informed that the shire council declined to purchase the land. It is not unusual for local government to decline to use ratepayers dollars to purchase public assets that are already in public ownership.

It is from this point that the details of ownership are unclear, and I seek the minister's assistance to determine if and when the land was sold. On 19 July 2007 I asked question on notice 314, a two-part question in relation to the ownership of the site and the department's intentions for the site. On 20 September 2007 I asked question on notice 497, a three-part question in relation to the sale of the site. If these questions were answered in a timely manner, one would not need to raise this matter in Parliament tonight.

On 30 October 2007 the member for Warrandyte, by way of a members statement, highlighted the contempt shown by this government towards questions on notice being asked by opposition members. At that time some 331 of the 530 questions asked had not been answered. On checking today I find we have asked 728 questions on notice, and 402 remain unanswered. Despite the growing number of ministerial staff and departmental liaison officers, these unanswered questions sit on the questions paper from as far back as December last year.

I have asked these questions regarding the former Mooroolbark Primary School site on behalf of my constituents who are genuinely interested in the status of the site. I have received a number of inquiries and suggestions for the site, including possible temporary and permanent recreational uses on the vacant land. These options cannot be pursued until the ownership of the site is determined. I ask the minister: has the site been sold? Yes or no? I seek action in asking the

minister to advise of the status of the ownership of this land. I expect answers to my questions on notice in relation to the former Mooroolbark Primary School site.

I now ask that the minister provide these answers to me as a matter of priority so that I can convey the information to the numerous people who have inquired about the site. Continuing to ignore these questions is not an option. The residents of my electorate deserve answers. They deserve a response from the minister.

State Emergency Service: St Kilda unit

Mr FOLEY (Albert Park) — I wish to raise a matter for the attention of the Minister for Police and Emergency Services. The specific action I seek from the minister is that he supports the efforts of the St Kilda unit of the State Emergency Service (SES) in its efforts to secure funding for the upgrading of its operational vehicles.

In particular, I ask that the minister consider the merits of supporting the unit under the community safety emergency support program (CSESP) in its efforts to fund a new pod to finalise the operational capacity of its fleet. I have every confidence that the minister will carefully consider this request from the hardworking St Kilda unit, because this Labor government has supported volunteers in emergency services not only in my electorate of Albert Park but right across the entire state.

The Labor government established the community safety emergency support program to provide emergency service volunteer groups with access to additional funds for emergency equipment and assets. Funds are matched locally by the various organisations involved, including the Country Fire Authority, the State Emergency Service, the Australian Volunteer Coast Guard Association, Life Saving Victoria and indeed local government, and are generally used for ancillary safety and rescue equipment.

Since being introduced the CSESP has provided over 665 grants to these agencies at a value of \$15.5 million. This has resulted in the delivery of projects worth a total of \$33.6 million when we take into account the global funding of the projects. This funding has built the capacity of organisations to respond to and deal with the emergencies that every community faces from time to time. This funding has, without doubt, helped to save lives and property across the state.

As part of the 2007–08 budget a further \$11 million has been secured for this highly successful program. In my own electorate it has contributed over the years to

supporting the Australian Volunteer Coast Guard in St Kilda and Life Saving Victoria, both its fantastic new statewide office and all the local lifesaving clubs. The hardworking St Kilda SES volunteers have over the years received \$3500 in contributions towards their fleet. It is now, I suspect, time for this to reach a conclusion and for the minister to carefully consider the merits of supporting the fleet vehicle upgrade and the provision of emergency pods to the St Kilda unit of the State Emergency Service, and I trust he will.

Preschools: departmental responsibility

Mr WELLER (Rodney) — I raise a matter for the attention of the Minister for Children and Early Childhood Development. The action I require is for the minister to write to Victorian preschools explaining when we will see changes to the administrative responsibilities of preschools, changes to their funding, changes in the recognition of staff and improvements in pay and conditions for staff, and what proposals the government has to reduce the huge burden on the volunteers who support the preschools. It is now more than three months since the Premier made his announcement about integrating preschools into the education department, but other than a name change the teachers have seen no change in support from the state government.

There is strong evidence that a child's development and educational outcomes improve when there is a strong focus on early childhood. I might add that it was the policy of The Nationals at the last election to integrate preschools into the education department. Under the plan of The Nationals the administrative burdens of preschool teachers would have been moved to the school principals of the new integrated primary schools and preschools. Under the plan of The Nationals the burden put on volunteers who support preschools would have been reduced. Under the plan of The Nationals the career path and recognition of kindergarten teachers would have improved to reflect the extremely important role they play in developing our future citizens.

Linking early childhood services and school education recognises that personal development is a continuous process from birth to adulthood, and government services must reflect this to provide each child with the best opportunity. For far too long preschools have been treated as the poor cousins of primary and secondary schools. It is time that, rather than spin, this government put real support into early childhood development by committing funds and supporting our preschool teachers and the tireless volunteers who support them. Keeping strong links between the community and their

preschools does not mean that the government should walk away from its responsibility to fund and resource our preschools to ensure we do not skimp on our children's development.

Victoria: livability

Ms RICHARDSON (Northcote) — The issue I raise is for the attention of the Treasurer in the other place. The matter concerns Victoria's status as one of the most livable places in the world, which so many international surveys and studies have repeatedly found. We are among the top destinations compared with the rest of the world. But maintaining this status into the future takes an understanding of the challenges ahead and what we have achieved to date. I therefore call on the Treasurer to take action to ensure that Victoria's future growth is competitive and sustainable so that we can remain one of the best places to live, work and raise a family.

I was very pleased to learn that, of the non-resource rich states, Victoria has again recorded the highest growth rate at 2.7 per cent over 2006–07. Without the benefit of the resources boom our state performed well above New South Wales, at 1.8 per cent, South Australia, at 0.8 per cent, and Tasmania, at 2.1 per cent. In 2007 Victoria produced the most jobs — namely, 61 900 — of any other state.

All of these factors indicate a strong and vibrant economy. But people are also voting with their feet. They are not waiting for overseas experts to tell them what we here in Victoria already know. Last week it was reported in the *Age* that Melbourne is on track to become Australia's largest city. As reported on 12 November, demographer Bernard Salt predicted that on current population growth trends Melbourne will become Australia's largest city by 2028. The article goes on to say that Melbourne has shrugged off a once wintry, woebegone image to decisively outpace its arch-rival in population growth.

When states like ours are judged on their livability, other indicators are taken into account. Infrastructure, education sectors, health systems, cultural diversity and cohesiveness are all considered — and Victoria comes up trumps. However, ensuring that we maintain our livability is one of the key challenges facing us. We need to work sustainable development into our thinking and all our frameworks as we move forward to meet this challenge. Also the needs of regional Victoria have to be taken into account. We know that the needs facing regional Victoria and those facing the city are different, and both must be given due consideration.

I am sure that all members of the house wish to see Victoria's livability further enhanced. Therefore I call on the Treasurer to take this action to ensure Victoria's ongoing success.

Responses

Mr BATCHELOR (Minister for Community Development) — The member for Seymour raised with me the need for support for emergency volunteers in rural communities which have been affected by drought. The member for Seymour is absolutely correct in identifying the valuable role that volunteer organisations, and indeed individual volunteers, have played and will continue to play in helping rural communities tackle the challenges which have been brought on by drought and ensure the security and health of the communities in which they work. The member for Seymour understands that volunteers serve Seymour very well.

In the state it is estimated that volunteers provide about \$10 billion worth of unpaid services each year. The benefits of volunteering to both individuals and communities have been well documented by academic research. Individual volunteer's benefits include improved health and wellbeing and better employment opportunities. The communities in which volunteers work benefit from more positive social outcomes. Research shows that people are healthier and happier when they live in strong active communities in which they feel connected. Volunteers are the glue that connects and builds communities.

The Brumby government and its predecessor, the Bracks government, have long recognised the important role that volunteers play in Victoria, particularly in the individual communities from which they come. Victoria is proud of the volunteers who work in those communities. This government particularly recognises the role that volunteer organisations and their members play in times of crisis and hardship. We acknowledge how important volunteering is to the life of any community.

This is why the Brumby government recently announced that \$1.6 million would be directed towards an emergency volunteer support framework as a part of the \$100 million drought package. This framework will provide grants of up to \$20 000 to not-for-profit organisations to help ease the burden on individual volunteers and to help organisations recruit up to an additional 400 volunteers to meet the growing needs of drought-affected communities in Victoria.

These grants will help not-for-profit organisations support volunteers in a range of ways, including covering the out-of-pocket expenses of volunteers — for example travel, food, accommodation and telephone costs — when working over extended periods; increasing personal counselling to support volunteers in organisations; developing, recruiting and promoting of plans to attract new volunteers; training volunteers; and managing and coordinating volunteers who provide emergency relief in local communities.

To be eligible for these grants, the applicant organisation must be working in communities which are affected by drought and which have been declared exceptional circumstances zones. I am sure the member for Seymour would agree that this is a truly wonderful initiative which will enable volunteer organisations in those drought-affected areas to better meet the needs of those communities and to ensure that the health and wellbeing of those communities is extended.

Rural communities in Victoria have long demonstrated their strength and resilience in the face of adversity. These grants from the Brumby government will enable them to continue that wonderful work. I encourage the member for Seymour to actively encourage the volunteer organisations in his community that are affected by drought to participate in this scheme.

Ms MORAND (Minister for Children and Early Childhood Development) — In responding to the member for Rodney who raised questions concerning administrative arrangements for preschools, and asked when kindergartens would be notified about the changes the Premier announced regarding preschools coming under the Department of Education and Early Childhood Development, I would like to inform him that I wrote to every local council in Victoria and every kindergarten service provider within a few weeks of becoming the new Minister for Children and Early Childhood Development.

I did this to provide them with information about how changes would affect the administration of their kindergartens. I am very happy to provide him with a copy of the letter I sent, in which I said:

I want to assure you that kindergarten in Victoria will continue as a partnership between parents, the community, local and state governments, and community service organisations. This will not change under the new arrangements. Local government is, and will continue to be, a key partner in supporting universal access to early years services including kindergarten programs. Similarly we value and will continue to support parent committees.

The member for Rodney talked about the policy of The Nationals to move the responsibility for kindergartens

to the education department. Our policy goes much further than that, and it is about significant and meaningful reform: we are bringing all of the areas of maternal and child health under the responsibility of the Office for Children. The policy of the Liberals and The Nationals is just about moving kindergartens into education; we are moving maternal and child health services, early intervention, the regulation of child care and early child intervention services under the one umbrella. This is a much more significant and profound reform.

The member for Rodney also said that kindergartens are not being adequately funded. We have increased kindergarten funding by 138 per cent since 1999. I guess the member for Rodney has only been in this place for a short while; he may not remember that when The Nationals were in the previous coalition government with the Liberals, kindergarten funding was actually reduced. We have increased it by 130 — —

Mr Kotsiras interjected.

Ms MORAND — I can provide the member for Bulleen with a lot of information on that. Also, we have increased the kindergarten — —

Mr Kotsiras interjected.

The DEPUTY SPEAKER — Order! The member for Bulleen will cease that interjection across the table. The minister, without assistance.

Ms MORAND — Finally, the member for Rodney has talked about the lack of support for parent committees. That could not be further from the truth. We have introduced kindergarten cluster management funding — a total of \$6.2 million over four years — in support of parent kindergarten committees, which amounts to a fee of \$7000 per kindergarten. In fact rural kindergarten programs have particularly benefited from the kindergarten cluster management as the majority of kindergarten management arrangements are located in rural Victoria. I suggest that the member for Rodney, in the best interests of his community, work with the Brumby government to ensure we provide the best possible start for all Victorian children.

Mr ROBINSON (Minister for Consumer Affairs) — The member for Preston has raised another interesting consumer issue. He has not been in this place for all that long, but in the time he has been here he has carved out a reputation for himself on consumer issues, and that is greatly appreciated. As I understand it, the issue he has raised relates to internet service providers and their offers to consumers of VOIPs (voice over internet protocols).

Mr Kotsiras interjected.

Mr ROBINSON — I will explain what that means. It may take a while to do so in the case of the member for Bulleen, and I know we do not have that much time. The member has suggested that there is more than a touch of inherent unfairness and anticompetitive behaviour where ISPs (internet service providers), in offering their products, do not advise consumers that that product may inhibit the consumer from being able to use a voice over internet protocol — I think that is a more accurate description.

The reason that internet service providers would do this is that, as the member has pointed out, those providers also operate more expensive telephony services, and they want to confine customers to using those more traditional, more expensive telephony services, hence the inherent anticompetitiveness claim that the member has made and other people have made.

This is an important emerging issue. Consumer Affairs Victoria provides to consumers advice on its internet site in relation to internet and telecommunications services, and at the same time the agency does oversight and have access to a number of measures in the Fair Trading Act designed to protect consumers — for example, provisions that relate to false representations on goods and services, to false testimonials, to misleading and deceptive conduct, to unconscionable conduct and to matters pertaining to implied warranties and conditions.

However, if I understand the member's concern, it is that in cases like this it may more be the case that internet service providers are actually not saying certain things about the products they offer to consumers rather than making statements which later turn out to be clearly false and misleading. This is an interesting sort of variation on a theme, if you like. The question is whether the tools exist through the Fair Trading Act at the state level, and under the Trade Practices Act and other provisions at the federal level, to deal adequately with this emerging problem.

It is an important issue. Telecommunications generally and the rapid advances in technologies are throwing up a range of challenges for agencies such as Consumer Affairs Victoria. In keeping with the request of the member, I will have the matter referred to Consumer Affairs Victoria and get some advice to him at the earliest opportunity.

The member for Northcote raised an issue for the attention of the Treasurer in the other house regarding Victoria's competitive status. I will refer that matter on.

The member for Doncaster raised an issue for the Minister for Roads and Ports pertaining to King Street and the need for an upgrade, and I will pass that on to the minister.

The member for Shepparton also raised an issue for the attention of the Minister for Roads and Ports relating to the waiting times experienced by customers at the VicRoads Ballarat office, and I will pass that matter on.

The member for Yan Yean in her usual assiduous manner raised an issue for the attention of the Minister for Sport, Recreation and Youth Affairs seeking assurances from the minister that funding from the state government for the Diamond Creek sports stadium would be maintained, notwithstanding the wild accusations of the federal member for that area. I will pass that matter on.

The member for Sandringham raised an issue for the Minister for Roads and Ports, seeking a deputation in relation to the intersection of Bay Road, Karen Street and Nepean Highway in Cheltenham. I will pass that matter on.

The member for Kilsyth raised an issue for the Minister for Education relating to the ownership status of the former Mooroolbark Primary School site. I will pass that matter on.

The member for Albert Park raised an issue for the Minister for Police and Emergency Services in relation to the St Kilda SES unit, the outstanding work it does and its request for vehicle upgrade funding. I will certainly pass that matter on as well.

The DEPUTY SPEAKER — Order! The house is now adjourned.

House adjourned 10.41 p.m.

